



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



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

MID-COLUMBIA MEDICAL CENTER

Doing Business As

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

Room/suite

1700 E 19TH STREET

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

THE DALLES, OR 97058

F Name and address of principal officer

DUANE FRANCIS

1700 E 19TH STREET

THE DALLES,OR 97058

D Employer identification number

93-0386936

E Telephone number

(541) 296-1111

G Gross receipts \$ 107,966,920

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) ()

☐ (Insert no)

☐ 4947(a)(1) or

☐ 527

J Website:

WWW MCMC NET

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1984

M State of legal domicile OR

Part I Summary					
Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO LEAD AND ACT AS A CATALYST IN PROMOTING HEALTH FOR ALL PEOPLE, TO RECOGNIZE THE INDIVIDUAL AS A WHOLE HUMAN BEING WITH DIFFERENT NEEDS THAT MUST BE ENTHUSIASTICALLY MET,TO COMMUNICATE A VISION OF HEALTH, ART, EDUCATION, TECHNOLOGY AND A CENTER FOR HEALING WHICH WILL CONTINUALLY UPGRADE THE QUALITY OF LIFE IN THE COMMUNITY ENVIRONMENT IN WHICH WE ALL LIVE,TO EMPOWER PEOPLE TO BECOME PARTNERS IN THEIR HEALTH CARE GUIDED BY THIS MISSION MCMC CONTINUES TO BE A SIGNIFICANT PARTNER CONTRIBUTING TO THE OVERALL HEALTH OF THE COMMUNITIES IT SERVES			
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3	Number of voting members of the governing body (Part VI, line 1a)	8		
	4	Number of independent voting members of the governing body (Part VI, line 1b)	6		
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	1,021		
Revenue	6	Total number of volunteers (estimate if necessary)	190		
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	37,191		
	7b	Net unrelated business taxable income from Form 990-T, line 34	0		
	8	Contributions and grants (Part VIII, line 1h)	Prior Year		
		2,268,291	Current Year		
		95,355,581	254,973		
		136,811	102,147,973		
		2,610,682	47,588		
		100,371,365	4,023,480		
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	31,064		
	14	Benefits paid to or for members (Part IX, column (A), line 4)	71,490		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0		
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	55,131,286		
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	60,174,642		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	0		
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	43,088,780		
	19	Revenue less expenses Subtract line 18 from line 12	98,251,130		
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year		
			End of Year		
			48,079,159		
			54,284,002		
	21	Total liabilities (Part X, line 26)	20,916,759		
	22	Net assets or fund balances Subtract line 21 from line 20	23,747,668		
			27,162,400		
			30,536,334		

Part II Signature Block

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

Sign Here

Signature of officer

DUANE FRANCIS CEO

Type or print name and title

2012-11-12

Date

Paid Preparer's Use Only

Preparer's signature

WESLEY B HANSEN

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

DELAP LLP

5885 MEADOWS ROAD NO 200

LAKE OSWEGO, OR 97035

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00226581

EIN ☐ 93-0418710

Phone no ☐ (503) 697-4118

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

ACUTE CARE HOSPITAL - SEE SCH 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 \$ 95,861,507 including grants of \$ 71,490) (Revenue \$ 105,242,640)

ACUTE HOSPITAL CARE INPATIENT DAYS 7,255 INPATIENT REHAB DAYS 1,027, OUTPATIENT OBSERVATION DAYS 1,677, LABORATORY TESTS 201,394, IMAGING TESTS 28,920, HOME HEALTH EPISODES 1,425, EMERGENCY VISITS 16,341, MEDICAL ONCOLOGY 10,061, OUTPATIENT SURGERIES 2,103, RADIATION ONCOLOGY OUTPATIENT PROCEDURES 9,613, TOTAL OUTPATIENTS 123,746 SEE SCHEDULE H FOR NARRATIVE OF PROGRAM SERVICE ACCOMPLISHMENTS

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 \$ 95,861,507

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
		YesNo			
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable .	154			
1b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable				0
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?				
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 .	1,021	2b	Yes	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			
3b	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	
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No	
5c	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	
6b	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).					
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		No	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No	
7d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
7h	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.					
9a	Did the organization make any taxable distributions under section 4966?	9a			
9b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10 Section 501(c)(7) organizations. Enter					
10a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11 Section 501(c)(12) organizations. Enter					
11a	Gross income from members or shareholders	11a			
11b	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			
12b	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.					
13a	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			
13b	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			
13c	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	
14b	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	8		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6
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	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> OR
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. <input checked="" type="checkbox"/> MID-COLUMBIA MEDICAL CENTER 1700 E 19TH STREET THE DALLES, OR 97058 (541) 296-1111

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) CARINA SCHMIDT CHAIR	1 00	X						0	0	0
(2) GRETCHEN KIMSEY DIRECTOR	1 00	X						0	0	0
(3) DAN BOLDT VICE CHAIR	1 00	X						0	0	0
(4) ROBERT L R BAILEY DIRECTOR	1 00	X						0	0	0
(5) WALLACE WOLF JR DVM SECRETARY	1 00	X						0	0	0
(6) PAUL CARDOSI DIRECTOR	50 00	X						173,370	0	21,429
(7) DUANE FRANCIS PRESIDENT & CEO	50 00	X		X				0	483,759	130,991
(8) ROB CARNAHAN DIRECTOR	1 00	X						0	0	0
(9) DONALD ARBON CFO & VP FINANCE	50 00			X				0	220,074	26,200
(10) REGINA ROSE VP - CHIEF NURSING OFFICER	50 00				X			157,814	0	24,973
(11) WILLIAM HAMILTON VP - MEDICAL AFFAIRS	50 00				X			315,090	0	27,557
(12) XINYU FU PHYSICIAN	50 00					X		390,362	0	30,512
(13) JOHN SCHWARTZ PHYSICIAN	50 00					X		542,648	0	26,912
(14) CARL SCHWARTZ PHYSICIAN	50 00					X		388,542	0	23,957
(15) MARC MCALLISTER PHYSICIAN	50 00					X		377,375	0	31,018
(16) GARY GINGRICH PHYSICIAN	50 00					X		567,123	0	25,525

Part VII

1b	Sub-Total	▶			
c	Total from continuation sheets to Part VII, Section A	▶			
d	Total (add lines 1b and 1c)	▶	2,912,324	703,833	369,074

2 Total number of individuals (including but not limited to those listed in Item 1) who received or accrued more than \$100,000 of reportable compensation from the organization. 73

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	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? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
COLUMBIA GORGE PATHOLOGY ASSN 1700 E 19TH ST THE DALLES, OR 97058	PATHOLOGY	1,134,673
RADIATION ONCOLOGISTS PC 1400 NW IRVING ST SUITE 527 PORTLAND, OR 97209	MEDICAL SERVICES	809,439
PATRICK GRIMSLEY 1700 E 19TH ST THE DALLES, OR 97058	EMERGENCY ROOM PHYSICIAN	332,711
JOHN ELLIOT MD 1700 E 19TH ST THE DALLES, OR 97058	MEDICAL SERVICES	305,981
BBG MARKETING 950 SE OAK AVE ROSEBURG, OR 97470	PUBLIC RELATIONS	305,127
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 5		

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	253,853				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,120				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			254,973			
Program Service Revenue			Business Code					
	2a	MEDICARE/MEDICAID PMNT	900099	103,712,659	103,712,659			
	b	HOSPITAL REVENUE	900099	73,769,585	73,769,585			
	c	CLINIC REVENUE	900099	13,051,181	13,051,181			
	d	LESS CONTRACTUALS-HOSP	900099	-88,385,452	-88,385,452			
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			102,147,973			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			38,229		38,229	
	4	Income from investment of tax-exempt bond proceeds . . .						
	5	Royalties			299	299		
	6a	(i) Real		(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)						
	7a	(i) Securities		(ii) Other				
		1,502,265						
		1,492,906						
		9,359						
	d	Net gain or (loss)			9,359		9,359	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
	b	Less direct expenses		b				
	c	Net income or (loss) from fundraising events . . .						
	9a	Gross income from gaming activities See Part IV, line 19		a				
	b	Less direct expenses		b				
c	Net income or (loss) from gaming activities . . .							
10a	Gross sales of inventory, less returns and allowances		a					
b	Less cost of goods sold		b					
c	Net income or (loss) from sales of inventory . . .							
Miscellaneous Revenue		Business Code						
11a	DAYCARE	624410	456,206				456,206	
b	CAFETERIA	722100	435,416				435,416	
c	LAUNDRY	812300	37,191			37,191		
d	All other revenue		3,094,368	3,094,368				
e	Total. Add lines 11a-11d			4,023,181				
12	Total revenue. See Instructions			106,474,014	105,242,640	37,191	939,210	

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	71,490	71,490		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	700,933	475,461	225,472	
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	47,712,559	45,659,123	2,053,436	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,375,409	2,220,820	154,589	
9	Other employee benefits	6,073,677	5,678,408	395,269	
10	Payroll taxes	3,312,064	3,096,518	215,546	
11	Fees for services (non-employees)				
a	Management	1,500,000		1,500,000	
b	Legal	370,346		370,346	
c	Accounting	128,533		128,533	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy	3,975,012	3,869,475	105,537	
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	674,282	617,826	56,456	
21	Payments to affiliates	455,625	455,625		
22	Depreciation, depletion, and amortization	2,911,518	2,821,248	90,270	
23	Insurance	891,454	850,266	41,188	
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	SUPPLIES	11,974,770	11,904,205	70,565	
b	PURCHASED SERVICES	6,050,120	4,760,509	1,289,611	
c	MEDICAL PROF FEES	5,327,007	5,231,007	96,000	
d	BAD DEBT EXPENSE	4,566,963	4,562,746	4,217	
e					
f	All other expenses	3,947,802	3,586,780	361,022	
25	Total functional expenses. Add lines 1 through 24f	103,019,564	95,861,507	7,158,057	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			4,889,659	1	9,641,349
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			12,527,756	4	12,437,320
	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				7	
	8	Inventories for sale or use			1,828,326	8	1,624,701
	9	Prepaid expenses and deferred charges			1,444,501	9	1,349,038
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	59,709,448	16,560,914		
	b	Less: accumulated depreciation	10b	41,894,612		10c	17,814,836
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			10,828,003	15	11,416,758
	16	Total assets. Add lines 1 through 15 (must equal line 34)			48,079,159	16	54,284,002
Liabilities	17	Accounts payable and accrued expenses			8,344,130	17	8,542,141
	18	Grants payable				18	
	19	Deferred revenue				19	
	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			9,967,074	23	10,915,152
	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			2,605,555	25	4,290,375
	26	Total liabilities. Add lines 17 through 25			20,916,759	26	23,747,668
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			26,792,269	27	30,256,427
	28	Temporarily restricted net assets			370,131	28	279,907
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			27,162,400	33	30,536,334
	34	Total liabilities and net assets/fund balances			48,079,159	34	54,284,002

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	106,474,014
2	Total expenses (must equal Part IX, column (A), line 25)	2	103,019,564
3	Revenue less expenses Subtract line 2 from line 1	3	3,454,450
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	27,162,400
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-80,516
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	30,536,334

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization MID-COLUMBIA MEDICAL CENTER	Employer identification number 93-0386936
---	--

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>

Part IIIPart III

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

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
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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 <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	1,278,290	357,664	358,543	347,617	
b Contributions	413,749	32,657	13,818	10,659	
c Investment earnings or losses	6,603	402	890	6,106	
d Grants or scholarships	438,261	23,127	15,587	5,839	
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,260,381	367,596	357,664	358,543	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 64 410 %

b

Permanent endowment ▶ 6 920 %

c

Term endowment ▶ 28 670 %

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

Yes

No

3a(ii)

Yes

b

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

3b

No

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		212,933		212,933
b Buildings		12,673,142	8,115,728	4,557,414
c Leasehold improvements		2,990,040	190,076	2,799,964
d Equipment		42,796,868	32,845,604	9,951,264
e Other		1,036,465	743,204	293,261
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				17,814,836

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	106,474,014
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	103,019,564
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,454,450
4	Net unrealized gains (losses) on investments	4	9,708
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-90,224
9	Total adjustments (net) Add lines 4 - 8	9	-80,516
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	3,373,934

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	106,229,869
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	9,708
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	9,708
3	Subtract line 2e from line 1	3	106,220,161
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	253,853
c	Add lines 4a and 4b	4c	253,853
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	106,474,014

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	102,563,939
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	0
3	Subtract line 2e from line 1	3	102,563,939
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	455,625
c	Add lines 4a and 4b	4c	455,625
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	103,019,564

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
PART XI, LINE 8 - OTHER ADJUSTMENTS		DECREASE IN INTEREST IN NET ASSETS OF MID-COLUMBIA HEALTH FOUNDATION -90,224
PART XII, LINE 4B - OTHER ADJUSTMENTS		CONTRIBUTIONS FROM AFFILIATE 253,853
PART XIII, LINE 4B - OTHER ADJUSTMENTS		PAYMENTS TO AFFILIATE 455,625
		PART X, LINE 2 - FIN 48 FOOTNOTE DISCLOSURE FOR UNCERTAIN TAX POSITIONS. INCOME TAX POSITIONS THAT MEET A MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD ARE MEASURED AT THE LARGEST AMOUNT OF INCOME TAX BENEFIT THAT IS MORE THAN 50% LIKELY OF BEING REALIZED UPON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THE PORTION OF THE BENEFITS ASSOCIATED WITH INCOME TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE WOULD BE REFLECTED AS A LIABILITY FOR UNRECOGNIZED INCOME TAX BENEFITS IN THE MEDICAL CENTER'S BALANCE SHEETS ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION. INTEREST AND PENALTIES ASSOCIATED WITH UNRECOGNIZED INCOME TAX BENEFITS WOULD BE CLASSIFIED AS INCOME TAXES IN THE MEDICAL CENTER'S STATEMENTS OF OPERATIONS. THERE WERE NO UNRECOGNIZED INCOME TAX BENEFITS, NOR ANY INTEREST AND PENALTIES ASSOCIATED WITH UNRECOGNIZED INCOME TAX BENEFITS, ACCRUED OR EXPENSED AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010.

