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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10/01, **2011, and ending** 06/30, **20** 12

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

C Name of organization
MARY HITCHCOCK MEMORIAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
ONE MEDICAL CENTER DRIVE

City or town, state or country, and ZIP + 4
LEBANON, NH 03756

D Employer identification number
02-0222140

E Telephone number
(603) 650-5000

G Gross receipts $ 860,406,770.

F Name and address of principal officer JAMES WEINSTEIN, MD
ONE MEDICAL CENTER DRIVE LEBANON, NH 03756

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

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

H(c) Group exemption number ▶

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

J Website ▶ WWW.DARTMOUTH-HITCHCOCK.ORG

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

L Year of formation 1889 **M** State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ADVANCING HEALTH THROUGH RESEARCH, EDUCATION, CLINICAL PRACTICE AND COMMUNITY PARTNERSHIPS, PROVIDING EACH PERSON THE BEST CARE, IN THE RIGHT PLACE, AT THE RIGHT TIME, EVERY TIME.

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

Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	19.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16.
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	5,433.
	6 Total number of volunteers (estimate if necessary)	6	600.
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,386,751.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	148,215.

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	9,876,785.	6,948,016.
	9 Program service revenue (Part VIII, line 2g)	853,974,784.	641,096,400.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,457,772.	13,110,550.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	47,455,058.	41,203,940.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	931,764,399.	702,358,906.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	979,917.	449,450.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	557,911,351.	402,260,707.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,518,310.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	375,099,356.	276,919,525.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	933,990,624.	679,629,682.
	19 Revenue less expenses Subtract line 18 from line 12	-2,226,225.	22,729,224.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	1,147,030,352.	1,214,347,432.
	21 Total liabilities (Part X, line 26)	718,120,459.	753,738,222.
	22 Net assets or fund balances Subtract line 21 from line 20	428,909,893.	460,609,210.

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OGDEN, UT

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 — Date 5/10/13

▶ Robin F. Kilfoyle-Mackey, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name GWEN SPENCER	Preparer's signature	Date 5-9-13	Check ☐ if self-employed	PTIN P00641463
Firm's name ▶ PRICEWATERHOUSECOOPERS, LLP			Firm's EIN ▶ 13-4008324	
Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110			Phone no 617-530-5000	

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

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2011)

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Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

ADVANCING HEALTH THROUGH RESEARCH, EDUCATION, CLINICAL PRACTICE AND COMMUNITY PARTNERSHIPS, PROVIDING EACH PERSON THE BEST CARE, IN THE RIGHT PLACE, AT THE RIGHT TIME, EVERY TIME.

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 $ 530,693,725 including grants of $ 150,269.) (Revenue $ 620,600,460)

ATTACHMENT 1

4b (Code _____) (Expenses $ 37,712,089 including grants of $ _____) (Revenue $ 40,528,586.)

ATTACHMENT 2

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 ▶ 568,405,814.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 1,045		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .	2a 5,433		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country ▶ BERMUDA			
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c	Enter the amount of reserves on hand	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a 19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ▶ ROBIN KILFEATHER-MACKEY ONE MEDICAL CENTER DRIVE LEBANON, NH 03756 603-650-5634

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 3										
(1) WAYNE G. GRANQUIST TRUSTEE/BOARD CHAIR	2.00	X		X				0	0	0
(2) JENNIE L. NORMAN TRUSTEE/BOARD SECRETARY	2.00	X		X				0	0	0
(3) HUGH C. SMITH, MD TRUSTEE	1.00	X						0	0	0
(4) VINCENT S. CONTI TRUSTEE	1.00	X						0	0	0
(5) ANNE-LEE VERVILLE TRUSTEE	1.00	X						0	0	0
(6) NANCY FORMELLA, MSN, RN PRES MHMH END11/14/11/TRST ADV	39.00	X		X				816,285.	0	19,022.
(7) THOMAS COLACCHIO, MD TSTEE/PRES DHH END11/14/11 PHY	37.00	X		X				0	731,642.	40,197.
(8) BARBARA COUCH TRUSTEE	1.00	X						0	0	0
(9) WILEY SOUBA, MD, SCD TRUSTEE/EX-OFFICIO, DEAN DMS	1.00	X						0	0	0
(10) WILLIAM J. CONATY TRUSTEE	1.00	X						0	0	0
(11) WILLIAM W. HELMAN, IV TRUSTEE	1.00	X						0	0	0
(12) ROBERT A. ODEN, JR., PHD TRUSTEE	1.00	X						0	0	0
(13) RUTH WILLIAMS BRINKLEY TRUSTEE EFF 12/9/2011	1.00	X						0	0	0
(14) JAMES WEINSTEIN, DO, MS TRUSTEE EX-OF/CEO EFF 11/14/11	38.00	X		X				0	738,213.	18,987.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) ALAN C. KEILLER TRUSTEE/BOARD TREASURER	2.00	X		X				0	0	0
(16) STEPHEN P. BARBA TRUSTEE/BOARD SECRETARY	2.00	X		X				0	0	0
(17) MICHAEL J. GORAN, MD TRUSTEE	1.00	X						0	0	0
(18) ALFRED GRIGGS TRUSTEE/CHAIR EMERITUS	1.00	X						0	0	0
(19) RICHARD S. SHREVE TRUSTEE	1.00	X						0	0	0
(20) JOHN L. HARRISON, JR. TRUSTEE	1.00	X						0	0	0
(21) CARL DEMATTEO, MD CHF QUAL COMPL OFR END 1/1/12	39.00			X				0	549,082.	16,366.
(22) ROBIN KILFEATHER-MACKEY, CPA CHIEF FINANCIAL OFFICER	37.00			X				0	428,011.	10,125.
(23) PETER JOHNSON CHIEF INFO OFFICER END 11/1/11	41.00			X				0	581,647.	18,598.
(24) LINDA VON REYN CHIEF NURSING OFFICER	41.00			X				360,686.	0	17,687.
(25) DANIEL JANTZEN, CPA CHIEF OPERATING OFFICER	41.00			X				563,916.	0	17,700.
1b Sub-total ▶								816,285.	1,469,855.	78,206.
c Total from continuation sheets to Part VII, Section A ▶								4,819,559.	5,070,047.	629,181.
d Total (add lines 1b and 1c) ▶								5,635,844.	6,539,902.	707,387.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 357

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 223

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) STEPHEN LEBLANC EXEC VP D-H HEALTH	14.00			X				0	533,844.	17,417.
(27) JOHN BUTTERLY, MD EXEC VP OF MED AFFAIRS, D-HH	16.00			X				0	536,880.	52,403.
(28) LAWRENCE DACEY, MD CHIEF MEDICAL OFFICER	41.00			X				0	541,568.	20,019.
(29) ALAN WESTON CHIEF HUMAN RESOURCES OFFICER	41.00			X				308,392.	0	36,928.
(30) NEIL CASTALDO CHIEF LEGAL OFFICER EFF10/1/11	39.00			X				632,366.	0	19,022.
(31) GREGG MEYER, MD CCO/EVP POP HLTH EFF 4/30/2012	41.00			X				0	0	0
(32) ANDREW GETTINGER, MD CHIEF MED INFO OFR 1/1-6/30/12	41.00			X				0	438,909.	11,138.
(33) BRIAN LALLY CHIEF ADVAN OFR END 1/13/2012	41.00			X				0	317,885.	41,761.
(34) JEANINE ARDEN ORNT GENERAL COUNSEL EFF 10/1/11	39.00			X				110,759.	0	15,836.
(35) VINCENT FUSCA CHIEF OF STAFF EFF 1/3/12	41.00			X				0	0	0
(36) MARY OSEID V.P AMBULATORY CARE	27.00				X			0	255,459.	9,953.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 357

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(37) CHRISTINE SCHON V.P COMM. GRP. PRACT. OPS	27.00				X			0	196,865.	32,114.
(38) WILLIAM MROZ V.P. OPERATIONS/CLINICAL SVCS	27.00				X			268,842.	0	31,321.
(39) SANDRA DICKAU VP OPS/PTNT CARE END 10/29/11	27.00				X			228,640.	0	6,986.
(40) GAIL DAHLSTROM V.P. FACILITIES MGMT	27.00				X			223,286.	0	17,594.
(41) MICHAEL WARD V.P. CANCER SERVICES	27.00				X			0	235,898.	17,715.
(42) TINA NAIMIE, CPA VP CORPORATE FINANCE	27.00				X			186,552.	0	14,483.
(43) WENDY FIELDING VP FINANCIAL PLANNING	27.00				X			196,960.	0	27,704.
(44) BARBARA WALTERS, DO, MBA EXECUTIVE MEDICAL DIRECTOR	21.00				X			0	353,116.	16,042.
(45) DAVID GLADSTONE, MD CHIEF CLINICAL PHYS RAD/ONC	27.00					X		275,375.	0	36,834.
(46) BRUCE KING PRES & CEO NEW LONDON HOSP	27.00					X		323,614.	0	17,640.
(47) SUSAN REEVES VP/CHAIR NURS COLBY SAW COLLG	27.00					X		275,925.	0	42,049.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 357