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
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input checked="" type="checkbox"/> Generally tailored to individual hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input checked="" type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> Other _____%</div>	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other 150.000000000000%</div>	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a		No
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.				

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charnty care at cost (from Worksheet 1)			3,047,979		3,047,979	2 960 %
b Medicaid (from Worksheet 3, column a)			11,310,169	7,224,604	4,085,565	3 970 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			14,358,148	7,224,604	7,133,544	6 930 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			672,869	14,871	657,998	0 640 %
f Health professions education (from Worksheet 5)			469,007	364	468,643	0 450 %
g Subsidized health services (from Worksheet 6)			3,415,037	3,133,605	281,432	0 270 %
h Research (from Worksheet 7)			21,433	7,705	13,728	0 010 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			669,002	57,353	611,649	0 590 %
j Total Other Benefits			5,247,348	3,213,898	2,033,450	1 960 %
k Total. Add lines 7d and 7j			19,605,496	10,438,502	9,166,994	8 890 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			230,850	15,903	214,947	0 210 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy			192,215		192,215	0 190 %
8Workforce development			1,693		1,693	0 %
9Other						
10Total			424,758	15,903	408,855	0 400 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	22,237,095	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	326,592	
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)	528,689,783	
6	Enter Medicare allowable costs of care relating to payments on line 5	625,162,028	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	73,527,755	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9bYes	

Part IVManagement Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 1 LONE PINE HEALTH & WELLNESS CENTER	MANAGE MEDICAL BUILDING/PROPERTY	30 000 %		
2 2 HEALTH FUTURE LLC	HEALTHCARE, BENEFITS, AND ADMINISTRATIVE SERVICES PROVIDER	14 290 %		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 6

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

MID-COLUMBIA MEDICAL CENTER

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150 0000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

COLUMBIA HILLS FAMILY MEDICINE - RHC

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 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150 0000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

DR ALAIMO - RHC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 0000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	9	Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

WATER'S EDGE CLINICS

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):4

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 0000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

INTERNAL MEDICINE CLINIC - RHC

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 5

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150 0000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

COLUMBIA CREST CLINCS

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____6_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 0000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information *(continued)*

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

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 TRACK DIRECT LABOR AND OTHER COSTS IN EACH CATEGORY FOR ALL PATIENT SEGMENTS IF ONLY REVENUE INFORMATION WAS AVAILABLE, A COST/CHARGE RATIO WAS APPLIED TO ESTIMATE COSTS

Identifier	ReturnReference	Explanation
		PART I, LINE 7G NUMBERS INCLUDE HOME HEALTH SERVICES, NET OF REVENUES AND CHARITY CARE/BAD DEBT ALREADY REPORTED IN PART I-7A OR III- A 2 \$3,133,605 HOME HEALTH REVENUES\$3,415,037 HOME HEALTH OPERATING EXPENSES\$281,432 NET LOSSCOMMUNITY BENEFIT MCMC IS THE SOLE PROVIDER OF VISITING HOME HEALTH SERVICES IN A FIVE-COUNTY RANGE, WITHOUT OUR SERVICES THERE WOULD BE NO IN-HOME CARE IN THE COMMUNITIES WE SERVE

Identifier	ReturnReference	Explanation
		PART II MCMC PROMOTES THE HEALTH OF THE COMMUNITIES WE SERVE BY PARTICIPATING IN REGIONAL EMERGENCY PREPAREDNESS PROGRAMS (H1N1, PANDEMIC, NATURAL DISASTERS) AND DRILLS, BY SERVING AS AN ADVOCATE FOR THE COMMUNITY WITH REGARD TO LOCAL, REGIONAL AND STATE-WIDE HEALTH INITIATIVES, ACTING IN ADVISORY CAPACITY WITH OTHER LOCAL AND REGIONAL GROUPS IN ORDER TO CREATE, ACCESS AND PROVIDE SERVICES OTHERWISE NOT AVAILABLE TO THE COMMUNITY, WORKING WITH LOCAL COMMUNITY COLLEGE AND EMS TO EDUCATE AND TRAIN FUTURE HEALTHCARE WORKERS BY PROVIDING JOB SHADOWING AND MENTORING PROGRAMS AS WELL AS DONATED SUPPORT TO THE COLLEGE FOR SPECIFIC NURSING PROGRAMS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 FOOTNOTE 1 IN THE AUDITED FINANCIAL STATEMENTS DESCRIBES ALLOWANCE FOR BAD DEBT EXPENSE AT GROSS CHARGE THE ESTIMATE IS BASED PRIMARILY UPON THE MEDICAL CENTER'S HISTORICAL COLLECTION EXPERIENCE, MANAGEMENT'S ESTIMATE OF THE PATIENT'S ECONOMIC ABILITY TO PAY, AND THE EFFECTIVENESS OF COLLECTIONS EFFORTS BAD DEBT COST IS CALCULATED BY APPLYING THE HOSPITAL'S COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MID-COLUMBIA MEDICAL CENTER CONTINUES TO PROVIDE CLINICAL SERVICES TO MEDICARE PATIENTS AT A DEFICIT AS PART OF OUR COMMITMENT TO THE RESIDENTS OF THE COMMUNITY WE SERVE THIS DEFICIT IS CONSISTENT WITH OUR TAX-EXEMPT STATUS AND INTERNAL MISSION TO PROVIDE COMMUNITY BASED HEALTHCARE REGARDLESS OF THE PATIENT'S ABILITY TO PAY

Identifier	ReturnReference	Explanation
		PART III, LINE 9B IN CASES WHERE PATIENT HAS QUALIFIED FOR FULL OR PARTIAL CHARITY CARE, THAT AMOUNT IS WRITTEN DOWN IN THE PATIENT ACCOUNT AND NO ATTEMPT IS MADE TO COLLECT THE AMOUNT WRITTEN DOWN

Identifier	ReturnReference	Explanation
MID-COLUMBIA MEDICAL CENTER		PART V, SECTION B, LINE 13G CHARGES ARE SHOWN ON THE OREGON PRICE POINT WEBSITE, POLICY IS DISCUSSED WITH PATIENTS WHEN THEY BRING UP FINANCIAL NEED

Identifier	ReturnReference	Explanation
COLUMBIA HILLS FAMILY MEDICINE - RHC		PART V, SECTION B, LINE 13G CHARGES ARE SHOWN ON THE OREGON PRICE POINT WEBSITE, POLICY IS DISCUSSED WITH PATIENTS WHEN THEY BRING UP FINANCIAL NEED

Identifier	ReturnReference	Explanation
DR ALAIMO - RHC		PART V, SECTION B, LINE 13G CHARGES ARE SHOWN ON THE OREGON PRICE POINT WEBSITE, POLICY IS DISCUSSED WITH PATIENTS WHEN THEY BRING UP FINANCIAL NEED

Identifier	ReturnReference	Explanation
WATER'S EDGE CLINICS		PART V, SECTION B, LINE 13G CHARGES ARE SHOWN ON THE OREGON PRICE POINT WEBSITE, POLICY IS DISCUSSED WITH PATIENTS WHEN THEY BRING UP FINANCIAL NEED

Identifier	ReturnReference	Explanation
INTERNAL MEDICINE CLINIC - RHC		PART V, SECTION B, LINE 13G CHARGES ARE SHOWN ON THE OREGON PRICE POINT WEBSITE, POLICY IS DISCUSSED WITH PATIENTS WHEN THEY BRING UP FINANCIAL NEED

Identifier	ReturnReference	Explanation
COLUMBIA CREST CLINCS		PART V, SECTION B, LINE 13G CHARGES ARE SHOWN ON THE OREGON PRICE POINT WEBSITE, POLICY IS DISCUSSED WITH PATIENTS WHEN THEY BRING UP FINANCIAL NEED

Identifier	ReturnReference	Explanation
MID-COLUMBIA MEDICAL CENTER		PART V, SECTION B, LINE 15E REPORT ONLY TO THIRD PARTY COLLECTION AGENCY ASSET RECOVERY

Identifier	ReturnReference	Explanation
MID-COLUMBIA MEDICAL CENTER		PART V, SECTION B, LINE 19D DISCOUNTS OF 10% TO 20% ARE OFFERED ON THE SELF-PAY PORTION ON ANY HOSPITAL BILL A TIMELY PAYMENT DISCOUNT IS OFFERED IN ADDITION TO THE ABOVE FOR SHORT-TERM PAYMENT PLANS OTHER DISCOUNTS MAY BE AVAILABLE DEPENDING ON FINANCIAL NEED

Identifier	ReturnReference	Explanation
COLUMBIA HILLS FAMILY MEDICINE - RHC		PART V, SECTION B, LINE 19D A 20% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT AT TIME OF SERVICE A 15% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT WHEN BILLED OTHER DISCOUNTS MAY BE AVAILABLE DEPENDING ON FINANCIAL NEED

Identifier	ReturnReference	Explanation
DR ALAIMO - RHC		PART V, SECTION B, LINE 19D A 20% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT AT TIME OF SERVICE A 15% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT WHEN BILLED OTHER DISCOUNTS MAY BE AVAILABLE DEPENDING ON FINANCIAL NEED

Identifier	ReturnReference	Explanation
WATER'S EDGE CLINICS		PART V, SECTION B, LINE 19D A 20% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT AT TIME OF SERVICE A 15% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT WHEN BILLED OTHER DISCOUNTS MAY BE AVAILABLE DEPENDING ON FINANCIAL NEED

Identifier	ReturnReference	Explanation
INTERNAL MEDICINE CLINIC - RHC		PART V, SECTION B, LINE 19D A 20% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT AT TIME OF SERVICE A 15% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT WHEN BILLED OTHER DISCOUNTS MAY BE AVAILABLE DEPENDING ON FINANCIAL NEED

Identifier	ReturnReference	Explanation
COLUMBIA CREST CLINCS		PART V, SECTION B, LINE 19D A 20% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT AT TIME OF SERVICE A 15% SELF-PAY DISCOUNT IS OFFERED FOR FULL PAYMENT WHEN BILLED OTHER DISCOUNTS MAY BE AVAILABLE DEPENDING ON FINANCIAL NEED

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 BOARD AND SENIOR EXECUTIVE LEADERSHIP ARE ACTIVELY INVOLVED IN PRIORITIZATION OF COMMUNITY INITIATIVES A FULL-TIME DIRECTOR OVERSEES PROJECT DEVELOPMENT AND IMPLEMENTATION OF INSTITUTIONAL PROGRAMS AND ACTS AS THE PRIMARY LIAISON IN COMMUNITY COLLABORATIONS COMMUNITY BENEFIT PRIORITIES AND ALLOCATIONS ARE GUIDED BY A COMMUNITY ASSESSMENT PROCESS WHICH UTILIZES QUANTITATIVE AND QUALITATIVE DATA OBTAINED FROM INTERNAL SOURCES AS WELL AS ASSESSMENT DATA FROM KEY COMMUNITY PARTNERS THESE PARTNERS INCLUDE THE NORTHERN CENTRAL PUBLIC HEALTH DEPARTMENT, WASCO COUNTY COMMISSION ON CHILDREN AND FAMILIES, THE CITY OF THE DALLES VISION ACTION PLAN AND WASCO COUNTY EMERGENCY FOOD BANKS OREGON STATE DATA IS ALSO REVIEWED INCLUDING COUNTY SPECIFIC MORBIDITY AND MORTALITY RATES THIS INFORMATION IS THEN REVIEWED BY THE MEMBERS OF THE HOSPITAL OPERATIONS MANAGEMENT TEAM DISCUSSION AND RECOMMENDATION OF COMMUNITY BENEFIT FOCUS AREAS CENTERS AROUND FIVE KEY COMPONENTS ALIGNMENT WITH THE ORGANIZATIONS STRATEGIC PLAN, LIKELIHOOD OR FEASIBILITY OF HAVING A MEASURABLE IMPACT ON THE ISSUE, ALIGNMENT WITH CORE ORGANIZATIONAL COMPETENCIES, EFFICIENT ALLOCATION OF RESOURCES AND ALIGNMENT WITH PARTNERS WHO HAVE RESOURCES ALLOCATED FOR THE ISSUE ISSUES OF IMPORTANCE IN OUR COMMUNITY INCLUDE CHRONIC ILLNESS, PRIMARILY DIABETES, HIGH CHOLESTEROL, HYPERTENSION, AND OBESITY ALL OF WHICH ALIGN WITH OUR CORE ORGANIZATIONAL FOCUS KEY COMMUNITY PARTNER FOCUS AREAS INCLUDE CHILD ABUSE, TEEN PREGNANCY, READINESS TO LEARN AND ALCOHOL AND TOBACCO USE IN MIDDLE AND HIGH SCHOOL STUDENT POPULATIONS PLEASE SEE BELOW FOR HIGHLIGHTED PROGRAMS AND SERVICES ADDRESSING THESE AND OTHER GENERAL COMMUNITY HEALTH ISSUES DURING 2011

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 ALL FAMILY PRACTICE STAFF ACTIVELY PROMOTE HEALTHY KIDS OPTIONS, WHICH PROVIDES INSURANCE FOR ALL CHILDREN IN THE STATE OF OREGON BROCHURES ARE AVAILABLE IN BOTH LANGUAGES AT ALL FAMILY PRACTICE OFFICES AND THE SCHOOL HEALTH NURSES PROVIDE THAT INFORMATION TO THE LOCAL SCHOOLS AS WELL OUR PATIENT AND VISITOR SERVICES AND PATIENT ACCOUNTS DEPARTMENTS TAKE AN ACTIVE ROLE IN ASSISTING PATIENTS WITH COMPLETING APPLICATIONS FOR THE OREGON HEALTH PLAN BROCHURES (ENGLISH AND SPANISH) ARE AVAILABLE AT REGISTRATION AND IN PATIENT ACCOUNTS THIS BROCHURE OUTLINES THE PROCESS AND PROVIDES PHONE NUMBERS AND CONTACT INFORMATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 MID-COLUMBIA MEDICAL CENTER (MCMC) IS LOCATED IN THE DALLES, WASCO COUNTY, OREGON, POPULATION 24,280 MCMC SERVES A WIDE GEOGRAPHIC AREA OF RURAL NORTH CENTRAL OREGON ALONG THE COLUMBIA RIVER WHICH SERVES AS THE DIVISION BETWEEN THE STATES OF WASHINGTON AND OREGON THIS SERVICE AREA INCLUDES WASCO, SHERMAN AND GILLIAM COUNTIES IN OREGON AND KLINKITAT COUNTY IN WASHINGTON STATE THE TOTAL POPULATION OF THIS SERVICE AREA, UTILIZING 2011 ESTIMATE CENSUS DATA, IS 48,544, WHITE 91%, HISPANIC/LATINO 13 2%, AMERICAN INDIAN/ALASKA NATIVE 4 3%, OTHER 1 6% 17% OF THE POPULATION IS BELOW THE POVERTY LEVEL, 23% OF ADULTS UNDER 65 ARE UNINSURED IN ADDITION TO THE YEAR ROUND POPULATION, THE DALLES EXPERIENCES AN INFLUX OF OVER 15,000 SEASONAL WORKERS IN SUPPORT OF THE HARVEST OF OUR AGRICULTURAL ECONOMY

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 MID-COLUMBIA MEDICAL CENTER IS A MISSION-DRIVEN ORGANIZATION WHOSE PURPOSE IS TO LEAD AND ACT AS A CATALYST IN PROMOTING HEALTH FOR ALL PEOPLE,TO RECOGNIZE THE INDIVIDUAL AS A WHOLE HUMAN BEING WITH DIFFERENT NEEDS THAT MUST BE ENTHUSIASTICALLY MET,TO COMMUNICATE A VISION OF HEALTH, ART, EDUCATION, TECHNOLOGY AND A CENTER FOR HEALING WHICH WILL CONTINUALLY UPGRADE THE QUALITY OF LIFE IN THE COMMUNITY ENVIRONMENT IN WHICH WE ALL LIVE,TO EMPOWER PEOPLE TO BECOME PARTNERS IN THEIR HEALTH CARE GUIDED BY THIS MISSION MCMC CONTINUES TO BE A SIGNIFICANT PARTNER CONTRIBUTING TO THE OVERALL HEALTH OF THE COMMUNITIES IT SERVES PREVENTION AND EDUCATIONIN 2011, MCMC ONCE AGAIN PLAYED A KEY ROLE IN PARTNERING WITH THOSE IN OUR COMMUNITY SEEKING TO IMPROVE/ENHANCE THEIR HEALTH THROUGH LIFESTYLE CHANGES AND CHOICES THESE ARE JUST SOME OF THE HIGHLIGHTS OF PROGRAMS MCMC SPONSORED FOR THE COMMUNITIES WE SERVE OBESITYTHE CENTER FOR MIND AND BODY MEDICINE PARTNERED WITH LA NUESTRA COMUNIDAD SANA TO PROVIDE EXPERT INSTRUCTORS FOR A FAMILY WEIGHT LOSS PROGRAM 23 FAMILIES PARTICIPATED AND GRADUATED FROM THIS BENCHMARK PROGRAM ADDRESSING NUTRITION AND OBESITY IN THE HISPANIC/LATINO POPULATION, WITH SCHOLARSHIPS PROVIDED TO PARTICIPANTS UNABLE TO COVER THE EXPENSE OF THE PROGRAM HYPERTENSIONMORE THAN 100 BLOOD PRESSURE CHECKS AND AN ARRAY OF OTHER SCREENINGS WERE PERFORMED AT THE 2011 MCMC HEALTH FAIR BLOOD PRESSURE CHECKS ARE AVAILABLE DAILY AT THE PLANETREE HEALTH RESOURCE LIBRARY DIABETESDIABETES DISCOVERY DAY - OVER 300 PEOPLE FROM COMMUNITIES THROUGHOUT THE COLUMBIA GORGE ATTENDED AND WERE SCREENED AT THE DIABETES DISCOVERY DAY, A FREE ANNUAL EVENT SPONSORED BY MCMC FREE SCREENINGS BY THE LION'S CLUB MOBILE SCREENING UNIT WERE AVAILABLE, ALONG WITH DOCTORS, NURSES, PHARMACISTS AND NUTRITION EXPERTS WHO SPOKE ABOUT THE LATEST RESEARCH, TREATMENTS AND ADVANCES VARIOUS VENDORS/DISPLAYS AND INFORMATIVE SPEAKERS PROVIDED INFORMATION ALONG WITH A DISPLAY OF DIABETIC SUPPLIES, MANAGEMENT PRODUCTS AND SCREENING HEART DISEASE/HIGH CHOLESTEROLMCMC SPONSORS AN ANNUAL GO RED FOR WOMEN DAY WHICH PROVIDES INFORMATION ON HEART DISEASE, NUTRITION FOR HEALTHY HEARTS, BMI SCREENING, BLOOD PRESSURE CHECKS AND OVERALL HEART HEALTH EDUCATION TO OVER 500 COMMUNITY MEMBERS CHILD ABUSESUBSIDY OF THE FAMILIES FIRST HOME VISITING PROGRAM, WHICH PROVIDES INTENSIVE PARENTING SUPPORT FOR FAMILIES AT RISK FOR CHILD ABUSE PROVIDED FUNDS FOR AN ADDITIONAL FTE ELIMINATING ANY WAITING LIST FOR FAMILIES REQUESTING THIS PROGRAM OUR CONTINUED SUPPORT OF THIS PROGRAM HAS RESULTED IN A FOUR-YEAR TREND OF DECREASED CHILD ABUSE RATES IN WASCO COUNTY OTHERMORE THAN 200 INDIVIDUALS ATTENDED PLANETREE HEALTH RESOURCE CENTERS (PHRC) POPULAR FREE LECTURE SERIES AND AN ADDITIONAL 6,300 RESIDENTS VISITED THE CENTER IN DOWNTOWN THE DALLES TO TAKE ADVANTAGE OF ITS VAST COLLECTION OF CONSUMER HEALTH INFORMATION THE MCMC HEALTH AND WELLNESS FAIR PROVIDES AN OPPORTUNITY FOR COMMUNITY RESIDENTS TO LEARN HEALTH SERVICES IN THE AREA, MEET PROVIDERS AND RECEIVE FOCUSED INFORMATION ON VARIOUS TOPICS SELECTED ANNUALLY BLOOD PRESSURE, DEPRESSION, BMI SCREENING AND DISCOUNTED LAB TESTS ARE OFFERED IN AN EFFORT TO IDENTIFY HEALTH ISSUES WHICH COULD IMPACT A HEALTHY LIFESTYLE CAR SEAT EVALUATIONS, BIKE HELMET PROGRAMS AND TRAUMA NURSES TALK TOUGH SESSIONS ARE OFFERED ANNUALLY AT MAJOR MCMC EVENTS MCMC FAMILY PRACTICE PROVIDERS PROVIDED OVER 300 FREE SPORTS PHYSICALS TO NOTHERN WASCO COUNTY SCHOOL DISTRICT 21 STUDENTS IN MIDDLE AND HIGH SCHOOL MCMC PRODUCES A QUARTERLY HEALTH MAGAZINE, WELL AWARE, WHICH IS DISTRIBUTED TO OVER 17,000 HOUSEHOLDS THROUGHOUT THE SURROUNDING COMMUNITY, AT A COST OF APPROXIMATELY \$100,000 MCMC FACILITATES A VARIETY OF SUPPORT GROUPS OPEN TO THE COMMUNITY ON A REGULAR BASIS, INCLUDING MONTHLY DIABETES SUPPORT GROUP FACILITATION, MONTHLY STROKE CLUB, MONTHLY FAMILY SUPPORT CLASSES, HEALTHY WEIGHT SOLUTIONS, MONTHLY PROSTATE CANCER SUPPPORT GROUP, REACH FOR RECOVERY - BREAST CANCER SUPPORT GROUP MEANINGFUL CONTRIBUTIONS IN THE YEAR 2011OVER 3,100 HOURS OF FREE INTERPRETIVE SERVICES WERE PROVIDED TO ASSIST PATIENTS SEEKING CARE THROUGHOUT OUR ORGANIZATION AND TO ANY OTHER LOCAL HEALTH SERVICE PROVIDER, REGARDLESS OF AFFILIATION WITH MCMC SUBSIDY OF THE SCHOOL HEALTH SERVICES PROGRAM PROVIDES ADDITIONAL DIRECT SERVICE HOURS TO SERVE SPECIAL NEEDS STUDENTS IN THE LOCAL DISTRICT MCMC CONDUCTS MENTORING AND INTERNSHIP PROGRAMS DESIGNED TO HELP TRAIN EXISTING AND FUTURE CARE PROVIDERS SUCH AS PHARMACY TECHNICIANS, MEDICAL ASSISTANTS, CHILD CARE PROVIDERS, RADIOLOGICAL TECHNICIANS, NURSES AND RURAL HEALTH EMS PROVIDERS IN ADDITION, MCMC IS INVOLVED IN A VARIETY OF COMMUNITY AND COALITION BUILDING ACTIVITIES AND HEALTH ADVOCACY THROUGH ITS PARTICIPATION IN LOCAL AND STATE BOARDS THROUGH THESE AND MANY ONGOING ACTIVITIES, MID-COLUMBIA MEDICAL CENTER CONTINUES WORKING FOR HEALTHIER COMMUNITIES</p>

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	OR

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
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) WASCO COUNTY511 WASHINGTON ST STE 207 THE DALLES,OR 97058	93-6002315		12,000				CAWEM PRE-NATAL EXPANSION PROJECT SHARE OF STATE TITLE XXI MATCH
(2) MID-COLUMBIA HEALTH FOUNDATION 1700 E 19TH STREETS THE DALLES,OR 97058	93-0854433	501(C)(3)	5,000				TO PROVIDE FUNDS FOR SCHOLARSHIPS

2

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

2

3

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

0

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 AN INTERNAL GRANT MANAGER TRACKS ALL EXPENSES RELATED TO THE GRANT AND REPORTS THEM PERIODICALLY IN A WRITTEN REPORT TO THE GRANTOR SOME GRANTS CONTAIN LINE-ITEM BUDGETS WHICH ALSO MUST BE MET AND ARE SUBJECT TO AUDIT BY THE GRANTOR

Schedule J (Form 990) <div>Department of the Treasury Internal Revenue Service</div>	<div>Compensation Information</div> <div>For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2011
		Open to Public Inspection

Name of the organization MID-COLUMBIA MEDICAL CENTER	Employer identification number 93-0386936
---	--

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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	No
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	Yes
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) PAUL CARDOSI	(i)	160,706	564	12,100	9,676	11,753	194,799	0
	(ii)	0	0	0	0	0	0	0
(2) DUANE FRANCIS	(i)	0	0	0	0	0	0	0
	(ii)	483,759	0	0	99,572	31,419	614,750	0
(3) DONALD ARBON	(i)	0	0	0	0	0	0	0
	(ii)	220,074	0	0	13,206	12,994	246,274	0
(4) REGINA ROSE	(i)	157,814	0	0	9,645	15,328	182,787	0
	(ii)	0	0	0	0	0	0	0
(5) WILLIAM HAMILTON	(i)	315,090	0	0	14,700	12,857	342,647	0
	(ii)	0	0	0	0	0	0	0
(6) XINYU FU	(i)	390,362	0	0	14,700	15,812	420,874	0
	(ii)	0	0	0	0	0	0	0
(7) JOHN SCHWARTZ	(i)	507,648	35,000	0	14,700	12,212	569,560	0
	(ii)	0	0	0	0	0	0	0
(8) CARL SCHWARTZ	(i)	353,542	35,000	0	14,700	9,257	412,499	0
	(ii)	0	0	0	0	0	0	0
(9) MARC MCALLISTER	(i)	377,375	0	0	14,700	16,318	408,393	0
	(ii)	0	0	0	0	0	0	0
(10) GARY GINGRICH	(i)	528,756	0	38,367	13,415	12,110	592,648	0
	(ii)	0	0	0	0	0	0	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 4B	DUANE FRANCIS - \$84,872
	PART I, LINE 6	THE INCENTIVE COMPENSATION PLAN OF \$564 FOR THE QUALIFIED PERSONS WAS BASED LARGELY ON NET PROFESSIONAL FEES

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MID-COLUMBIA MEDICAL CENTER

Employer identification number

93-0386936

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MIRIAM D MCDONELL	SPOUSE OF PAUL CARDOSI, DIRECTOR	69,964	EMPLOYMENT		No

Part V

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

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

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 MID-COLUMBIA MEDICAL CENTER	Employer identification number 93-0386936
---	--