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(48) DAVID EVANCICH VP PUBLIC RELATNS END 5/14/11	27.00					X		254,205.	0	14,895.
(49) KEVIN DONOVAN CEO MT ASCUTNEY HOSPITAL	27.00					X		251,305.	0	35,475.
(50) RICHARD DAVIS FORMER KEY EMPLOYEE	0						X	0	100,883.	0
(51) JOHN COLLINS FORMER KEY EMPLOYEE	0						X	156,435.	0	0
(52) MARY KAY BOUDEWYNS FORMER KEY EMPLOYEE	27.00						X	202,301.	0	13,376.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 357

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

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	1,812,781.			
	d Related organizations	1d				
	e Government grants (contributions)	1e	1,720,253.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	3,414,982			
	g Noncash contributions included in lines 1a-1f $ 77,820.					
	h Total. Add lines 1a-1f		6,948,016.			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICE REVENUE	621110	640,444,286.	640,444,286.		
	b FEE FOR SERVICE GRANTS, OTHER, RESEARCH	621110	235,279.	235,279.		
	c MOBILE ECHO & HOLTERSCAN REVENUE	621110	416,835.	416,835		
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		641,096,400			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		8,206,794.		-8,331	8,215,125.
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross rents	742,835.				
	b Less rental expenses	516,727				
	c Rental income or (loss)	226,108				
	d Net rental income or (loss)		226,108			226,108.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	161,512,570	34,370			
	b Less cost or other basis and sales expenses	155,738,356.	904,829			
	c Gain or (loss)	5,774,214	-870,459			
	d Net gain or (loss)		4,903,756.			4,903,756.
	8a Gross income from fundraising events (not including $ 1,812,781. of contributions reported on line 1c) See Part IV, line 18 a	455,799				
	b Less direct expenses b	887,952				
	c Net income or (loss) from fundraising events		-432,153			-432,153
	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		0			
	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		0			
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA	722210	2,482,511.			2,482,511.
	b PHARMACY INCOME	621110	16,536,729		36,983.	16,499,746
	c MEANINGFUL USE	621110	8,869,111	8,869,111		
	d All other revenue	621110	13,521,634	11,163,535.	2,358,099	
	e Total. Add lines 11a-11d		41,409,985.			
	12 Total revenue. See instructions		702,358,906	661,129,046.	2,386,751.	31,895,093.

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	150,269.	150,269.		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	299,181.	299,181.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	8,462,231.	3,394,242.	4,833,834.	234,155.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	257,647.	257,647.		
7 Other salaries and wages	288,396,784.	238,570,606.	49,826,178.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	40,552,777.	33,658,805.	6,893,972.	
9 Other employee benefits	43,507,864.	36,073,665.	7,434,199.	
10 Payroll taxes	21,083,404.	17,499,225.	3,584,179.	
11 Fees for services (non-employees)				
a Management	0			
b Legal	1,547,633.		1,547,633.	
c Accounting	283,664.		283,664.	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other	46,594,864.	29,138,631.	17,456,233.	
12 Advertising and promotion	1,054,749.	9,425.	1,045,324.	
13 Office expenses	10,540,897.	3,276,095.	7,264,802.	
14 Information technology	3,745,783.	3,745,783.		
15 Royalties	0			
16 Occupancy	10,238,250.	8,993,081.	1,245,169.	
17 Travel	1,329,260.	1,103,286.	225,974.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	30,141.	20,025.	10,116.	
20 Interest	9,759,381.	8,588,255.	1,171,126.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	27,352,235.	24,059,246.	3,292,989.	
23 Insurance	3,889,365.	3,114,378.	774,987.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	84,937,153.	84,937,153.		
b MEDICAID ENHANCEMENT TAX	32,797,799.	32,797,799.		
c PROVISION FOR BAD DEBTS	17,267,575.	17,267,575.		
d EQUIPMENT RENTAL & MAINT	7,397,289.	6,504,218.	893,071.	
e All other expenses	18,153,487.	14,947,224.	1,922,108.	1,284,155.
25 Total functional expenses. Add lines 1 through 24e	679,629,682.	568,405,814.	109,705,558.	1,518,310.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		357,738.	1	82,965.
	2	Savings and temporary cash investments		49,844,820.	2	59,257,093.
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		152,519,707.	4	154,672,421.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		354,122.	5	372,579.
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		0	6	0
	7	Notes and loans receivable, net		2,003,212.	7	1,624,728.
	8	Inventories for sale or use		13,445,617.	8	13,456,700.
	9	Prepaid expenses and deferred charges		5,281,075.	9	5,763,032.
	10a	Land, buildings, and equipment. cost or other basis Complete Part VI of Schedule D	10a 783,403,739.			
	b	Less accumulated depreciation	10b 385,093,538.	375,493,166.	10c	398,310,201.
	11	Investments - publicly traded securities		279,749,986.	11	280,979,122.
	12	Investments - other securities See Part IV, line 11		212,463,631.	12	233,104,661.
	13	Investments - program-related See Part IV, line 11		2,477,568.	13	2,714,834.
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		53,039,710.	15	64,009,096.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,147,030,352.	16	1,214,347,432.
Liabilities	17	Accounts payable and accrued expenses		198,080,127.	17	211,075,005.
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		356,318,885.	20	356,346,495.
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		4,351,905.	23	3,489,268.
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		159,369,542.	25	182,827,454.
	26	**Total liabilities.** Add lines 17 through 25		718,120,459.	26	753,738,222.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		354,333,671.	27	381,928,668.
	28	Temporarily restricted net assets		46,706,072.	28	50,788,670.
	29	Permanently restricted net assets		27,870,150.	29	27,891,872.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		428,909,893.	33	460,609,210.
	34	Total liabilities and net assets/fund balances		1,147,030,352.	34	1,214,347,432.

Form **990** (2011)

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	702,358,906.
2	Total expenses (must equal Part IX, column (A), line 25)	2	679,629,682.
3	Revenue less expenses Subtract line 2 from line 1	3	22,729,224.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	428,909,893.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	8,970,093.
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	460,609,210.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	**Employer identification number**
MARY HITCHCOCK MEMORIAL HOSPITAL	02-0222140

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 . . . . . 15 %

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a 331/3% support tests - 2011. If the organization did not check the box on line 14, and line 15 is more than 331/3%, and line 17 is not more than 331/3%, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

b 331/3% support tests - 2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 331/3%, and line 18 is not more than 331/3%, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.

▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
MARY HITCHCOCK MEMORIAL HOSPITAL	02-0222140

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . .

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

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

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

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

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

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

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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1E1265 1 000

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of.			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		42,096.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	44,076.
j Total Add lines 1c through 1i			86,172.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITY EXPLANATION

SCHEDULE C, PART II, B

MARY HITCHCOCK MEMORIAL HOSPITAL EMPLOYS TWO FULL TIME STAFF WHOSE DUTIES INCLUDE LOBBYING. TYPICAL EXPENSES ASSOCIATED WITH THE LOBBYING ACTIVITIES INCLUDE STAFF SALARY, TRAVEL, MEMBERSHIP FEES AND DUES. FOR THE FISCAL YEAR ENDED JUNE 30, 2012, MARY HITCHCOCK MEMORIAL HOSPITAL INCURRED $86,172 IN CONJUCTION WITH THIS ACTIVITY.

FROM TIME TO TIME, MARY HITCHCOCK MEMORIAL HOSPITAL, THROUGH ITS EMPLOYEES AND THE USE OF CONSULTANTS, CONTACTS GOVERNMENT OFFICIALS AND LEGISLATORS. THIS CONTACT IS FOR THE PURPOSE OF PROPOSING LEGISLATION OR EXPRESSING AN OPINION ON CHANGES IN LEGISLATION THAT AFFECT THE HOSPITAL AND ITS ABILITY TO CARRY OUT ITS MISSION. TYPICAL ACTIVITIES INCLUDE EMAILING, CALLING, AND MEETING WITH GOVERNMENT OFFICIALS AND LEGISLATORS.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	54,023,225.	54,110,647.	49,493,627.	49,870,808.	
b Contributions	30,717.	398,541.	3,040,219.	4,146,452.	
c Net investment earnings, gains, and losses	3,834,255.	842,732.	2,769,857.	-3,921,625.	
d Grants or scholarships	15,000.				
e Other expenditures for facilities and programs	823,012.	1,328,695.	1,193,056.	602,008.	
f Administrative expenses					
g End of year balance	57,050,185.	54,023,225.	54,110,647.	49,493,627.	