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	HEALTH CARE FOR THE MID-COLUMBIA REGION IS THE SOLE MEMBER
	FORM 990, PART VI, SECTION B, LINE 11	A DRAFT OF THE RETURN IS SUBMITTED TO THE BOARD OF DIRECTORS FOR REVIEW. UPDATES ARE MADE AS NECESSARY BEFORE FILING.
	FORM 990, PART VI, SECTION B, LINE 12C	WE ANNUALLY REQUIRE ALL OFFICERS AND DIRECTORS TO SIGN A CONFLICT OF INTEREST DISCLOSURE STATEMENT. IF A CONFLICT WAS DISCOVERED FOR AN EMPLOYEE OR DIRECTOR WITH A SIGNED DISCLOSURE STATEMENT, THEY WOULD BE SUBJECT TO CORRECTIVE ACTION UP TO AND INCLUDING TERMINATION FOR VIOLATION OF OUR POLICY. IF THEY SELF-DISCLOSED A POTENTIAL CONFLICT OF INTEREST ON THE FORM, WE WOULD GATHER INFORMATION ON THE ISSUE AND MAKE A DETERMINATION ON HOW SEVERE THE CONFLICT IS AND WHETHER OR NOT THE INDIVIDUAL COULD REMAIN AN EMPLOYEE OR DIRECTOR. THE CONFLICT OF INTEREST POLICY IS REVIEWED ANNUALLY WITH EMPLOYEES AS PART OF THE PERFORMANCE REVIEW PROCESS.
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD ENGAGES A PROFESSIONAL FIRM TO DO A REGIONAL AND NATIONAL SURVEY, ALONG WITH A COMPARISON OF ORGANIZATION COMPLEXITY AND STRUCTURE, AND THEN RECOMMENDS A SALARY AND BENEFITS RANGE TO THE BOARD. THIS IS ALL DONE CONFIDENTIALLY WITHOUT CEO PARTICIPATION. THE CEO THEN NEGOTIATES WITH THE BOARD, WHICH COMPARES THE COMPENSATION DISCUSSED WITH THE ANALYSIS JUST DESCRIBED AND THEN VOTES ON AND APPROVES A NEW CONTRACT IN EXECUTIVE SESSION WITHOUT CEO PRESENCE OR PARTICIPATION IN THE VOTE. THE COMPENSATION OF THE ORGANIZATION'S OFFICERS OR KEY EMPLOYEES IS DETERMINED USING A SURVEY OF MARKET RATES FOR SIMILAR POSITIONS.
	FORM 990, PART VI, SECTION C, LINE 19	AS REQUESTED.
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 9,708. DECREASE IN INTEREST IN NET ASSETS OF MID-COLUMBIA HEALTH FOUNDATION -90,224. TOTAL TO FORM 990, PART XI, LINE 5 -80,516.
ORGANIZATIONAL OVERSIGHT OF FINANCIAL STATEMENT AUDIT	FORM 990, PART XI, LINE 2C	THE RESPONSIBILITY AND PROCESS FOR OVERSIGHT OF THE AUDIT HAS NOT CHANGED FROM THE PRIOR YEAR.

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
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

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
(1) MID-COLUMBIA HEALTH FOUNDATION 1700 E 19TH STREET THE DALLES, OR 97058 93-0854433	SUPPORT MID-COLUMBIA MEDICAL CENTER	OR	501(C)(3)	7	HEALTH CARE FOR THE MID-COLUMBIA REGION		No
(2) HEALTH CARE FOR THE MID-COLUMBIA REGION 1700 E 19TH STREET THE DALLES, OR 97058 93-0847905	HEALTH CARE SERVICES	OR	501(C)(3)	3	HEALTH CARE FOR THE MID-COLUMBIA REGION		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) LONE PINE HEALTH & WELLNESS CENTER 201 OSPREY LANE W THE DALLES, OR 97058 26-3919508	MANAGE MEDICAL BUILDING/PROPERTY	OR		EXCLUDED 512-514	-26,764	1,143,822		No			No	30 000 %

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
(1) DRY HOLLOW PROFESSIONAL CENTER INC 1700 EAST 19TH STREET THE DALLES, OR 97058 93-0631350	RENTAL BUILDING	OR	HEALTH CARE FOR THE MID-COLUMBIA REGION	C			
(2) MID-COLUMBIA HEALTH SERVICES 1700 EAST 19TH STREET THE DALLES, OR 97058 93-0840781	MEDICAL BILLING	OR	HEALTH CARE FOR THE MID-COLUMBIA REGION	C			

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

Yes

Yes

Yes

Yes

No

No

No

No

Yes

No

Yes

No

Yes

No

No

No

No

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

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

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

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

Software ID:

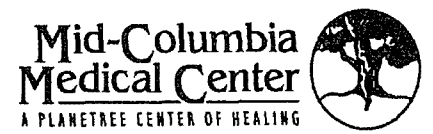
Software Version:

EIN: 93-0386936

Name: MID-COLUMBIA MEDICAL CENTER

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) MID-COLUMBIA HEALTH FOUNDATION	B	455,625	SERVICE AGREEMENT
(2) MID-COLUMBIA HEALTH FOUNDATION	C	253,853	CASH CONTRIBUTION RECEIVED
(3) MID-COLUMBIA HEALTH FOUNDATION	D	74,717	LOANS TO RELATED PARTY
(4) HEALTH CARE FOR THE MID-COLUMBIA REGION	E	81,201	PAYABLES TO RELATED PARTY
(5) HEALTH CARE FOR THE MID-COLUMBIA REGION	J	116,145	RENTAL AGREEMENT
(6) HEALTH CARE FOR THE MID-COLUMBIA REGION	L	1,500,000	MANAGEMENT CONTRACT
(7) MID-COLUMBIA HEALTH FOUNDATION	N	299,992	EMPLOYEE GROSS PAY
(8) MID-COLUMBIA HEALTH FOUNDATION	O	149,187	ACTUAL EXPENSES



**Financial Statements and
Supplementary Information**

**Years Ended
December 31, 2011
and 2010**

Mid-Columbia Medical Center

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5 - 6
Notes to Financial Statements	7 - 28
Independent Auditors' Report on Supplementary Information	29
Supplementary Information	
Balance Sheets by Division	30 - 31
Statements of Operations by Division	32 - 33



03/27/12 11:15 AM - 11:45 AM - 11:45 AM - 11:45 AM - 11:45 AM - 11:45 AM - 11:45 AM - 11:45 AM - 11:45 AM - 11:45 AM

Independent Auditors' Report

To the Board of Trustees of
Mid-Columbia Medical Center

We have audited the accompanying balance sheets of Mid-Columbia Medical Center (the Medical Center) (an Oregon nonprofit corporation and an affiliate of Health Care for the Mid-Columbia Region) as of December 31, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Medical Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid-Columbia Medical Center as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DELAP LLP

April 23, 2012

Mid-Columbia Medical Center

Balance Sheets

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 9,641,349	\$ 4,889,659
Assets limited as to use	-	120,389
Patient accounts receivable - net of allowance for doubtful accounts of \$2,490,000 (\$2,669,000 in 2010)	12,437,320	12,527,756
Supplies inventory	1,624,701	1,828,326
Prepaid expenses and other current assets	1,349,038	1,444,501
Total current assets	25,052,408	20,810,631
Due from affiliates - net	378,369	420,874
Assets limited as to use - net of current portion	7,383,151	7,345,427
Property and equipment - net	17,814,836	16,560,914
Interest in net assets of Mid-Columbia Health Foundation (the Foundation)	279,907	370,131
Other assets - net	3,375,331	2,571,182
Total Assets	\$ 54,284,002	\$ 48,079,159
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 3,040,490	\$ 2,814,522
Accrued liabilities	5,501,651	5,010,953
Estimated third-party payor settlements payable - net	1,113,113	819,509
Current portion of long-term debt	776,321	471,441
Current portion of obligations under capital leases	489,230	551,839
Total current liabilities	10,920,805	9,668,264
Long-term debt - net of current portion	10,138,831	9,495,633
Obligations under capital leases - net of current portion	509,171	717,207
Other liabilities	2,178,861	1,035,655
Total liabilities	23,747,668	20,916,759
Net assets		
Unrestricted	30,256,427	26,792,269
Temporarily restricted	279,907	370,131
Total net assets	30,536,334	27,162,400
Total Liabilities and Net Assets	\$ 54,284,002	\$ 48,079,159

The accompanying notes are an integral part of the financial statements

Mid-Columbia Medical Center

Statements of Operations

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted revenue		
Net patient service revenue		
Hospital	\$ 89,096,792	\$ 86,188,440
Clinics	13,051,181	9,167,140
Total net patient service revenue	102,147,973	95,355,580
Other revenue	4,057,580	2,689,638
Total unrestricted revenue	<u>106,205,553</u>	<u>98,045,218</u>
Expenses		
Salaries, wages, and employee benefits	60,174,642	55,131,286
Supplies	11,974,770	13,260,430
Medical professional fees	5,697,353	5,509,923
Provision for bad debts	4,516,596	5,227,453
Depreciation	2,901,307	2,832,786
Interest	674,282	687,657
Purchased services and other	16,624,989	15,164,396
Total expenses	<u>102,563,939</u>	<u>97,813,931</u>
Operating Income	<u>3,641,614</u>	<u>231,287</u>
Other income (expense)		
Investment income	47,588	49,663
Other - net	(32,980)	1,482,748
Total other income - net	<u>14,608</u>	<u>1,532,411</u>
Excess of Revenue Over Expenses	<u>3,656,222</u>	<u>1,763,698</u>
Change in net unrealized gains and losses on other than trading securities	9,708	9,004
Contributions from the Foundation for property and equipment acquisitions	253,853	793,736
Contributions to the Foundation for operations	(455,625)	(437,199)
Write-off of payable due to affiliates - net	-	24,376
Increase in Unrestricted Net Assets	<u>\$ 3,464,158</u>	<u>\$ 2,153,615</u>

The accompanying notes are an integral part of the financial statements.

Mid-Columbia Medical Center

Statements of Changes in Net Assets

Years Ended December 31, 2011 and 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets - December 31, 2009	\$ 24,638,654	\$ 725,235	\$ 25,363,889
Excess of revenue over expenses	1,763,698	-	1,763,698
Change in net unrealized gains and losses on other than trading securities	9,004	-	9,004
Contributions from the Foundation for property and equipment acquisitions	793,736	-	793,736
Contributions to the Foundation for operations	(437,199)	-	(437,199)
Write-off of payable due to affiliates - net	24,376	-	24,376
Decrease in interest in net assets of the Foundation	-	(355,104)	(355,104)
Increase (decrease) in net assets	<u>2,153,615</u>	<u>(355,104)</u>	<u>1,798,511</u>
Net Assets - December 31, 2010	26,792,269	370,131	27,162,400
Excess of revenue over expenses	3,656,222	-	3,656,222
Change in net unrealized gains and losses on other than trading securities	9,708	-	9,708
Contributions from the Foundation for property and equipment acquisitions	253,853	-	253,853
Contributions to the Foundation for operations	(455,625)	-	(455,625)
Decrease in interest in net assets of the Foundation	-	(90,224)	(90,224)
Increase (decrease) in net assets	<u>3,464,158</u>	<u>(90,224)</u>	<u>3,373,934</u>
Net Assets - December 31, 2011	<u>\$ 30,256,427</u>	<u>\$ 279,907</u>	<u>\$ 30,536,334</u>

The accompanying notes are an integral part of the financial statements.

Mid-Columbia Medical Center

Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows From Operating Activities		
Increase in net assets	\$ 3,373,934	\$ 1,798,511
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for bad debts	4,516,596	5,227,453
Depreciation and amortization	2,911,517	2,880,021
Change in net unrealized gains and losses on other than trading securities	(9,708)	(9,004)
Write-off of payable due to affiliates - net	-	(24,376)
Decrease in interest in net assets of the Foundation	90,224	355,104
Changes in certain operating assets and liabilities		
Patient accounts receivable	(4,426,160)	(6,250,854)
Estimated third-party payor settlements receivable - net	-	1,119,740
Supplies inventory	203,625	(242,714)
Prepaid expenses and other current assets	95,463	433,301
Due from affiliates - net	42,505	(281,648)
Other assets - net	(814,360)	934,272
Accounts payable	225,968	(6,271)
Accrued liabilities	490,698	327,831
Estimated third-party payor settlements payable - net	293,604	819,509
Other liabilities	1,143,206	(102,345)
Net cash provided by operating activities	<u>8,137,112</u>	<u>6,978,530</u>
Cash Flows From Investing Activities		
Decrease in assets limited as to use - net	92,373	926,691
Purchases of property and equipment - net	(3,873,493)	(3,948,818)
Net cash used by investing activities	<u>(3,781,120)</u>	<u>(3,022,127)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt	1,533,244	-
Payments on long-term debt	(585,166)	(442,485)
Payments on obligations under capital leases	(552,380)	(705,836)
Net cash provided (used) by financing activities	<u>395,698</u>	<u>(1,148,321)</u>
Net Increase in Cash and Cash Equivalent	4,751,690	2,808,082
Cash and cash equivalents - beginning of year	4,889,659	2,081,577
Cash and Cash Equivalents - End of year	<u>\$ 9,641,349</u>	<u>\$ 4,889,659</u>

The accompanying notes are an integral part of the financial statements.

Mid-Columbia Medical Center
Statements of Cash Flows (Continued)
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 678,742</u>	<u>\$ 692,243</u>
Supplemental Disclosure of Non-Cash Investing Activities		
Property and equipment acquired under capital lease obligations	<u>\$ 281,735</u>	<u>\$ 45,956</u>

The accompanying notes are an integral part of the financial statements.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies

Organization and basis of presentation

Mid-Columbia Medical Center (the Medical Center) is an Oregon nonprofit corporation located in The Dalles, Oregon. The Medical Center provides various health care and health care related services primarily to residents of the Mid-Columbia region. Health Care for the Mid-Columbia Region (Health Care) is the sole member of the Medical Center, as well as the sole member or stockholder of several other affiliated organizations (see Notes 5 and 11).