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

a Board designated or quasi-endowment ▶ 30.4800 %
b Permanent endowment ▶ 48.8900 %
c Temporarily restricted endowment ▶ 20.6300 %

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

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

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

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	1,559,834.	33,341,446.		34,901,280.
b Buildings		407,728,649.	212,989,205.	194,739,444.
c Leasehold improvements		4,204,881.	3,370,941.	833,940.
d Equipment		286,845,662.	168,733,392.	118,112,270.
e Other		49,723,267.		49,723,267.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				398,310,201.

Schedule D (Form 990) 2011

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) FIXED INCOME	23,139,913.	FMV
(B) PUBLIC EQUITIES	103,416,687.	FMV
(C) PRIVATE EQUITIES	14,741,708.	FMV
(D) HEDGE FUNDS	55,496,110.	FMV
(E) OTHER INVESTMENTS	36,310,243.	FMV
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶	233,104,661.	

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

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

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

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶		

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) THIRD PARTY SETTLEMENTS	22,385,692.
(3) ACCRUED POST RETMNT PENS & MED	149,065,630.
(4) INTEREST RATE SWAP	11,376,132.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	182,827,454.

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information *(continued)*

INTENDED USE OF ENDOWMENT FUNDS

SCHEDULE D PART V LINE 4

THE INTENDED USE OF THE ENDOWMENT FUNDS IS TO PROMOTE AND ADVANCE THE FOLLOWING MISSION-RELATED PROGRAMS: HEALTHCARE SERVICES, RESEARCH, CHARITY CARE, AND HEALTH EDUCATION.

ASC 740 (FIN 48) FOOTNOTE

FORM 990 SCHEDULE D PART X

NO ASC 740 (FIN 48) FOOTNOTE WAS INCLUDED IN THE AUDITED FINANCIAL STATEMENTS AS THERE WERE NO MATERIAL UNCERTAIN TAX POSITIONS AT OR SINCE ADOPTION.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number

02-0222140

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) EAST ASIA AND THE PACIFIC			PROGRAM SERVICES	EDUCATIONAL TRAVEL EXP	8,752.
(2) EUROPE			PROGRAM SERVICES	DUES AND MEMBERSHIP	306
(3) EUROPE			PROGRAM SERVICES	EDUCATIONAL TRAVEL EXP	13,110.
(4) EUROPE			PROGRAM SERVICES	INSURANCE SERVICES	177,990.
(5) EUROPE			PROGRAM SERVICES	MEDICAL EQUIP.&SUPPLY	295,909.
(6) MIDDLE EAST AND NORTH AFRICA			PROGRAM SERVICES	COLLECTION SERVICES	6,062.
(7) NORTH AMERICA			PROGRAM SERVICES	DUES& MEMBERSHIP FEES	2,925.
(8) NORTH AMERICA			PROGRAM SERVICES	EDUCATIONAL TRAVEL EXP	16,763
(9) NORTH AMERICA			PROGRAM SERVICES	LOAN FORGIVENESS	1,700.
(10) NORTH AMERICA			PROGRAM SERVICES	MARKETING	10,184.
(11) NORTH AMERICA			PROGRAM SERVICES	MEDICAL EQUIP.&SUPPLY	2,472,632.
(12) NORTH AMERICA			PROGRAM SERVICES	SOFTWARE	42,228
(13) RUSSIA/INDEPENDENT STATES			PROGRAM SERVICES	MARKETING SERVICES	1,088.
(14) CENTRAL AMERICA/CARIBBEAN			PROGRAM SERVICES	EDUCATIONAL TRAVEL EXP	5,670
(15) SOUTH AMERICA			PROGRAM SERVICES	EDUCATIONAL TRAVEL EXP	980.
(16) SUB-SAHARAN AFRICA			PROGRAM SERVICES	EDUCATIONAL TRAVEL EXP	1,124.
(17)					
3a Sub-total					3,057,423
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					3,057,423.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Part II can be duplicated if additional space is needed

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____
3 Enter total number of other organizations or entities . . . . . ▶ _____

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U S Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	[X] Yes	[ ] No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A)*	[ ] Yes	[X] No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)*	[X] Yes	[ ] No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)*	[X] Yes	[ ] No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons With Respect To Certain Foreign Partnerships (see Instructions for Form 8865)*	[X] Yes	[ ] No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	[ ] Yes	[X] No

Part V **Supplemental Information**

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

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

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

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

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

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

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

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

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

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

		(a) Event #1 PROUTY BIKE/WLK (event type)	(b) Event #2 SKI MOVIE EVEN (event type)	(c) Other Events 6. (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	1,408,410.	259,892.	600,278.	2,268,580.
	2 Less Charitable contributions	1,172,601.	95,273.	544,907.	1,812,781.
	3 Gross income (line 1 minus line 2)	235,809.	164,619.	55,371.	455,799.
Direct Expenses	4 Cash prizes		969.	1,026.	1,995.
	5 Noncash prizes	27,200.	228,869.	16,836.	272,905.
	6 Rent/facility costs	26,572.	2,605.	1,394.	30,571.
	7 Food and beverages	123,054.	68.	30,430.	153,552.
	8 Entertainment	5,286.	4,650.	6,980.	16,916.
	9 Other direct expenses	302,824.	2,876.	106,313.	412,013.
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(887,952.)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				-432,153.

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain. _____

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

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

13 Indicate the percentage of gaming activity operated in.

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

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

Name ▶ _____

Address ▶ _____

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

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

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

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions.

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

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

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

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b	If "Yes," was it a written policy?	1b	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other 225.0000 %	3a	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care. ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____%	3b	X	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a	Did the organization prepare a community benefit report during the tax year?	6a	X	
b	If "Yes," did the organization make it available to the public?	6b	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			8,957,154.		8,957,154.	1.35
b Medicaid (from Worksheet 3, column a)			93,618,077.	29,118,796.	64,499,281.	9.74
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			102,575,231.	29,118,796.	73,456,435.	11.09
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,614,565.	120,625.	2,493,940.	.38
f Health professions education (from Worksheet 5)			29,671,370.	7,702,057.	21,969,313.	3.32
g Subsidized health services (from Worksheet 6)			2,894,063.		2,894,063.	.44
h Research (from Worksheet 7)			2,796,443.		2,796,443.	.42
i Cash and in-kind contributions for community benefit (from Worksheet 8)			5,361,695.		5,361,695.	.81
j Total. Other Benefits			43,338,136.	7,822,682.	35,515,454.	5.37
k Total Add lines 7d and 7j			145,913,367.	36,941,478.	108,971,889.	16.46

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing			24,500.		24,500.	
2 Economic development						
3 Community support						
4 Environmental improvements			2,127.		2,127.	
5 Leadership development and training for community members						
6 Coalition building			147,204.		147,204.	
7 Community health improvement advocacy			85,483.		85,483.	
8 Workforce development			15,411.		15,411.	
9 Other						
10 Total			274,725.		274,725.	

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1		X
2	Enter the amount of the organization's bad debt expense 2 17,267,575.			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	172,283,611.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	182,353,324.
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-10,069,713.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures** (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

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

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 MARY HITCHCOCK MEMORIAL HOSPITAL ONE MEDICAL CENTER DRIVE LEBANON NH 03756	X	X	X	X		X	X		PSYCH UNIT AND TRANSPLANT UNIT
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of Hospital Facility: MARY HITCHCOCK MEMORIAL HOSPITAL

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

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

Part V Facility Information *(continued)* MARY HITCHCOCK MEMORIAL HOSPITAL

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 3 0 0 %			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	[X] Income level			
b	[X] Asset level			
c	[X] Medical indigency			
d	[X] Insurance status			
e	[X] Uninsured discount			
f	[X] Medicaid/Medicare			
g	[X] State regulation			
h	[ ] Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	X	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	[X] The policy was posted on the hospital facility's website			
b	[ ] The policy was attached to billing invoices			
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	[ ] The policy was posted in the hospital facility's admissions offices			
e	[ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f	[X] The policy was available on request			
g	[X] Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	X	
15	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP.			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		X
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply)			
a	[ ] Notified patients of the financial assistance policy on admission			
b	[ ] Notified patients of the financial assistance policy prior to discharge			
c	[ ] Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	[ ] Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e	[ ] Other (describe in Part VI)			

Part V Facility Information *(continued)* MARY HITCHCOCK MEMORIAL HOSPITAL

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	☒ Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20	X
	If "Yes," explain in Part VI		
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?	21 X	
	If "Yes," explain in Part VI		

Part V Facility Information *(continued)*

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

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 1

	Name and address	Type of Facility (describe)
1	NORRIS COTTON CANCER CENTER 1080 HOSPITAL DRIVE ST JOHNSBURY VT 05819	CANCER CENTER
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, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

PART I LINE 6A

COMMUNITY BENEFITS REPORT

MARY HITCHCOCK MEMORIAL HOSPITAL AND DARTMOUTH-HITCHCOCK CLINIC

(COLLECTIVELY REFERRED TO AS DARTMOUTH-HITCHCOCK (D-H)) SHARE COMMON

BOARD MEMBERS AND OPERATE UNDER AN AFFILIATION AGREEMENT. D-H PERFORMS A

JOINT COMMUNITY NEEDS ASSESSMENT AND FILES A CONSOLIDATED COMMUNITY

BENEFITS REPORT. FOR PURPOSES OF IRS FORM SCHEDULE H, ONLY HOSPITAL

NUMBERS WERE USED. ALL AMOUNTS RELATING TO DHC WERE EXCLUDED.

PART I LINE 7G

SUBSIDIZED HEALTH SERVICES RELATED TO PHYSICIAN CLINICS

THE ORGANIZATION DID NOT INCLUDE ANY SUBSIDIZED HEALTH SERVICE COSTS

ATTRIBUTABLE TO A PHYSICIAN CLINIC ON PART I, LINE 7G.

PART I LINE 7F

BAD DEBTS

BAD DEBT EXPENSE INCLUDED ON FORM 990 PART IX - LINE 25 TOTALING

$17,267,575, WAS EXCLUDED FROM TOTAL EXPENSES FOR THE CALCULATION OF NET

Part VI Supplemental Information

Complete this part to provide the following information

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COMMUNITY BENEFITS AS A PERCENT OF TOTAL EXPENSES.

PART I LINE 7

COSTING METHODOLOGY

THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED WAS A COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES.

PART II

COMMUNITY BUILDING ACTIVITIES

COMMUNITY BUILDING ACTIVITIES INCLUDE EXPENSES RELATED TO COALITIONS THAT ADDRESS RURAL EMERGENCY/TRAUMA SERVICES, PREVENTION OF PEDIATRIC OBESITY, PREVENTION OF SUBSTANCE ABUSE, FALLS REDUCTION FOR OLDER ADULTS, PUBLIC HEALTH NETWORKS, PRESCRIPTION DRUG MISUSE, AND LOW-INCOME HOUSING. THESE ALSO INCLUDE CASH SUPPORT AND/OR CONTRIBUTED IN-KIND SUPPORT FOR THE DEVELOPMENT AND MAINTENANCE OF HOUSING FOR LOW-INCOME FAMILIES, REGIONAL ECONIMIC DEVELOPMENT, AND SUPPORT FOR REGIONAL WORKFORCE DEVELOPMENT SERVICES.

Part VI Supplemental Information

Complete this part to provide the following information

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

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PART III SECTION A LINE 3

BAD DEBT EXPENSE

AS PART OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, MHMH MAKES INFORMATION AVAILABLE TO PATIENTS FOR ELIGIBILITY AND HOW TO APPLY FOR FREE OR DISCOUNTED CARE. IF THE PATIENT DOES NOT RESPOND TO THE HOSPITAL'S ATTEMPTS TO COMPLETE THE FINANCIAL ASSISTANCE PACKAGE, THESE PATIENTS MAY BE WRITTEN OFF TO BAD DEBT. MHMH CURRENTLY DOES NOT HAVE A METHODOLOGY TO DETERMINE HOW MANY PATIENTS WHO WOULD HAVE QUALIFIED FOR FINANCIAL ASSISTANCE IF THE DOCUMENTATION WAS PROVIDED. THE HOSPITAL IS CURRENTLY REVIEWING THIS PROCESS TO COME UP WITH A TRACKING METHODOLOGY FOR THAT IS IN COMPLIANCE WITH MEDICARE COST REPORT REGULATIONS.

PART III SECTION A LINE 4

AUDITED FINANCIAL STATEMENT DISCLOSURE FOR CHARITY CARE AND PROVISION FOR BAD DEBT (PLEASE NOTE THAT MHMH FILES A COMBINED AUDITED FINANCIAL STATEMENT WITH DARTMOUTH-HITCHCOCK CLINIC AND OTHER SUBSIDIARIES)

Part VI Supplemental Information

Complete this part to provide the following information

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

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MHMH PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR FINANCIAL ASSISTANCE POLICIES WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES. BECAUSE MHMH DOES NOT ANTICIPATE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE.

THE ORGANIZATION GRANTS CREDIT WITHOUT COLLATERAL TO PATIENTS, MOST OF WHOM ARE LOCAL RESIDENTS AND ARE INSURED UNDER THIRD-PARTY ARRANGEMENTS. ADDITIONS TO THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS ARE MADE BY MEANS OF THE PROVISION FOR BAD DEBTS. ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED FROM THE ALLOWANCE AND SUBSEQUENT RECOVERIES ARE ADDED. THE AMOUNT OF THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN FEDERAL AND STATE GOVERNMENTAL HEALTHCARE COVERAGE AND OTHER COLLECTION INDICATORS.

PART III SECTION A LINE 4

PATIENT FINANCIAL ASSISTANCE QUALIFICATION

MHMH'S POLICY IS TO EXERT EVERYTHING IN THE ORGANIZATION'S POWER TO

Part VI Supplemental Information

Complete this part to provide the following information

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

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OBTAIN SUFFICIENT AND ADEQUATE INFORMATION TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE. IF THE REQUIRED INFORMATION IS NOT OBTAINED IN ORDER TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE, THEN THE AMOUNT IS RECOGNIZED AS BAD DEBT. IN ADDITION, DURING FISCAL YEAR 2012, MHMH INCREASED THEIR DISCOUNT FOR UNINSURED PATIENTS FROM 30% TO 40% (BEFORE FINANCIAL ASSISTANCE IS APPLIED).

PART III SECTION A LINE 4

COSTING METHODOLOGY USED ON LINES 2

THE AMOUNTS REPORTED ON PART III, SECTION A, LINE 2 WERE DERIVED FROM MHMH'S AUDITED FINANCIAL STATEMENTS (PROVISION FOR BAD DEBT).

PART III SECTION B LINE 8

MEDICARE SHORTFALLS

THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED AS MEDICARE SHORTFALLS WAS DERIVED FROM THE INTERNAL REVENUE SERVICE'S WORKSHEET B AS PROVIDED FOR PART III CALCULATIONS. MHMH HAD REVENUES OF $17,406,194 AND COSTS OF $21,528,211 FOR SERVICES NOT INCLUDED ON THE

Part VI Supplemental Information

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

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MEDICARE COST REPORT (AMBULANCE SERVICES, LABORATORY AND OTHER FEES SCREENS, AND MEDICARE PART C & D SERVICES). MHMH INCURRED A NET LOSS OF $4,122,017 ON THE PROVISION OF THESE SERVICES.

PART III LINE 9B

CREDIT AND COLLECTION POLICY

MHMH HAS A CREDIT AND COLLECTION POLICY THAT ADDRESSES THE PROCEDURES FOR PATIENTS WHO CHOOSE NOT TO MAKE PAYMENT OR WORK WITH MHMH TO MAKE PAYMENT ARRANGEMENTS FOR THEIR BILL. THE ORGANIZATION HAS A SEPARATE FINANCIAL ASSISTANCE POLICY THAT ADDRESSES THOSE PATIENTS WHO ARE UNABLE TO MAKE PAYMENT. MHMH IS A CHARITABLE HEALTH CARE ORGANIZATION WHO TREATS PATIENTS THAT COME FOR MEDICALLY NECESSARY CARE, REGARDLESS OF THEIR FINANCIAL STATUS. MHMH OFFERS FINANCIAL ASSISTANCE IN THE FORM OF FREE OR DISCOUNTED CARE TO THOSE PATIENTS WHO HAVE AN INABILITY TO PAY THEIR BILLS. THE REQUIREMENTS AND CRITERIA FOR CONSIDERATION FOR FINANCIAL ASSISTANCE ARE OUTLINED WITHIN THE FINANCIAL ASSISTANCE POLICY. GUIDELINES FOR FINANCIAL ASSISTANCE QUALIFICATION ARE DEFINED AS WELL AS THE LEVELS OF ASSISTANCE AVAILABLE. PATIENTS CAN QUALIFY FOR 25%, 50%,

Part VI Supplemental Information

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75%, OR 100% REDUCTION BASED ON FEDERAL POVERTY LEVELS AS WELL AS A CATASTROPHIC GUIDELINE OF 10% OF 2 YEAR'S INCOME FOR THOSE THAT MAY NOT QUALIFY BASED ON ASSETS AND INCOME, BUT WHO HAVE A BILL BEYOND THEIR MEANS TO PAY. THE POLICY ALSO ADDRESSES THAT PAYMENT PLANS ARE AVAILABLE FOR ANYONE WITH A SELF-PAY BALANCE REMAINING AFTER THEIR REDUCTION.