The accompanying financial statements include the accounts and transactions of the Medical Center's hospital division (the Hospital) and clinic division (dba Mid-Columbia Outpatient Clinics (the Clinics)).

Method of accounting

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S.) (GAAP) using the accrual method of accounting which recognizes revenue, income, and gains when earned and expenses and losses when incurred. The preparation of financial statements in conformity with GAAP requires management of the Medical Center (Management) to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, income, gains, expenses, and losses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with remaining maturities of three months or less at the time of purchase by the Medical Center, excluding assets limited as to use (see Note 3).

Concentration of credit risk

As of December 31, 2011 and 2010, the Medical Center maintained its bank accounts at two banks. All of the Medical Center's bank accounts are non-interest bearing accounts and are protected by unlimited insurance coverage provided by the Federal Deposit Insurance Corporation through December 31, 2012.

Assets limited as to use

Assets limited as to use primarily consist of assets designated by the Medical Center's Board of Trustees (the Board) for certain operating purposes and future capital acquisitions (internally designated assets), over which the Board retains control and may, at its discretion, subsequently use for other purposes, and assets held in restricted accounts under the terms of loan agreements (see Notes 3, 6, and 12). Internally designated assets which are anticipated by Management to be used within the next year for operating purposes are classified as current.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets (see Note 14). Investment income or loss (including interest, dividends, and realized gains and losses on sales of investments) is included in the excess of revenue over expenses unless the income or loss is restricted by donor or law. The change in net unrealized gains or losses on investments is excluded from the excess of revenue over expenses unless the investments are trading securities or an unrealized loss is considered to be other-than-temporary. Trading securities are debt and equity securities that the Medical Center buys and holds

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Assets limited as to use (continued)

principally to sell in the near-term. As of December 31, 2011 and 2010, all of the Medical Center's assets limited as to use are classified as other than trading securities. The Medical Center's gross unrealized losses on investment securities were not significant as of December 31, 2011 or 2010.

As of December 31, 2011, the Medical Center had investments in cash and cash equivalents, common stocks, mutual funds, and certificates of deposit (see Note 3). Management believes that the Medical Center's credit risk with respect to these investments is minimal due to the diversity of the individual investments, FDIC insurance coverage, and the financial strength of the entities which have issued the securities or instruments. However, due to changes in economic conditions, interest rates, and common stock prices, the fair value of the Medical Center's investments can be volatile. Consequently, the fair value of the Medical Center's investments can significantly change in the near term as a result of such volatility.

Patient accounts receivable and allowance for doubtful accounts

The collection of receivables from third-party payors and patients is the Medical Center's primary source of cash and is critical to its operating performance. When the Medical Center provides care to patients, it does not require collateral; however, it maintains an estimated allowance for doubtful accounts. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but the patient is responsible for the remaining amount outstanding (generally deductibles and co-payments). The allowance for doubtful accounts is estimated based primarily upon the Medical Center's historical collection experience, Management's estimate of its patients' economic ability to pay, and the effectiveness of collection efforts. Patient accounts receivable balances are routinely reviewed in conjunction with historical collection rates and other economic conditions which might ultimately affect the collectibility of patient accounts when considering the adequacy of the amounts recorded in the allowance for doubtful accounts. Actual write-offs have historically been within Management's expectations. Significant changes in payor mix, business office operations, economic conditions, or trends in federal and state governmental health care coverage could affect the Medical Center's collection of patient accounts receivable, cash flows, and results of operations.

Significant concentrations of gross patient accounts receivable as of December 31, 2011 and 2010 were approximately as follows:

	2011	2010
Medicare	35%	33%
Medicaid and Oregon Health Plan (OHP)	14	15
Regence BlueCross BlueShield of Oregon	8	8
Other third-party payors	22	24
Self-pay	21	20
	100%	100%

Supplies inventory

Supplies inventory is recorded at the lower of weighted-average cost (first-in, first-out method) or market.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Property and equipment

Property and equipment acquisitions are recorded at cost. Donated property and equipment items are recorded on the basis of estimated fair value at the date of their donation. Improvements and replacements of property and equipment are capitalized. Routine maintenance and repairs are charged to expense as incurred.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the accompanying financial statements.

Management reviews property and equipment for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of impairment, Management would prepare an estimate of future cash flows (undiscounted and without interest charges) expected to result from the use of the asset and its eventual disposition. If these cash flows were less than the carrying amount of the asset, an impairment loss would be recognized to write down the asset to its estimated fair value.

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

Mid-Columbia Health Foundation (the Foundation)

Health Care is the sole member of the Foundation, which raises funds for various health care providers in the Mid-Columbia region. During the year ended December 31, 2009, the Medical Center pledged \$500,000 to the Foundation, initially payable in equal installments in 2010 and 2011, in support of the Foundation's campaign to raise funds to help finance purchases of diagnostic imaging equipment for the Medical Center. In October 2010, Management decided to pay the entire pledge amount of \$500,000 to the Foundation. The Medical Center and the Foundation are considered financially interrelated organizations under GAAP. Accordingly, the Medical Center recognizes its interest in the net assets of the Foundation as temporarily restricted net assets (see Note 5).

Other assets

Other assets include the Medical Center's investments in certain related entities (see Note 12). If the Medical Center owns 50% or less of the voting stock of an investee and can exercise significant influence over the investee's operating and financial policies (generally presumed to be when the Medical Center owns more than 20% of the voting stock of the investee), the Medical Center accounts for such investments under the equity method of accounting, whereby the Medical Center records its proportionate share of the investee's income or loss in the statements of operations and records distributions from the investee as a reduction in the related investment balance. If the Medical Center cannot exercise significant influence over

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Other assets (continued)

the investee's operating and financial policies (generally presumed to be when the Medical Center owns less than 20% of the voting stock of the investee), the Medical Center accounts for such investments at cost and records dividends or distributions from the investee as other income when received.

Net patient service revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements primarily include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered and includes estimates for potential retroactive revenue adjustments under reimbursement agreements with third-party payors. Such estimates are adjusted in future periods as final settlements are determined.

A significant portion of the Medical Center's services is provided to Medicare, Medicaid, and OHP patients under contractual arrangements. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors (i.e., "Medicare severity-diagnosis related groups" or "MS-DRGs"). Such payments include a capital cost component and may be greater or less than the actual charges for services. Most outpatient services related to Medicare beneficiaries are reimbursed prospectively under the ambulatory payment classifications methodology. Home health services related to Medicare beneficiaries are reimbursed under a prospective payment system methodology. The Clinic's services related to Medicare beneficiaries are reimbursed under a cost reimbursement methodology. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after audits of the Medical Center's annual cost reports by the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been audited and final settled by the Medicare fiscal intermediary through December 31, 2006.

Services rendered to OHP beneficiaries are primarily reimbursed at discounts from standard charges or based on fee schedules. Services rendered to Medicaid program beneficiaries are generally reimbursed under a cost reimbursement methodology. Under this methodology, the Medical Center is reimbursed at a tentative rate with final settlement determined after audits of the Medical Center's annual cost reports by Medicaid. The Medical Center's Medicaid cost reports have been audited and final settled by Medicaid through December 31, 2006.

The laws and regulations governing the Medicare, Medicaid, and OHP programs are extremely complex and subject to interpretation. In addition, the Recovery Audit Contractors program requires the evaluation of certain Medicare and Medicaid claims for propriety by third-party contractors. As a result, there is at least a reasonable possibility that estimated third-party payor settlements payable - net will change by a material amount in the near term. Net patient service revenue was increased by approximately \$1,487,000 and \$400,000 during the years ended December 31, 2011 and 2010, respectively, as a result of revisions of estimates for prior year cost report settlements.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Net patient service revenue (continued)

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations to provide medical services to subscribing participants. The basis for payment to the Medical Center under these agreements primarily includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates based on the types of services provided.

Reimbursement based on all of the Medical Center's contractual arrangements was approximately \$82,462,000 and \$81,923,000 less than the Medical Center's established rates for the years ended December 31, 2011 and 2010, respectively.

√

Charity care

The Medical Center also provides services to patients who meet certain criteria of its financial assistance (i.e., charity care) policy without charge or at amounts less than its established rates. The Medical Center's criteria for the determination of charity care include the patient's – or other responsible party's – annual household income, assets, credit history, existing debt obligations, and other indicators of the patient's ability to pay. Generally, those individuals with an annual household income at, or less than, 150% of the Federal Poverty Guidelines (the Guidelines) qualify for charity care under the Medical Center's policy. In addition, the Medical Center may provide discounts on a sliding scale to individuals with an annual household income exceeding 150% of the Guidelines. Since the Medical Center does not pursue collection of amounts determined to qualify as charity care, those amounts are not reported as net patient service revenue (see Note 2)

Electronic health record (EHR) incentive payments

Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians, and certain other professionals (collectively, "health care providers") when they adopt, implement, or upgrade (AIU) certified electronic health record (EHR) technology or become "meaningful users" – as defined under ARRA – of EHR technology in ways that demonstrate improved quality, safety, and effectiveness of care. Health care providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each federal fiscal year. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria but must demonstrate meaningful use of EHR technology in subsequent federal fiscal years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments; however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments but not both. Hospitals that are meaningful users under the Medicare EHR incentive payment program are deemed meaningful users under the Medicaid EHR incentive payment program and do not need to meet additional criteria imposed by Medicaid. Medicaid EHR incentive payments to health care providers are 100% federally funded and administered by individual states. The Centers for Medicare and Medicaid Services (CMS) established the federal fiscal year ended September 30, 2011 as the first year that states could offer EHR incentive payments. Before a state may offer EHR incentive payments, the state must submit – and CMS must approve – the state's incentive plan.

The Medical Center recognizes EHR incentive payments in income using the "contingency model." Under the contingency model, the income from the payments is recognized in the year for which payment is made if all significant contingencies related to the payment are resolved. Generally, the Hospital expects to recognize payments from the Medicare and Medicaid programs in the Hospital's fiscal year that includes the end of the federal fiscal year for which the payments are made. During the year ended December 31,

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Electronic health record (EHR) incentive payments (continued)

2011, the Medical Center satisfied certain of the Medicaid AIU criteria. As a result, the Hospital recognized approximately \$701,000 of Medicaid EHR incentive payments as operating revenue in the accompanying 2011 statement of operations. No Medicare EHR incentive payments were earned or recognized by the Medical Center in 2011. Medicaid EHR payments are scheduled to be paid out in decreasing amounts over three federal fiscal years. Medicare and Medicaid EHR incentive payments are subject to audit and/or final approval by CMS and Medicaid.

Statements of operations

For purposes of presentation, transactions deemed by Management to be ongoing, major, or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as other income and expense. The accompanying statements of operations include the excess of revenue over expenses. Changes in unrestricted net assets which are excluded from the excess of revenue over expenses, consistent with industry practice, include the change in net unrealized gains and losses on other than trading securities, contributions from the Foundation for property and equipment acquisitions, contributions to the Foundation for operations, and permanent transfers of assets to, or from, affiliates for purposes other than purchases or sales of goods or services (e.g., write-offs of payables due to, and receivables due from, affiliates).

Income taxes

The Medical Center is a tax-exempt organization pursuant to Internal Revenue Code Section 501(c)(3). As such, only unrelated business income is subject to federal or state income taxes. It is Management's belief that none of the Medical Center's activities have generated material unrelated business income; therefore, no provision for income taxes has been made in the accompanying financial statements.

Income tax positions that meet a "more-likely-than-not" recognition threshold are measured at the largest amount of income tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with income tax positions taken that exceeds the amount measured as described above would be reflected as a liability for unrecognized income tax benefits in the Medical Center's balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized income tax benefits would be classified as income taxes in the Medical Center's statements of operations. There were no unrecognized income tax benefits, nor any interest and penalties associated with unrecognized income tax benefits, accrued or expensed as of and for the years ended December 31, 2011 and 2010.

The Medical Center files federal information and income tax returns in the U.S. and state information and income tax returns in Oregon. The Medical Center is no longer subject to tax examinations by the related taxing authorities for the Medical Center's U.S. federal and Oregon information and income tax returns for years prior to 2008.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Recently issued accounting standards

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-23, *Health Care Entities (Topic 954) – Measuring Charity Care for Disclosure* (ASU 2010-23). ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. As a result of the amendments in ASU 2010-23, various techniques will likely be used to determine how the direct and indirect costs are identified, such as obtaining the information directly from a costing system or through reasonable estimation techniques. Therefore, the amendments in ASU 2010-23 also require disclosure of the method used to identify or determine such costs. In the opinion of the FASB, ASU 2010-23 improves current GAAP by requiring all entities to use the same measurement basis of charity care, therefore, enhancing comparability between entities' financial statements. A health care entity does not recognize revenue when charity care is provided, accordingly, the amendments in ASU 2010-23 had no effect on the Medical Center's financial condition or results of operations. ASU 2010-23 was effective for the Medical Center beginning in 2011. The adoption of ASU 2010-23 did not have a significant effect on the Medical Center's financial statements (see Note 2).

In August 2010, the FASB issued ASU No. 2010-24, *Health Care Entities (Topic 954) – Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24). ASU 2010-24 was issued to provide additional guidance to health care entities regarding accounting for medical malpractice and other similar claims subject to anticipated insurance recoveries. ASU 2010-24 clarifies that a health care entity should not net insurance recoveries against a related claim liability, and requires that a health care entity estimate the amount of the claim liability without consideration of any anticipated insurance recoveries. ASU 2010-24 eliminates an industry exception by requiring health care entities to conform to existing GAAP which generally does not permit offsetting of conditional or unconditional liabilities with anticipated insurance recoveries from third-parties. Upon initial application, the difference between the change in the amount of the liability recognized for claims and the change in the amount of receivables recognized for anticipated insurance recoveries was to be recognized as a cumulative-effect adjustment to opening unrestricted net assets as of the beginning of the period of adoption. ASU 2010-24 was effective for the Medical Center beginning in 2011, and its adoption had the effect of increasing other assets - net and other liabilities by approximately \$958,000 as of December 31, 2011 and had no effect on the statement of operations (see Note 8).