PART V SECTION C

FACILITY INFORMATION

THE HOSPITAL HAS A CANCER TREATMENT CENTER LOCATED IN SAINT JOHNSBURY, VERMONT. THIS LOCATION IS REGISTERED UNDER THE SAME LICENSE AS THE ORGANIZATION'S MAIN CAMPUS LOCATED IN LEBANON, NEW HAMSHIRE.

PART V, SECTION B LINE 13G

FINANCIAL ASSISTANCE POLICY AVAILABILITY WITHIN THE COMMUNITY

A REVISED FINANCIAL ASSISTANCE POLICY WAS APPROVED BY THE BOARD OF TRUSTEES IN JUNE 2012. THE UPDATED POLICY HAS BEEN POSTED TO MHMH'S WEBSITE, INCLUDING THE VERBATIM POLICY AND SHORTER, MORE PATIENT-FRIENDLY

Part VI Supplemental Information

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VERSION. MHMH HAS ALSO MADE ADDITIONAL CHANGES INTERNALLY TO INCREASE AWARENESS OF THE POLICY, INCLUDING ADDING INFORMATION TO THE BACK OF THE PATIENT'S STATEMENT ABOUT FINANCIAL ASSISTANCE AVAILABLE TO THEM, POSTING INFORMATION ABOUT THE POLICY IN PUBLIC AREAS THROUGHOUT THE FACILITIES, AND ENSURING FINANCIAL ASSISTANCE POLICY BROCHURES ARE AVAILABLE IN PATIENT AREAS.

PART V, SECTION B LINE 17E

BILLING & COLLECTION ACTIONS

MHMH SCREENS 100% OF UNINSURED INPATIENT AND SAME-DAY PATIENTS PRIOR TO ADMISSION. AS PART OF THIS PROCESS, MHMH CHECKS ALL STATE AND FEDERAL PROGRAMS TO SEE IF INDIVIDUALS ARE ELIGIBLE FOR ASSISTANCE.

PART V, SECTION B LINE 19D

MAXIMUM CHARGES TO FINANCIAL ASSISTANCE POLICY-ELIGIBLE INDIVIDUALS FOR EMERGENCY OR MEDICALLY-NECESSARY CARE

MHMH USES THE THE THREE HIGHEST COMMERICAL PAYER DISCOUNTS AND APPLIES

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THIS AS A DISCOUNT FOR ALL UNINSURED PATIENTS. EFFECTIVE FOR FISCAL YEAR

2012, THE DISCOUNT RATE IS 40% (PRIOR TO 2012 THE RATE WAS 30%).

PART V, SECTION B LINE 21

GROSS CHARGES TO FINANCIAL ASSISTANCE POLICY-ELIGIBLE INDIVIDUALS

OCCASIONALLY MHMH MAY CHARGE AN AMOUNT EQUAL TO THE GROSS CHARGES FOR ANY

SERVICE PROVIDED TO PATIENTS IN THE EVENT THE PATIENT'S INSURANCE DOES

NOT COVER A PARTICULAR SERVICE OR ELECTIVE PROCEDURE. IN CERTAIN

SITUATIONS, STATE LAW MAY STILL PROHIBIT MHMH FROM CHARGING GROSS

CHARGES.

PART VI LINE 2

NEEDS ASSESSMENT

MARY HITCHCOCK MEMORIAL HOSPITAL AND DARTMOUTH-HITCHCOCK CLINIC

(COLLECTIVELY REFERRED TO AS DARTMOUTH-HITCHCOCK (D-H)) SHARE COMMON

BOARD MEMBERS AND OPERATE UNDER AN AFFILIATION AGREEMENT. D-H PERFORMS A

JOINT COMMUNITY NEEDS ASSESSMENT AND FILES A CONSOLIDATED COMMUNITY

BENEFITS REPORT.

Part VI Supplemental Information

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DESCRIPTION OF COMMUNITY NEEDS ASSESSMENT

DARTMOUTH-HITCHCOCK PARTICIPATES WITH OTHER HEALTH CARE CHARITABLE TRUSTS AND COMMUNITY PARTNERS IN EACH OF OUR SERVICE AREAS TO COMPLETE COMMUNITY HEALTH NEEDS ASSESSMENTS. EACH OF OUR REGIONS (LEBANON, CONCORD, MANCHESTER AND NASHUA) HAS UTILIZED DIFFERENT APPROACHES, AS DESCRIBED BELOW:

1. LEBANON SERVICE AREA:

IN 2005, THE UPPER VALLEY REGION DEFINED A SET OF 14 SPECIFIC INDICATOR AREAS THAT HAD BEEN IDENTIFIED IN EARLIER COMMUNITY NEEDS ASSESSMENTS AS BEING KEY AREAS OF NEED. THESE 14 INDICATOR AREAS OFFER AN OPPORTUNITY FOR THE REGION TO TRACK PROGRESS TOWARD MEETING THESE HEALTH NEEDS OVER TIME. THE 2008 COMMUNITY NEEDS ASSESSMENT WAS ORGANIZED AROUND THESE NEEDS.

FOR EACH INDICATOR AREA, WE SOUGHT DATA REGARDING THE INDICATOR BY:

A. IDENTIFYING QUANTIFIABLE, RELIABLE, REGULARLY COLLECTED POPULATION DATA SOURCES, SUCH AS YOUTH RISK BEHAVIOR SURVEYS AND THE BEHAVIORAL RISK FACTORS SURVEILLANCE SYSTEM.

Part VI Supplemental Information

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B. HOSTING SMALL FOCUS GROUPS OF KEY COMMUNITY STAKEHOLDERS WITH LONG-TERM KNOWLEDGE AND EXPERIENCE RELATED TO EACH OF THE KEY INDICATOR AREAS.

C. SEEKING COMMENTARY ON FOCUS GROUP DATA FROM ADDITIONAL KEY STAKEHOLDERS IN INDIVIDUAL INTERVIEW FORMATS.

THESE ACTIVITIES PROVIDED DATA AND ANALYSIS NEEDED TO COMPILE NARRATIVE REPORTS FOR EACH KEY INDICATOR AREA, INCLUDING BOTH QUANTITATIVE POPULATION HEALTH DATA AND LOCAL INTERPRETATION AND ANALYSIS OF FACTORS IMPACTING EACH AREA OF NEED.

IN ADDITION DARTMOUTH-HITCHCOCK AND ALICE PECK DAY MEMORIAL HOSPITAL SOLICITED INPUT TO HELP PRIORITIZE IDENTIFIED COMMUNITY HEALTH NEEDS THROUGH TWO ADDITIONAL ACTIONS:

A. DISTRIBUTING A BRIEF HEALTH NEEDS PRIORITY SURVEY TO RESIDENTS ATTENDING FREE PUBLIC FLU CLINICS IN LEBANON AND CANAAN.

B. ASKING KEY LEADERS OF HEALTH, HUMAN SERVICE, AND GOVERNMENT ASSISTANCE ORGANIZATIONS TO COMPLETE A SURVEY MONKEY QUESTIONNAIRE WHICH ASKED THEM TO PRIORITIZE THE NEEDS OF

I. CLIENTS THEY SERVE

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II. THE COMMUNITY AT-LARGE

III. BARRIERS TO HEALTH

IV. THE COMMUNITY HEALTH INTERVENTIONS THEY DESIRED MOST FROM

DARTMOUTH-HITCHCOCK AND ALICE PECK DAY MEMORIAL HOSPITAL

V. THE COMMUNITY HEALTH INTERVENTIONS THEY WERE MOST LIKELY TO IMPLEMENT

THROUGH THEIR OWN ORGANIZATIONS IN THE NEXT 1-3 YEARS.