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). The provisions of ASU 2011-04 clarify the FASB's intent regarding application of existing fair value measurement guidance and revise certain measurement and disclosure requirements to achieve convergence of GAAP and International Financial Reporting Standards (IFRS). ASU 2011-04 clarifies the FASB's intent about the application of the highest-and-best-use and valuation premise and with respect to the measurement of fair value of an instrument classified as equity. ASU 2011-04 also expands the information required to be disclosed with respect to fair value measurements categorized in Level 3 fair value measurements and the items not measured at fair value but for which fair value must be disclosed. ASU 2011-04 will be effective for the Medical Center in 2012. Management does not expect that ASU 2011-04 will have a significant effect on the Medical Center's future financial statements.

In July 2011, the FASB issued ASU No. 2011-07, *Health Care Entities (Topic 954) – Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07). ASU 2011-07 was issued to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts. ASU 2011-07 requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered – even though they do not assess

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (Continued)

Recently issued accounting standards (continued)

the patient's ability to pay – to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statements of operations. ASU 2011-07 will require certain health care entities to change the presentation of their statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. ASU 2011-07 also requires disclosures of patient service revenue (net of contractual allowances and discounts), as well as certain qualitative and quantitative information about changes in the allowance for doubtful accounts. ASU 2011-07 will be effective for the Medical Center in 2012. Management is currently evaluating the effect that ASU 2011-07 will have on the Medical Center's future financial statements.

Reclassifications

Certain amounts for 2010 have been reclassified to conform with the 2011 presentation.

Subsequent events

Management has evaluated, for potential recognition or disclosure in the financial statements, subsequent events that have occurred through April 23, 2012, which is the date that the financial statements were available to be issued.

2. Community Benefits (Unaudited)

The Medical Center's philosophy embraces a definition of health that acknowledges the interdependence of biological, social, intellectual, environmental, and spiritual components. This definition has broadened the Medical Center's focus and prioritization of resources dedicated to improve the health of the communities within the Medical Center's geographic location. The Medical Center's mission is to lead and act as a catalyst in promoting health for all people in its service area. The Medical Center works to accomplish this by being willing to provide health care services to all members of the community, providing access to health information and support services, and acting as a catalyst and strategic partner in broad-based community initiatives.

In keeping with the Medical Center's mission to serve all members of the community, free care and/or subsidized care is provided. During the years ended December 31, 2011 and 2010, the Medical Center provided approximately \$5,923,000 and \$7,424,000, respectively, in free or charity care at established rates to qualified patients because of medical need and limited financial resources. Management estimates that the net cost of charity care provided was approximately \$3,048,000 and \$3,722,000 for the years ended December 31, 2011 and 2010, respectively. These estimates were based on the Hospital's overall ratio of cost to charges in each year. For the years ended December 31, 2011 and 2010, approximately 6% and 7%, respectively, of all inpatient admissions and approximately 3% of all outpatient visits were classified as charity care.

The Medical Center's Operations Management Team (the OMT) is comprised of its President, all members of the Medical Center's Executive Management Team, and certain other members of Management. The Medical Center's Director of Community Initiatives (the Director) reports directly to the OMT and is dedicated to research, community mobilization, and program coordination of community health initiatives. The OMT acts on the recommendations of the Director

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

2. Community Benefits (Unaudited) (Continued)

The Medical Center believes in community partnerships and preventive programs which enhance the health and wellness of community members. According to Management, some of the Medical Center's efforts are as follows:

- Provides all community members with access to health information through its Planetree Health Resource Center Library (the PHRC) The PHRC also offers the Planetree Health Lecture Series on various health topics
- Physicians and nurses provide access to free or reduced cost primary care and school nursing services for uninsured students in the local school districts.
- Provides free prenatal classes and support programs focusing on prenatal care, testing, delivery, and post-partum care for high-risk pregnancies.
- Provides meeting facilities for various civic, charitable, and support groups.
- Provides funding and support for the Emergency Medical Service council.
- Provides support for American Red Cross Blood Drives.
- Provides support for the nursing program at Columbia Gorge Community College
- Provides and subsidizes EMT (emergency medical technician) training for several neighboring counties.
- Offers free interpretive services to Spanish-speaking community members, when necessary, for medical or financial dialogue
- Funds local school districts with financial support and volunteer hours.
- Encourages staff to volunteer to make a difference through service to members of the community.
- Participates in community, senior, and diabetes health fairs by supplying health and safety information, demonstrations, and screenings.
- Sponsors monthly support groups for various health care-related issues and post-treatment support for affected patients.
- Provides a home care helpline service staffed by a registered nurse to help assess home care patient needs and link such patients to Oregon and Washington health care facilities, as appropriate.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

3. Assets Limited as to Use

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

	<u>2011</u>	<u>2010</u>
Internally designated for certain operating purposes		
Cash and cash equivalents	\$ 15,323	\$ 16,691
Common stocks	489,949	32,128
Mutual funds	64,613	418,072
Certificate of deposit	-	120,389
Corporate notes	-	50,000
Accrued interest receivable	-	1,764
Total internally designated for certain operating purposes	<u>569,885</u>	<u>639,044</u>
Internally designated for capital acquisitions		
Cash and cash equivalents	2,271,127	2,248,769
Mutual funds	1,213,689	1,100,138
Certificates of deposit	350,831	450,670
Accrued interest receivable	930	1,258
Totally internally designated for capital acquisitions	<u>3,836,577</u>	<u>3,800,835</u>
Restricted under loan agreements (cash and cash equivalents) (see Notes 6 and 12)		
Debt service reserve account	1,542,618	1,541,829
Deferred maintenance reserve account	934,071	933,593
Deposit account	500,000	500,000
Total restricted under loan agreements	<u>2,976,689</u>	<u>2,975,422</u>
Other	-	50,515
Total assets limited as to use	<u>7,383,151</u>	<u>7,465,816</u>
Less portion reported as current	-	(120,389)
Total assets limited as to use - net of current portion	<u>\$ 7,383,151</u>	<u>\$ 7,345,427</u>

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

3. Assets Limited as to Use (Continued)

Investment income consisted of the following for the years ended December 31, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 38,229	\$ 49,663
Realized gains on sales of investment securities - net	<u>9,359</u>	<u>-</u>
Investment income	<u>\$ 47,588</u>	<u>\$ 49,663</u>

4. Property and Equipment

Property and equipment consisted of the following as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land	\$ 212,933	\$ 212,933
Land improvements	920,534	852,046
Buildings	12,673,142	13,839,188
Leasehold improvements	2,990,040	1,154,834
Furniture and moveable equipment	29,799,131	26,910,330
Fixed equipment	<u>12,997,736</u>	<u>12,566,784</u>
	59,593,516	55,536,115
Less accumulated depreciation	<u>(41,894,611)</u>	<u>(39,039,781)</u>
	17,698,905	16,496,334
Construction in progress	<u>115,931</u>	<u>64,580</u>
Property and equipment - net	<u>\$ 17,814,836</u>	<u>\$ 16,560,914</u>

Included in property and equipment were assets under capital lease agreements with a cost of approximately \$2,775,000 and \$2,621,000 as of December 31, 2011 and 2010, respectively. Accumulated amortization related to these assets was approximately \$1,677,000 and \$1,336,000 as of December 31, 2011 and 2010, respectively.

5. Mid-Columbia Health Foundation

As discussed in Note 1 to the accompanying financial statements, the Foundation raises funds for various health care providers in the Mid-Columbia region. Accordingly, generally only those funds restricted for use by the Medical Center are included in the Medical Center's interest in net assets of the Foundation in the accompanying balance sheets. During 2011 and 2010, the Foundation contributed \$253,853 and \$793,736, respectively, to the Medical Center for purchases of property and equipment. In addition, during 2011 and 2010, the Medical Center paid expenses on behalf of the Foundation totaling \$455,625 and \$437,199, respectively.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

√

5. Mid-Columbia Health Foundation (Continued)

A summary of the Foundation's assets, liabilities, total net assets, and increase (decrease) in net assets as of and for the years ended December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Assets		
Cash and cash equivalents	\$ 444,565	\$ 373,561
Investments	2,168,274	2,184,105
Contributions receivable - net	192,226	132,346
Assets held in trust	259,779	276,636
Other assets	<u>10,494</u>	<u>48,910</u>
Total assets	<u>\$ 3,075,338</u>	<u>\$ 3,015,558</u>
Liabilities and net assets		
Payable to the Medical Center	\$ 74,717	\$ 71,766
Other liabilities	168,109	177,292
Total net assets	<u>2,832,512</u>	<u>2,766,500</u>
Total liabilities and net assets	<u>\$ 3,075,338</u>	<u>\$ 3,015,558</u>
Increase (decrease) in net assets	<u>\$ 66,012</u>	<u>\$ (322,690)</u>

6. Debt Agreements

Long-term debt consisted of the following as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Note payable to General Electric Capital Commercial Inc. (G E. Capital)	\$ 9,222,156	\$ 9,437,957
Notes payable to General Electric Healthcare Financial Services (G.E. Financial)	1,419,518	-
Note payable to East Cascade Physical Therapy, P C	<u>273,478</u>	<u>529,117</u>
Total	10,915,152	9,967,074
Less current portion	<u>(776,321)</u>	<u>(471,441)</u>
Long-term debt - net of current portion	<u>\$ 10,138,831</u>	<u>\$ 9,495,633</u>

In January 2008, the Medical Center entered into a loan agreement with G.E. Capital (the G.E. Loan Agreement) to borrow \$10,000,000. The proceeds from the G.E. Loan Agreement were used to repay certain long-term debt, a capital lease obligation, and a note payable under a line of credit agreement. In addition, \$1,500,000 and \$1,000,000 of the proceeds were deposited into the debt service reserve account and deferred maintenance reserve account (collectively, "the reserve accounts") (see Note 3), respectively, as required under the G.E. Loan Agreement, and the remaining portion of the proceeds was primarily used

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

6. Debt Agreements (Continued)

to pay for capital acquisitions. The G.E. Loan Agreement is due in monthly installments of approximately \$64,000, including interest at 5.85%, through December 2017, with a final payment of approximately \$7,600,000 due in January 2018. Borrowings outstanding under the G.E. Loan Agreement are secured by the reserve accounts, substantially all other assets of the Medical Center, and certain land and a building owned by Health Care with net carrying values of approximately \$60,000 and \$819,000, respectively, as of December 31, 2011. The G.E. Loan Agreement contains a financial covenant, limitations on additional indebtedness, and a prepayment penalty. The G.E. Loan Agreement also requires the prior notification to G.E. Capital of certain proposed additions to indebtedness, which, under the terms of the G.E. Loan Agreement, includes any guaranty.

In August and September 2011, the Medical Center entered into three separate note payable agreements with G.E. Financial (the G.E. Financial notes payable), with the proceeds used to finance certain tenant improvements. Aggregate borrowings under the G.E. Financial notes payable were approximately \$1,533,000. The G.E. Financial notes payable are due in monthly installments aggregating approximately \$29,000 – including interest at 4.98% – through August 2016 (with a final payment of approximately \$6,000 due in September 2016).

In September 2007, the Medical Center purchased a physical therapy (PT) business in The Dalles, Oregon for \$1,500,000 by paying \$300,000 in cash and entering into a \$1,200,000 note payable agreement (the PT note payable) with the sellers. Borrowings under the PT note payable are secured by inventory, accounts receivable, and equipment associated with the operations of the PT business. The PT note payable is due in annual installments of approximately \$293,000, including interest at 7.00%, through September 2012.

Required principal payments on long-term debt for the five years subsequent to December 31, 2011, and thereafter, are approximately as follows:

2012	\$ 776,000
2013	536,000
2014	569,000
2015	600,000
2016	501,000
Thereafter	<u>7,933,000</u>
	<u>\$ 10,915,000</u>

In December 2010, the Medical Center entered into a \$2.0 million line of credit agreement (the LOC Agreement) with Columbia State Bank (the Bank). There were no amounts outstanding under the LOC Agreement as of December 31, 2011 or 2010. Any borrowings outstanding under the LOC Agreement would bear interest at a variable rate based on the Bank's "base rate" (3.25% as of December 31, 2011). The LOC Agreement contains certain financial covenants and expires on January 1, 2013.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

7. Obligations under Capital Leases

Obligations under capital leases consisted of the following as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Lease obligation payable to Key Equipment Finance Inc. (Key Equipment), due in monthly installments of approximately \$14,000 through December 2013, interest at approximately 7.20%.	\$ 323,046	\$ 467,985
Lease obligation payable to Winthrop Resources Corporation (Winthrop), due in monthly installments of approximately \$6,000 through December 2015, interest at approximately 2.00%.	281,735	-
Lease obligation payable to Key Equipment, due in monthly installments of approximately \$10,000 through July 2013, interest at approximately 2.16%.	174,389	287,547
Lease obligation payable to Wells Fargo Equipment Finance, due in monthly installments of approximately \$17,000 through June 2012, interest at approximately 1.98%	103,838	308,456
Other	<u>115,393</u>	<u>205,058</u>
Total	998,401	1,269,046
Less current portion	<u>(489,230)</u>	<u>(551,839)</u>
Obligations under capital leases - net of current portion	<u>\$ 509,171</u>	<u>\$ 717,207</u>

Future minimum lease payments under capital lease obligations for the years subsequent to December 31, 2011 are approximately as follows:

2012	\$ 543,000
2013	338,000
2014	84,000
2015	<u>82,000</u>
Total minimum lease payments	1,047,000
Less amounts representing interest	<u>(49,000)</u>
Present value of minimum lease payments	<u>\$ 998,000</u>

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

7. Obligations under Capital Leases (Continued)

In March 2011, the Medical Center entered into a capital lease agreement with Winthrop (the 2011 Winthrop Lease) to partially finance the acquisition of certain information systems (IS) hardware and software. The anticipated total cost of such IS hardware and software to be financed under the 2011 Winthrop Lease is approximately \$750,000, and estimated total monthly payments are anticipated to be approximately \$16,000 per month for 48 months. Through December 31, 2011, approximately \$282,000 in IS hardware and software has been acquired and capitalized under the 2011 Winthrop lease, with the remaining equipment anticipated to be installed during 2012.

In March 2012, the Medical Center entered into an additional capital lease agreement with Winthrop (the 2012 Winthrop Lease) to partially finance the acquisition of certain additional IS hardware and software, anticipated to be installed over time. The anticipated total cost of such IS hardware and software to be financed under the 2012 Winthrop Lease is approximately \$500,000, and estimated total monthly payments are anticipated to be approximately \$11,000 per month for 48 months.

8. Commitments and Contingencies

Operating leases

The Medical Center leases certain equipment and facilities under operating lease agreements which expire at various dates through 2030. Some of the lease agreements contain renewal options. Such lease agreements include a lease of a building from Lone Pine Health and Wellness Center, LLC (Lone Pine), a limited liability company that is partially owned by the Medical Center (see Note 12); certain leases of office space with Health Care that are month-to-month; and certain leases with Dry Hollow Professional Center, Inc. (Dry Hollow), an affiliate of Health Care, that are primarily month-to-month. The Medical Center's lease commitments with Lone Pine are as disclosed below; the Medical Center's lease commitment with Dry Hollow that extends beyond one year is not significant to the schedule below.

As of December 31, 2011, future minimum lease commitments for the five years subsequent to December 31, 2011, and thereafter, under noncancelable operating lease agreements that have initial or remaining lease terms in excess of one year were approximately as follows:

	<u>Lone Pine Lease</u>	<u>Other</u>	<u>Total</u>
2012	\$ 1,444,000	\$ 2,263,000	\$ 3,707,000
2013	1,444,000	1,860,000	3,304,000
2014	1,444,000	1,642,000	3,086,000
2015	1,444,000	1,376,000	2,820,000
2016	1,444,000	676,000	2,120,000
Thereafter	<u>19,367,000</u>	<u>1,845,000</u>	<u>21,212,000</u>
Total minimum lease payments	<u>\$ 26,587,000</u>	<u>\$ 9,662,000</u>	<u>\$ 36,249,000</u>

Total rent expense for all operating leases was approximately \$3,975,000 and \$3,361,000 for the years ended December 31, 2011 and 2010, respectively. Rent expense included approximately \$1,346,000 and \$656,000 related to the Lone Pine Lease during the years ended December 31, 2011 and 2010, respectively. Rent expense also included aggregate amounts of approximately \$147,000 and \$281,000 related to leases with Health Care and Dry Hollow during the years ended December 31, 2011 and 2010, respectively.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

8. Commitments and Contingencies (Continued)

Other commitments

The Medical Center has entered into agreements related to certain medical equipment which require the Medical Center to pay monthly maintenance and support service fees of approximately \$22,000 through August 2013, approximately \$21,000 from September 2013 through August 2015, approximately \$15,000 during September 2015 and October 2015, and approximately \$14,000 from November 2015 through May 2016.

Medical malpractice insurance

Through August 31, 2010, the Medical Center participated in a captive insurance company, Health Future Insurance Exchange (HFIE), with four other hospitals, whereby each participating hospital shared in the payments of medical malpractice claims. Effective September 1, 2010, the Medical Center and HFIE entered into a Memorandum of Understanding (the MOU) with Mountain States Healthcare Reciprocal Risk Retention Group (MSH), a Montana-based captive insurance company. Under the terms of the MOU, the five hospitals participating in HFIE terminated their status as insured hospitals under HFIE and instead became insured member hospitals of MSH. Also under terms of the MOU, in exchange for the transfer of certain cash and cash equivalents from HFIE to MSH, MSH assumed direct responsibility for the management and payment of specified medical malpractice claims which were the responsibility of HFIE as of September 1, 2010 (generally, those medical malpractice claims which were asserted and/or reported to HFIE prior to September 1, 2010, or which relate to events and incidents which occurred prior to September 1, 2010). HFIE was dissolved effective September 30, 2010, and the remaining funds maintained by HFIE were returned pro-rata to its members; the amount received by the Medical Center was not significant to the accompanying financial statements.

Under the insurance arrangement with MSH, the Medical Center is responsible for the first \$25,000 of each of its medical malpractice claims, MSH is responsible for any amounts from \$25,000 to \$1,000,000 per claim and \$3,000,000 in aggregate, and MSH carries excess medical malpractice insurance coverage for amounts in excess of \$1,000,000 per claim up to \$21,000,000 per claim (and \$21,000,000 in aggregate for all claims of the Medical Center and \$61,000,000 in aggregate for all participating hospitals' claims). The insurance policy under this arrangement is on a claims-made basis. Under this policy, medical malpractice claims reported during the policy period are covered; however, any medical malpractice claim that has been incurred but not reported (IBNR) to the insurance company during the policy period is not covered.

As part of participation in MSH, each hospital pays premiums to MSH – calculated by an independent actuary – to pay future medical malpractice claims, as well as premiums for the excess coverage. Annually, the actuary calculates each hospital's required premiums based on the previous years' actual medical malpractice claims history. Each HFIE member joining MSH was required to support its premium with a contribution to a policyholders' surplus account (PSA) in an amount equal to one-third of its 2010 premium. The Medical Center's contribution, which was not significant to the accompanying financial statements, is included in other assets - net in the accompanying balance sheets. Similar contributions to the PSA are required annually. MSH will distribute its annual net income to members in the form of allocations to each member's savings account (SA) in proportion to the premiums paid by each member. In years in which the net income is less than zero, there will be no distribution. If the net amount of PSA contributions made to HFIE members and SA distributions to HFIE members is not sufficient to support the premiums for HFIE members in 2011, additional PSA contributions will be required toward the 2013 premiums.

Based on an actuarial valuation (with estimated future medical malpractice losses discounted at 2.00% as of December 31, 2011 and 3.5% as of December 31, 2010), the Medical Center has recorded estimated liabilities for IBNR medical malpractice claims, which, along with reported claims, aggregated approximately \$1,609,000 and \$517,000 as of December 31, 2011 and 2010, respectively (see Note 1), and are included

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

8. Commitments and Contingencies (Continued)

Medical malpractice insurance (continued)

in other liabilities in the accompanying balance sheets. Management believes that these estimated liabilities are adequate; however, the establishment of estimated liabilities for reported and IBNR medical malpractice claims is an inherently uncertain process, and there can be no assurance that currently established reserves will prove adequate to cover actual ultimate expenses. Subsequent actual experience could result in reserves being too high or too low, which could positively or negatively impact the Medical Center's reported results of operations in future periods

Self-insurance

The Medical Center is self-insured for employee accident claims up to \$350,000 per claim and employee health claims up to \$150,000 per employee. Claims are accrued as the incidents which give rise to them become known. The provision and accrual for estimated employee accident and health claims include estimates of the ultimate costs for both reported claims and IBNR claims and are based upon the estimated costs of settlement, including claim settlement expenses. The Medical Center has recorded estimated liabilities for reported and IBNR employee accident and health claims aggregating approximately \$879,000 and \$1,299,000, which are included in accrued liabilities in the accompanying balance sheets as of December 31, 2011 and 2010, respectively. Management believes that adequate amounts have been accrued in the accompanying financial statements to cover estimated employee accident and health claims; however, the establishment of estimated liabilities for IBNR accident and health claims is an inherently uncertain process, and there can be no assurance that currently established reserves will prove adequate to cover actual ultimate expenses. Subsequent actual experience could result in reserves being too high or too low, which could positively or negatively impact the Medical Center's reported results of operations in future periods

In conjunction with the Medical Center's self-insured employee accident claims policy, Health Care obtained a \$425,000 standby letter of credit from a bank that extends through July 24, 2012, and Health Care maintains a restricted certificate of deposit with the same bank as collateral to support payment of the related claims.

Risk management

In the ordinary course of business, the Medical Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. However, Management believes that adequate commercial insurance coverage has been purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage for the years ended December 31, 2011 and 2010.

Guaranty

The Medical Center is a guarantor of a loan of Lone Pine (see Note 12). As of December 31, 2011, the Medical Center's maximum guaranty is \$4,500,000, which will be reduced to \$2,250,000 after two years and by \$750,000 in each of the three subsequent years if the borrower and guarantors meet certain conditions. In the opinion of Management, the likelihood that the Medical Center will be required to make any payments under the guaranty is remote, and the estimated fair value of such guaranty is not significant to the accompanying financial statements; accordingly, no liability related to this guaranty has been recorded in the accompanying balance sheets.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

8. Commitments and Contingencies (Continued)

Collective bargaining agreement

As of December 31, 2011, approximately 18% of the Medical Center's employees are covered under a collective bargaining agreement (the CBA) with the Oregon Nurses Association (the ONA), which expires in June 2012. An extension of the CBA through June 2015 has been approved by the ONA.

Regulation and litigation

The health care industry is subject to various laws and regulations from 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. Government activity has remained strong with respect to investigations and allegations concerning possible violations by health care providers of regulations which could result in the expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments of patient services previously billed and collected. Management believes that the Medical Center is in compliance with the fraud and abuse regulations, as well as other applicable government laws and regulations; however, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

During, and subsequent to, the year ended December 31, 2011, seven patients have filed significant lawsuits against the Medical Center claiming negligence and/or battery related to a certain independent anesthesiologist while undergoing surgical procedures at the Medical Center. The Medical Center believes that it has meritorious defenses against the lawsuits and that any related losses will be covered by its medical malpractice policy; however, the ultimate resolution of these matters is presently not determinable.

In addition, the Medical Center becomes involved in other litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, Management believes that these matters will be resolved without causing a material adverse effect on the Medical Center's future financial position or results of operations.

Health care reform legislation

Health care reform legislation was passed in 2010, and – although its constitutionality is currently being considered by the U.S. Supreme Court – it is expected to dramatically impact the delivery of, and payment for, health care services as various provisions are phased in over approximately the next decade. This legislation had minimal impact on the accompanying financial statements; however, Management cannot presently determine the impact of such legislation on the Medical Center's future financial position or results of operations.

9. Retirement Plan

The Medical Center has a contributory, defined contribution retirement plan (the Plan) covering substantially all full-time employees who are at least 18 years old. The Medical Center contributes 3% of each eligible participant's compensation to the Plan.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

9. Retirement Plan (Continued)

In addition, under terms of the Plan document, the Medical Center is required to make matching contributions for eligible employees as follows:

<u>Participant Contributions</u>	<u>Matching Contributions</u>
Less than 3.0% of compensation	None
3.0% to less than 4.5% of compensation	1% of compensation
4.5% to less than 6.0% of compensation	2% of compensation
6.0% or more of compensation	3% of compensation

Retirement plan costs associated with the Plan which were charged to operations were approximately \$2,409,000 and \$2,191,000 for the years ended December 31, 2011 and 2010, respectively.

10. Compensation Plans

The Medical Center has incentive and other compensation arrangements for certain employees. The Medical Center has accrued the estimated cost of such benefits to be provided to employees under these arrangements. Expenses charged to operations under these arrangements were approximately \$85,000 and \$81,000 for the years ended December 31, 2011 and 2010, respectively.

11. Affiliated Organizations

The Medical Center – along with several other affiliated organizations – is controlled by, and operates under the supervision of, Health Care. During 2010, the Medical Center wrote off approximately \$331,000 due from Health Care, and Mid-Columbia Health Services Inc. (Health Services) (an affiliate of Health Care which provides certain services for physicians and operated a medical equipment company through June 30, 2010) wrote off approximately \$355,000 due from the Medical Center. Accordingly, unrestricted net assets were increased by approximately \$24,000 during the year ended December 31, 2010.

As of December 31, 2011 and 2010, the following amounts were due from (to) Health Care and affiliates of Health Care:

	<u>2011</u>	<u>2010</u>
Health Care	\$ (81,201)	\$ (16,234)
Health Services	328,915	301,473
The Foundation	74,717	71,766
Dry Hollow	55,938	63,869
	<u>\$ 378,369</u>	<u>\$ 420,874</u>

Management believes that the amounts due from affiliates of Health Care as of December 31, 2011 will be repaid in the ordinary course of business. However, due to uncertainties related to this matter, it is at least reasonably possible that Management's view of this matter may change in the near-term, and this change could have a material impact on the Medical Center's financial statements in future periods.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

11. Affiliated Organizations (Continued)

Health Care provides management and related services to the Medical Center. Fees charged for these services – which Management believes approximates Health Care's cost for these services – were approximately \$1,500,000 and \$1,080,000 for the years ended December 31, 2011 and 2010, respectively. Such fees are included in purchased services and other expenses in the accompanying statements of operations.

12. Other Related Party Transactions

CONet, Inc. (CONet)

The Medical Center maintains an investment in CONet, an Oregon public benefit nonprofit corporation established to facilitate the provision of certain health care services to central and eastern Oregon residents by combining the resources of certain hospitals in the central and eastern Oregon area. The Medical Center works cooperatively with hospitals in other communities through CONet to provide a smooth continuation of health care services. CONet also negotiates managed care contracts on behalf of its member hospitals and provides joint purchasing services. CONet's Board of Directors consists of the Medical Center's President and the chief executive officer of each of five other hospitals in the central and eastern Oregon area. The Medical Center's investment in CONet is being accounted for at cost.