2. CONCORD SERVICE AREA:

IN 2008, DARTMOUTH-HITCHCOCK CONCORD PARTICIPATED AS A MEMBER OF THE

CAPITOL REGION HEALTH NEEDS ASSESSMENT. DATA GATHERING METHODS USED IN

THIS ASSESSMENT INCLUDED:

A. REVIEWING OF POPULATION HEALTH DATA FROM COUNTY, STATE, AND HOSPITAL

DATA SETS.

B. CONDUCTING STAKEHOLDER INTERVIEWS WITH KEY ELECTED AND APPOINTED CITY

AND STATE OFFICIALS AS WELL AS REPRESENTATIVES FROM HEALTH CONSTITUENCY

GROUPS.

C. HOSTING FOCUS GROUPS FOR VARIOUS CONSTITUENT GROUPS, INCLUDING

SENIORS, TEENS, YOUNG PARENTS, EDUCATORS, CLERGY, AND HEALTH CARE/HUMAN

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SERVICE PROVIDERS.

D. CONDUCTING COMMUNITY LISTENING SESSIONS OPEN TO THE GENERAL PUBLIC IN SIX COMMUNITIES SURROUNDING CONCORD.

E. ADMINISTERING A RANDOM, PROBABILISTIC TELEPHONE SURVEY OF RESIDENTS IN 24 COMMUNITIES SURROUNDING CONCORD.

F. DISTRIBUTING A WRITTEN SURVEY TO ADULTS AND TEENS IN A VARIETY OF COMMUNITY LOCATIONS.

G. POSTING AN ONLINE SURVEY USING ZOOMERANG.COM TO GATHER FEEDBACK FROM RESPONDENTS.

3. MANCHESTER AREA: DARTMOUTH-HITCHCOCK MANCHESTER WAS A COLLABORATOR IN THE 2006 "COMMUNITY INDICATORS" PROJECT SPONSORED BY HERITAGE UNITED WAY IN PARTNERSHIP WITH SOUTHERN NEW HAMPSHIRE UNIVERSITY. THIS PROJECT UTILIZED SEVERAL SOURCES OF GATHERING DATA REGARDING COMMUNITY NEEDS:

A. UTILIZING DATA FROM THE US CENSUS, THE BUREAU OF LABOR STATISTICS, AND RESEARCH GENERATED BY PUBLIC AGENCIES, INSTITUTIONS, COMMUNITY-BASED ORGANIZATIONS, AND ACADEMIC CENTERS.

B. INPUT FROM STAKEHOLDER GROUPS, INCLUDING DONOR GROUPS, BUSINESS

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LEADERS, AGENCIES, CLIENTS, LOCAL PHILANTHROPIES, ADVOCATES, RESEARCHERS,

AND THE HERITAGE UNITED WAY BOARD OF DIRECTORS.

C. THREE COMMUNITY DISCUSSION FORUMS WHERE DATA AND REPORTS GENERATED AS

PART OF THE COMMUNITY INDICATORS PROJECT WERE PRESENTED FOR DISCUSSION AT

OPEN FORUMS.

4. NASHUA SERVICE AREA: DARTMOUTH-HITCHCOCK NASHUA PARTICIPATED IN THE

DEVELOPMENT OF THE 2006 "GREATER NASHUA MEASURES UP" COMMUNITY NEEDS

ASSESSMENT PROJECT. METHODS FOR GATHERING INFORMATION USED IN THIS

ASSESSMENT INCLUDE:

A. COLLECTING POPULATION HEALTH DATA FROM PUBLISHED SOURCES INCLUDING:

I. THE 2000 CENSUS OF POPULATION AND HOUSING

II. THE MAYOR'S TASK FORCE ON HOUSING

III. NASHUA CONTINUUM OF CARE'S POINT-IN-TIME COUNTS OF THE HOMELESS

IV. SOUTHERN NEW HAMPSHIRE SERVICES' 2004-2007 ASSESSMENT OF THE NEEDS OF

LOW-INCOME INDIVIDUALS

V. STATE AND LOCAL GOVERNMENT DATA ON EDUCATION, EMPLOYMENT, CRIME, AND

HEALTH STATUS

Part VI Supplemental Information

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B. CONDUCTING A REGIONAL, RANDOMIZED HOUSEHOLD TELEPHONE SURVEY REGARDING PERSONAL AND COMMUNITY HEALTH CARE NEEDS.

C. HOSTING FOCUS GROUPS OF SERVICE RECIPIENTS, INCLUDING HISPANIC-SPEAKING AND PORTUGUESE-SPEAKING GROUPS AND TEEN REPRESENTATIVES FROM THE MAYOR'S TASKFORCE ON YOUTH IN NASHUA.

D. SURVEYING HUMAN SERVICE AGENCIES REGARDING COMMUNITY HEALTH NEEDS.

PART VI LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

ALL UNINSURED INPATIENTS, SAME DAY SURGERY, OBSERVATION, AND EMERGENCY DEPARTMENT PATIENTS ARE PRO-ACTIVELY SCREENED USING AN AUTOMATED TOOL TO IDENTIFY POTENTIAL QUALIFICATION FOR OTHER FEDERAL, STATE, AND LOCAL PROGRAMS. IN ADDITION, SPECIFIC OUTPATIENT ACTIVITIES DEEMED TO HAVE A HIGHER RATE OF NEED ARE SCREENED AS PART OF REGULAR PROTOCOL. IF A PATIENT APPEARS TO BE ELIGIBLE, ON-SITE FINANCIAL COUNSELORS ASSIST THE PATIENT IN COMPLETING THE APPROPRIATE PAPERWORK/APPLICATIONS AND PROVIDE INSTRUCTION REGARDING HOW TO COMPLETE THE QUALIFICATION PROCESS. IN SOME CASES A FINANCIAL COUNSELOR WILL ACT ON BEHALF OF THE PATIENT, AT THEIR

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SIGNED CONSENT, IN ORDER TO COMPLETE THE APPLICATION PROCESS (FOR EXAMPLE, IN NEW HAMPSHIRE A PATIENT MUST BE PHYSICALLY PRESENT AT THE DISTRICT OFFICE). IF A PATIENT DOESN'T QUALIFY FOR SPECIFIC PROGRAMS, THEY ARE ALSO CONSIDERED FOR FINANCIAL ASSISTANCE AS PART OF THEIR SCREENING. FOR OUTPATIENT SERVICES THAT ARE NOT ROUTINELY SCREENED, STAFF INTERACTING WITH PATIENTS ARE INSTRUCTED TO PROVIDE EITHER A FINANCIAL ASSISTANCE APPLICATION OR CONTACT INFORMATION FOR A FINANCIAL COUNSELOR WHEN A PATIENT EXPRESSES THEIR INABILITY TO MAKE PAYMENT. EVERY APPLICATION IS SCREENED FOR COMPLETED INCOME AND ASSET DOCUMENTATION. APPLICATIONS ARE ALSO SCREENED TO ASSURE THERE ARE NO OTHER POTENTIAL OPTIONS OF FEDERAL, STATE, OR LOCAL PROGRAMS. THE WEBSITE, PATIENT STATEMENTS, AND FINANCIAL BROCHURES ALL INCLUDE INFORMATION ABOUT FINANCIAL ASSISTANCE AND HOW TO APPLY.

PART VI LINE 4

COMMUNITY INFORMATION

THE ORGANIZATION DEFINES IT'S SERVICE REGION AS NEW HAMPSHIRE AND EASTERN VERMONT, WITH THE LARGEST PRESENCE IN THE LEBANON, NEW HAMPSHIRE REGION,

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SITE OF DARTMOUTH-HITCHCOCK MEDICAL CENTER WHICH INCLUDES MARY HITCHCOCK MEMORIAL HOSPITAL AND DARTMOUTH-HITCHCOCK CLINIC'S MAIN NORTHERN CLINIC. MHMH SERVES THE GENERAL POPULATION WITH A WIDE RANGE OF SERVICES. IN ADDITION TO GENERAL HOSPITAL POPULATIONS, THE ORGANIZATION PROVIDES SERVICES TO PATIENTS WITH HIGHLY-SPECIALIZED NEEDS THAT ARE NOT AVAILABLE ELSEWHERE IN NEW HAMPSHIRE. MHMH IS THE STATE'S ONLY TERTIARY REFERRAL CENTER, PROVIDES THE STATE'S ONLY COMPREHENSIVE CANCER CENTER (NORRIS COTTON CANCER CENTER - NCCC), OPERATES THE ONLY LEVEL I TRAUMA CENTER IN NEW HAMPSHIRE, OPERATES THE ONLY COMPREHENSIVE CHILDREN'S HOSPITAL AND ACCREDITED PEDIATRIC TRAUMA CENTER IN NEW HAMPSHIRE (CHILDREN'S HOSPITAL AT DARTMOUTH - CHAD), HOSTS THE ONLY LEVEL IIII NEONATAL INTENSIVE CARE NURSERY AND ONE OF TWO PEDIATRIC INTENSIVE CARE UNITS IN NEW HAMPSHIRE, AND OPERATES THE ONLY HELICOPTER TRANSPORT SERVICE IN THE STATE. AS SUCH, THE SERVICE POPULATION IS BOTH THE GENERAL PUBLIC SEEKING PRIMARY HEALTH CARE SERVICES AS WELL AS RESIDENTS WITH UNIQUE AND HIGHLY-SPECIALIZED HEALTH CARE NEEDS.