CONet owned certain common stock of Clear One Health Plans, Inc. (COHP) that was attributed to each participating hospital, 16% of which was attributed to the Medical Center. COHP was a corporation which administered the OHP, Clear Choice Health Plans (a Medicare risk plan), and other commercial health insurance and third-party administrator programs in central and eastern Oregon. In May 2010, PacificSource Health Plans acquired COHP for \$26 per share. Accordingly, the Medical Center received approximately \$1,578,000 from the liquidation of its proportionate share of CONet's investment in COHP in June 2010 and recognized a gain of approximately \$1,452,000, which is included in other income - net in the accompanying 2010 statement of operations. Since the cost of the Medical Center's investment in CONet was entirely incurred as a result of the ownership of its proportionate share of CONet's investment in COHP, the Medical Center has appropriately reduced its investment balance in CONet to zero.

CONet had a managed care contract with COHP, whereby the Medical Center provided health care services to certain Medicaid recipients. The Medical Center's net patient service revenue related to this contract was approximately \$1,537,000 for the year ended December 31, 2010. The Medical Center also provided health care services to certain Medicare recipients under a managed care contract with Clear Choice Health Plans. The Medical Center's net patient service revenue related to this contract was approximately \$660,000 for the year ended December 31, 2010.

Lone Pine Health and Wellness Center, LLC

Lone Pine's three members are Lone Pine Holdings, LLC (40% ownership interest), I S. Rental Holdings, LLC (30% ownership interest), and the Medical Center (30% ownership interest). Lone Pine was formed in January 2009 to build, own, and operate a building, the construction of which was completed in June 2010. Upon completion of the building, the Medical Center began renting most of the building for certain of its operations (e.g., sleep center, outpatient rehabilitation, etc.) under an operating lease agreement (see Note 8) that requires payments of approximately \$1.4 million per year for a term of 20 years (with two 20-year renewal options) with annual increases based on the consumer price index. The \$1.4 million annual rent was based on the Medical Center occupying the entire building; however, a portion of the building was not occupied by the Medical Center until July 2011. Until the Medical Center occupied this remaining space, its monthly rental payments were reduced by approximately \$14,000. The Medical Center's investment in Lone Pine was approximately \$243,000 and \$382,000 as of December 31, 2011 and 2010,

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

12. Other Related Party Transactions (Continued)

Lone Pine Health and Wellness Center, LLC (continued)

respectively. The Medical Center's investment in Lone Pine is being accounted for using the equity method and is included in other assets - net in the accompanying balance sheets. During the year ended December 31, 2011, the Medical Center received approximately \$107,000 in cash from Lone Pine. During the year ended December 31, 2010, the Medical Center received approximately \$369,000 in cash from Lone Pine, and approximately \$88,000 of the Medical Center's leasehold improvements were paid by Lone Pine in lieu of distributions. The Medical Center's share of Lone Pine's net losses for the years ended December 31, 2011 and 2010 were approximately \$32,000 and \$56,000, respectively, which are included in other income - net in the accompanying statements of operations.

In August 2010, Lone Pine entered into a loan agreement (the Loan) with a bank for \$12,000,000, and the Medical Center is a partial guarantor of the Loan, in an amount up to \$4,500,000 (see Note 8). In connection with the Loan, the Medical Center is required to maintain a deposit account in the amount of \$500,000 with this bank (see Note 3).

13. Functional Classification of Expenses

Expenses on a functional basis for the years ended December 31, 2011 and 2010 were approximately as follows:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 94,096,000	\$ 90,758,000
General and administrative	<u>8,468,000</u>	<u>7,056,000</u>
	<u>\$ 102,564,000</u>	<u>\$ 97,814,000</u>

14. Fair Value Measurements

GAAP defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The hierarchy of fair value valuation techniques under GAAP provides for three levels ranging from Level 1 – which provides the most reliable measure of fair value – to Level 3 which, if applicable, generally would require significant management judgment. The three levels for categorizing assets and liabilities under GAAP's fair value measurement requirements are as follows:

- Level 1. Fair value of the asset or liability is determined using observable inputs such as quoted unadjusted prices in active markets for identical assets or liabilities,
- Level 2. Fair value of the asset or liability is determined using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and
- Level 3. Fair value of the asset or liability is determined using unobservable inputs that are significant to the fair value measurement and reflect the organization's own assumptions regarding the applicable asset or liability.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

14. Fair Value Measurements (Continued)

As of December 31, 2011 and 2010, the Medical Center's financial assets measured at fair value on a recurring basis consisted of the following:

<u>2011</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets limited as to use	\$ 7,383,151	\$ -	\$ -	\$ 7,383,151
<u>2010</u>				
Assets limited as to use	\$ 7,465,816	\$ -	\$ -	\$ 7,465,816

Certain non-financial assets may also be measured at fair value on a non-recurring basis. These assets primarily consist of non-financial long-lived assets which are measured at fair value for periodic impairment assessments. As of December 31, 2011 and 2010, the Medical Center had no financial liabilities – and no significant nonfinancial assets or liabilities – measured at fair value on a recurring basis and had no assets or financial liabilities measured at fair value on a non-recurring basis. In addition, there were no transfers of assets or liabilities between Levels 1, 2, and 3 during 2011 or 2010.



1000 4th Avenue, Suite 1500, New York, NY 10017-2400 | Tel: 212.691.1000 | Fax: 212.691.1001

Independent Auditors' Report on Supplementary Information

To the Board of Trustees of
Mid-Columbia Medical Center

We have audited the financial statements of Mid-Columbia Medical Center (the Medical Center) as of and for the years ended December 31, 2011 and 2010, and our report thereon dated April 23, 2012, which expressed an unqualified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying balance sheets and statements of operations by division of the Medical Center as of and for the years ended December 31, 2011 and 2010 (the supplementary information), is presented for purposes of additional analysis of the financial statements rather than to present the separate financial position and results of operations of the individual divisions, and it is not a required part of the financial statements. Accordingly, we do not express an opinion on the separate financial position and results of operations of the individual divisions.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audits 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 accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

DELAP LLP

April 23, 2012

Mid-Columbia Medical Center

Balance Sheets by Division

December 31, 2011

	<u>Hospital</u>	<u>Clinics</u>	<u>Eliminating Entries</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 9,630,555	\$ 10,794	\$ -	\$ 9,641,349
Patient accounts receivable - net	11,052,456	1,384,864	-	12,437,320
Supplies inventory	1,624,701	-	-	1,624,701
Prepaid expenses and other current assets	1,314,097	34,941	-	1,349,038
Total current assets	23,621,809	1,430,599	-	25,052,408
Due from the Clinics and affiliates - net	2,045,991	-	(1,667,622)	378,369
Assets limited as to use	7,383,151	-	-	7,383,151
Property and equipment - net	15,470,395	2,344,441	-	17,814,836
Interest in net assets of Mid-Columbia Health Foundation (the Foundation)	279,907	-	-	279,907
Other assets - net	3,375,331	-	-	3,375,331
Total Assets	\$ 52,176,584	\$ 3,775,040	\$ (1,667,622)	\$ 54,284,002
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 2,984,635	\$ 55,855	\$ -	\$ 3,040,490
Accrued liabilities	5,336,777	164,874	-	5,501,651
Estimated third-party payor settlements payable (receivable) - net	1,853,000	(739,887)	-	1,113,113
Current portion of long-term debt	776,321	-	-	776,321
Current portion of obligations under capital leases	489,230	-	-	489,230
Total current liabilities - net	11,439,963	(519,158)	-	10,920,805
Due to the Hospital	-	1,667,622	(1,667,622)	-
Long-term debt - net of current portion	10,138,831	-	-	10,138,831
Obligations under capital leases - net of current portion	509,171	-	-	509,171
Other liabilities	2,178,861	-	-	2,178,861
Total liabilities	24,266,826	1,148,464	(1,667,622)	23,747,668
Net assets				
Unrestricted	27,629,851	2,626,576	-	30,256,427
Temporarily restricted	279,907	-	-	279,907
Total net assets	27,909,758	2,626,576	-	30,536,334
Total Liabilities and Net Assets	\$ 52,176,584	\$ 3,775,040	\$ (1,667,622)	\$ 54,284,002

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules.

Mid-Columbia Medical Center

Balance Sheets by Division (Continued)

December 31, 2010

	<u>Hospital</u>	<u>Clinics</u>	<u>Eliminating Entries</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 4,775,797	\$ 113,862	\$ -	\$ 4,889,659
Assets limited as to use	120,389	-	-	120,389
Patient accounts receivable - net	11,191,389	1,336,367	-	12,527,756
Supplies inventory	1,828,326	-	-	1,828,326
Prepaid expenses and other current assets	<u>1,413,604</u>	<u>30,897</u>	<u>-</u>	<u>1,444,501</u>
Total current assets	19,329,505	1,481,126	-	20,810,631
Due from the Clinics and affiliates - net	2,801,119	-	(2,380,245)	420,874
Assets limited as to use - net of current portion	7,345,427	-	-	7,345,427
Property and equipment - net	16,179,387	381,527	-	16,560,914
Interest in net assets of the Foundation	370,131	-	-	370,131
Other assets - net	<u>2,571,182</u>	<u>-</u>	<u>-</u>	<u>2,571,182</u>
Total Assets	<u>\$ 48,596,751</u>	<u>\$ 1,862,653</u>	<u>\$ (2,380,245)</u>	<u>\$ 48,079,159</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 2,800,992	\$ 13,530	\$ -	\$ 2,814,522
Accrued liabilities	4,919,182	91,771	-	5,010,953
Estimated third-party payor settlements payable (receivable) - net	1,394,986	(575,477)	-	819,509
Current portion of long-term debt	471,441	-	-	471,441
Current portion of obligations under capital leases	<u>551,839</u>	<u>-</u>	<u>-</u>	<u>551,839</u>
Total current liabilities - net	10,138,440	(470,176)	-	9,668,264
Due to the Hospital	-	2,380,245	(2,380,245)	-
Long-term debt - net of current portion	9,495,633	-	-	9,495,633
Obligations under capital leases - net of current portion	717,207	-	-	717,207
Other liabilities	<u>1,035,655</u>	<u>-</u>	<u>-</u>	<u>1,035,655</u>
Total liabilities	21,386,935	1,910,069	(2,380,245)	20,916,759
Net assets (deficit)				
Unrestricted	26,839,685	(47,416)	-	26,792,269
Temporarily restricted	<u>370,131</u>	<u>-</u>	<u>-</u>	<u>370,131</u>
Total net assets (deficit)	<u>27,209,816</u>	<u>(47,416)</u>	<u>-</u>	<u>27,162,400</u>
Total Liabilities and Net Assets	<u>\$ 48,596,751</u>	<u>\$ 1,862,653</u>	<u>\$ (2,380,245)</u>	<u>\$ 48,079,159</u>

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules.

Mid-Columbia Medical Center
Statements of Operations by Division
Year Ended December 31, 2011

	<u>Hospital</u>	<u>Clinics</u>	<u>Total</u>
Unrestricted revenue			
Net patient service revenue	\$ 89,096,792	\$ 13,051,181	\$ 102,147,973
Other revenue	3,677,988	379,592	4,057,580
Total unrestricted revenue	<u>92,774,780</u>	<u>13,430,773</u>	<u>106,205,553</u>
Expenses			
Salaries, wages, and employee benefits	47,476,601	12,698,041	60,174,642
Supplies	11,256,790	717,980	11,974,770
Medical professional fees	5,020,040	677,313	5,697,353
Provision for bad debts	4,347,250	169,346	4,516,596
Depreciation	2,670,009	231,298	2,901,307
Interest	674,282	-	674,282
Purchased services and other	14,750,987	1,874,002	16,624,989
Total expenses	<u>86,195,959</u>	<u>16,367,980</u>	<u>102,563,939</u>
Operating Income (Loss)	6,578,821	(2,937,207)	3,641,614
Total other income - net	<u>14,608</u>	<u>-</u>	<u>14,608</u>
Excess (Deficit) of Revenue over Expenses	<u><u>\$ 6,593,429</u></u>	<u><u>\$ (2,937,207)</u></u>	<u><u>\$ 3,656,222</u></u>

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules.

Mid-Columbia Medical Center
Statements of Operations by Division (Continued)
Year Ended December 31, 2010

	<u>Hospital</u>	<u>Clinics</u>	<u>Total</u>
Unrestricted revenue			
Net patient service revenue	\$ 86,188,440	\$ 9,167,140	\$ 95,355,580
Other revenue	2,681,245	8,393	2,689,638
Total unrestricted revenue	<u>88,869,685</u>	<u>9,175,533</u>	<u>98,045,218</u>
Expenses			
Salaries, wages, and employee benefits	46,346,476	8,784,810	55,131,286
Supplies	12,807,801	452,629	13,260,430
Medical professional fees	5,120,747	389,176	5,509,923
Provision for bad debts	5,082,206	145,247	5,227,453
Depreciation	2,748,994	83,792	2,832,786
Interest	687,657	-	687,657
Purchased services and other	13,852,972	1,311,424	15,164,396
Total expenses	<u>86,646,853</u>	<u>11,167,078</u>	<u>97,813,931</u>
Operating Income (Loss)	2,222,832	(1,991,545)	231,287
Total other income - net	<u>1,532,411</u>	<u>-</u>	<u>1,532,411</u>
Excess (Deficit) of Revenue over Expenses	<u>\$ 3,755,243</u>	<u>\$ (1,991,545)</u>	<u>\$ 1,763,698</u>

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules.

Additional Data

Software ID:
Software Version:
EIN: 93-0386936
Name: MID-COLUMBIA MEDICAL CENTER

Form 990, Special Condition Description:

Special Condition Description