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PART VI LINE 5

PROMOTION OF COMMUNITY HEALTH

MHMH SUPPORTS ORGANIZATIONS AND INITIATIVES THAT FURTHER HEALTH BY STRENGTHENING AND DEVELOPING KEY COMMUNITY CAPACITIES, SUCH AS IMPROVED HOUSING, ECONOMIC DEVELOPMENT INITIATIVES, AND HEALTHCARE WORKFORCE DEVELOPMENT ACTIVITIES AS DETERMINED BY THE ORGANIZATION'S NEEDS ASSESSMENT. IN ADDITION, THE ORGANIZATION PARTICIPATES IN OR PROVIDES LEADERSHIP FOR A WIDE ARRAY OF HEALTH-ORIENTED COMMUNITY COALITIONS, SUCH AS THE UPPER VALLEY HOUSING COALITION, THE NASHUA TOBACCO COALITION, THE DHMC OUTPATIENT FALLS RISK REDUCTION TASK FORCE, THE COMMUNITY ORAL HEALTH INITIATIVE, THE BRIDGES TO PREVENTION SUBSTANCE USE PREVENTION COALITION, AND SERVICELINK. MHMH HAS ALSO PROVIDED LEADERSHIP TO THE UPPER VALLEY HEALTHY EATING ACTIVE LIVING (UV HEAL) PARTNERSHIP, AN INITIATIVE TO REDUCE THE GROWTH OF CHILDHOOD OBESITY, AND HAS BEEN ACTIVE IN SIMILAR PARTNERSHIPS IN NASHUA AND MANCHESTER.

AT MHMH'S LEBANON CAMPUS, THE HOSPITAL EXTENDS PROFESSIONAL STAFF PRIVILEGES TO QUALIFIED AND APPROPRIATE PHYSICIANS WHO ARE EMPLOYEES OF

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DARTMOUTH-HITCHCOCK CLINIC, MARY HITCHCOCK MEMORIAL HOSPITAL, OR DARTMOUTH COLLEGE AND WHO ALSO HOLD A FACULTY APPOINTMENT AT GIESEL SCHOOL OF MEDICINE.

MARY-HITCHCOCKS'S TRUSTEES ANNUALLY SET STRATEGIC PRIORITIES FOR THE INSTITUTION AND APPROVE OPERATING AND CAPITAL BUDGETS WHICH ALLOCATE SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, MEDICAL EDUCATION, RESEARCH, AS WELL AS MAINTENANCE OF A PRUDENT RESERVE. EXAMPLES OF THESE INVESTMENTS INCLUDE THE DEVELOPMENT OF MARY HITCHCOCKS'S PATIENT SAFETY AND TRAINING CENTER, ONGOING QUALITY AND PATIENT SAFETY INITIATIVES; PURCHASES OF NEW AND EMERGING MEDICAL TECHNOLOGIES, AWARDS MADE TO SUPPORT TRANSLATIONAL RESEARCH, AND SUPPORT FOR UNDERGRADUATE MEDICAL EDUCATION AT GIESEL SCHOOL OF MEDICINE.

OF THE NINETEEN VOTING MEMBERS OF MARY HITCHCOCK BOARD OF TRUSTEES, FOURTEEN LIVE WITHIN THE GEOGRAPHIC REGION WE SERVE. SEVENTEEN ARE NEITHER CONTRACTORS NOR EMPLOYEES OF MHMH.

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PART VI LINE 6

AFFILIATED HEALTH CARE SYSTEM

COMMUNITY BENEFITS ARE PROVIDED BY THE DARTMOUTH-HITCHCOCK HEALTH CARE SYSTEM, WHICH INCLUDES MARY HITCHCOCK MEMORIAL HOSPITAL, DARTMOUTH-HITCHCOCK CLINIC, AND OTHER RELATED ORGANIZATIONS WHOSE PRIMARY MISSION IS HEALTH CARE.

MARY HITCHCOCK MEMORIAL HOSPITAL (MHMH) IN LEBANON IS NEW HAMPSHIRE'S LARGEST HOSPITAL. IN FISCAL YEAR 2012 MHMH HAD 396 LICENSED INPATIENT BEDS.

THE DARTMOUTH-HITCHCOCK CLINIC (DHC) IS A MULTI-SPECIALTY PHYSICIAN PRACTICE WITH A NETWORK OF PROVIDERS ACROSS NEW HAMPSHIRE AND VERMONT. WHILE DHC'S MAIN OFFICES ARE LOCATED IN LEBANON, THE CLINIC ALSO HAS MULTI-SPECIALTY PRACTICES IN MANCHESTER, NASHUA, CONCORD AND KEENE. IN ADDITION, THE CLINIC PROVIDES PRIMARY CARE IN RURAL COMMUNITIES IN VERMONT AND NORTHERN NEW HAMPSHIRE.

MHMH, DHC SITES, AND THE GIESEL SCHOOL OF MEDICINE (FORMALLY KNOWN AS THE DARTMOUTH MEDICAL SCHOOL) FACULTY AND STUDENTS MAKE UP THE DARTMOUTH-HITCHCOCK (D-H) HEALTH CARE SYSTEM. THE HOSPITAL AND CLINIC

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OPERATE JOINTLY THROUGH INTERLOCKING DIRECTORATES, STRATEGIC PLANNING AND MANAGEMENT AND SHARE IDENTICAL MISSIONS. THE MEDICAL SCHOOL, WHICH WORKS CLOSELY WITH THE HOSPITAL AND CLINIC, IS FOCUSED ON MEDICAL EDUCATION AND RESEARCH.

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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

STATE FILING OF COMMUNITY BENEFIT REPORT

NH,

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
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

Part I General Information on Grants and Assistance

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

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

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) CHILD HEALTH SERVICES 1245 ELM STREET MANCHESTER, NH 03104	02-0348711	501(C)(3)	34,000				PROGRAM SUPPORT
(2) UPPER VALLEY UNITED WAY 10 BANK STREET LEBANON, NH 03766	02-0306103	501(C)(3)	13,586				CORP. PLEDGE MATCH
(3) AMERICAN HEART ASSOCIATION 125 EAST BETHPAGE ROAD PLAINVIEW, NY 11803	13-5613797	501(C)(3)	5,100				GRFW EDUCATION
(4) GRANITE STATE FIT KIDS 291 WEST HOLLIS ST NASHUA, NH 03062	02-0519379	501(C)(3)	5,100.				PROGRAM SUPPORT
(5) GRANITE STATE UNITED WAY 46 SOUTH MAIN ST CONCORD, NH 03301	02-6006033	501(C)(3)	14,507				PROGRAM SUPPORT
(6) CARING COM NETWORK OF THE TWIN RIVERS 841 CENTRAL ST FRANKLIN, NH 03235	02-0530503	501(C)(3)	6,800				PROGRAM SUPPORT
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 6.

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 PATTERSON AWARDS	11.	8,181			
2 LEVINE NURSING AWARDS	4.	3,047		FMV	
3 VARNUM NURSING AWARDS	47.	40,000.		FMV	
4 THE DARTMOUTH INSTITUTE SCHOLARSHIPS	15.	217,242.		FMV	
5 KNOX NURSING AWARD	22.	26,406.		FMV	
6 ROZYCKI AWARD	1	170		FMV	
7 PROUTY AWARD	3	4,135.		FMV	

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

FORM 990, SCHEDULE I

DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS

FOR EACH OF THE AWARD ESTABLISHED BY MARY HITCHCOCK MEMORIAL HOSPITAL(

LEVINE NURSING AWARDS, KNOX NURSING AWARD, PATTERSON, AND PROUTY) THERE

ARE WRITTEN ESTABLISHED GUIDELINES AND PROCEDURES. GRANT AWARD PAYMENTS

ARE PROCESSED IN ACCORDANCE WITH THE SPECIFIC TERMS OF EACH OF THE GRANTS

NOTED ABOVE. THE DARTMOUTH INSTITUTE SCHOLARSHIPS (TDI) ARE PAID

DIRECTLY TO THE COLLEGE ON THE BEHALF OF THE INDIVIDUALS RECEIVING THE

AWARD. THE COORDINATORS OF THE PROGRAM(S) ARE RESPONSIBLE FOR ASSURING

THAT ALL TERMS ARE MET, INCLUDING PROPER DOCUMENTATION OF EXPENSES WITH

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

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

RECEIPTS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number

02-0222140

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 NANCY FORMELLA, MSN, RN	(i)	666,180.	0	150,105.	0	19,022.	835,307.	0
	(ii)	0	0	0	0	0	0	0
2 THOMAS COLACCHIO, MD	(i)	0	0	0	0	0	0	0
	(ii)	667,142.	0	64,500.	24,060.	16,137.	771,839.	0
3 CARL DEMATTEO, MD	(i)	0	0	0	0	0	0	0
	(ii)	489,492.	52.	59,538.	0	16,366.	565,448.	0
4 ROBIN KILFEATHER-MACKEY	(i)	0	0	0	0	0	0	0
	(ii)	392,631.	0	35,380.	0	10,125.	438,136.	0
5 PETER JOHNSON	(i)	0	0	0	0	0	0	0
	(ii)	414,852.	100,052.	66,743.	0	18,598.	600,245.	0
6 LINDA VON REYN	(i)	301,561.	0	59,125.	0	17,687.	378,373.	0
	(ii)	0	0	0	0	0	0	0
7 DANIEL JANTZEN, CPA	(i)	469,137.	0	94,779.	0	17,700.	581,616.	0
	(ii)	0	0	0	0	0	0	0
8 STEPHEN LEBLANC	(i)	0	0	0	0	0	0	0
	(ii)	444,977.	0	88,867.	0	17,417.	551,261.	0
9 JOHN BUTTERLY, MD	(i)	0	0	0	0	0	0	0
	(ii)	488,118.	0	48,762.	32,390.	20,013.	589,283.	0
10 LAWRENCE DACEY, MD	(i)	0	0	0	0	0	0	0
	(ii)	489,816.	0	51,752.	0	20,019.	561,587.	0
11 ALAN WESTON	(i)	272,335.	15,000.	21,057.	19,160.	17,768.	345,320.	0
	(ii)	0	0	0	0	0	0	0
12 DAVID GLADSTONE, MD	(i)	261,897.	150.	13,328.	19,160.	17,674.	312,209.	0
	(ii)	0	0	0	0	0	0	0
13 BRUCE KING	(i)	291,385.	0	32,229.	0	17,640.	341,254.	0
	(ii)	0	0	0	0	0	0	0
14 SUSAN REEVES	(i)	244,192.	0	31,733.	24,060.	17,989.	317,974.	0
	(ii)	0	0	0	0	0	0	0
15 NEIL CASTALDO	(i)	491,855.	70,000.	70,511.	0	19,022.	651,388.	0
	(ii)	0	0	0	0	0	0	0
16 JOHN COLLINS	(i)	0	0	156,435.	0	0	156,435.	0
	(ii)	0	0	0	0	0	0	0

Schedule J (Form 990) 2011 Page 2

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MARY OSEID	(i)	0	0	0	0	0	0	0
	(ii)	247,779.	0	7,680.	0	9,953.	265,412.	0
2 CHRISTINE SCHON	(i)	0	0	0	0	0	0	0
	(ii)	192,907.	0	3,958.	18,749.	13,365.	228,979.	0
3 WILLIAM MROZ	(i)	238,158.	10,000.	20,684.	24,060.	7,261.	300,163.	0
	(ii)	0	0	0	0	0	0	0
4 SANDRA DICKAU	(i)	222,923.	0	5,717.	0	6,986.	235,626.	0
	(ii)	0	0	0	0	0	0	0
5 GAIL DAHLSTROM	(i)	215,630.	0	7,656.	0	17,594.	240,880.	0
	(ii)	0	0	0	0	0	0	0
6 MICHAEL WARD	(i)	0	0	0	0	0	0	0
	(ii)	229,889.	0	6,009.	0	17,715.	253,613.	0
7 RICHARD DAVIS	(i)	0	0	0	0	0	0	0
	(ii)	96,857.	0	4,026.	0	0	100,883.	0
8 JAMES WEINSTEIN, DO, MS	(i)	0	0	0	0	0	0	0
	(ii)	670,920.	0	67,293.	0	18,987.	757,200.	0
9 ANDREW GETTINGER, MD	(i)	0	0	0	0	0	0	0
	(ii)	382,422.	52.	56,435.	0	11,138.	450,047.	0
10 DAVID EVANCICH	(i)	119,541.	0	134,664.	11,951.	2,944.	269,100.	0
	(ii)	0	0	0	0	0	0	0
11 KEVIN DONOVAN	(i)	251,305.	0	0	17,499.	17,976.	286,780.	0
	(ii)	0	0	0	0	0	0	0
12 BRIAN LALLY	(i)	0	0	0	0	0	0	0
	(ii)	301,119.	0	16,766.	24,060.	17,701.	359,646.	0
13 TINA NAIMIE, CPA	(i)	186,334.	0	218.	13,413.	1,070.	201,035.	0
	(ii)	0	0	0	0	0	0	0
14 WENDY FIELDING	(i)	196,780.	0	180.	10,160.	17,544.	224,664.	0
	(ii)	0	0	0	0	0	0	0
15 BARBARA WALTERS, DO, MB	(i)	0	0	0	0	0	0	0
	(ii)	323,092.	0	30,024.	0	16,042.	369,158.	0
16 MARY KAY BOUDEWYNS	(i)	197,171.	0	5,130.	0	13,376.	215,677.	0
	(ii)	0	0	0	0	0	0	0

Schedule J (Form 990) 2011

Part III Supplemental Information

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

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I - LINE 1A THE ORGANIZATION HAS IN PLACE A MANAGEMENT SELF DEVELOPMENT PLAN (MSDP) DESIGNED TO PROMOTE PROFESSIONAL AND PERSONAL DEVELOPMENT. THE MSDP IS CAPPED AT 2% OF GROSS PAY AND MAY BE UTILIZED FOR EXPENSES SUCH AS PROFESSIONAL DUES, MEETINGS AND SEMINARS, TUITION REIMBURSEMENT, AND OTHER MISCELLANEOUS ITEMS THAT PROMOTE PROFESSIONAL KNOWLEDGE. THE MONIES MAY ALSO BE USED FOR UP TO A 50% REIMBURSEMENT OF THE COST OF A FITNESS/WELLNESS PROGRAM DESIGNED TO MAINTAIN THE HEALTH OF MANAGEMENT PERSONNEL. ALL EXPENSES ARE SUBMITTED FOR APPROVAL BEFORE REIMBURSEMENT.

FROM TIME TO TIME, THE ORGANIZATION PROVIDES CHARTERED VEHICLE SERVICES TO THE CEO. THE COST OF PROVIDING THE CHARTERED VEHICLE HAS BEEN DEEMED A COST-EFFICIENT MANNER TO ALLOW THE OFFICER TO WORK WHILE TRAVELLING VERSUS THE TIME LOST DRIVING. ALL REQUESTS ARE APPROVED BEFORE PAYMENT TO ENSURE COMPLIANCE WITH INTERNAL POLICIES.

Part III Supplemental Information

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

SEVERANCE PAYMENTS

SCHEDULE J, PART I LINE 4A

DURING CALENDAR YEAR 2011 DAVID EVANCICH RECEIVED SEVERANCE PAYMENTS IN THE AMOUNT OF $133,848.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:

SCHEDULE J, PART I, LINE 4B

THE FOLLOWING INDIVIDUALS RECEIVED PAYMENTS FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN (WHICH ARE REFLECTED IN SCHEDULE J, PART II, COLUMN B (III)):

THOMAS COLACCHIO $64,500

NANCY FORMELLA $144,975

JAMES WEINSTEIN $66,105

CARL DEMATTEO $9,000

ROBIN KILFEATHER-MACKEY $15,925

PETER JOHNSON $59,022

LINDA VON REYN $27,699

DANIEL JANTZEN $79,521

STEPHEN LEBLANC $64,531

Part III Supplemental Information

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

JOHN BUTTERLY $43,508

BRIAN LALLY $1,581

LAWRENCE DACEY $51,338

ANDREW GETTINGER $56,310

NEIL CASTALDO $48,749

DAVID GLADSTONE $2,557

SUSAN REEVES $6,713

BARBARA WALTERS $23,850

MARY OSEID $7,680

WILLIAM MROZ $1,325

DARTMOUTH-HITCHCOCK SUPPLEMENTAL RETIREMENT PLAN: TERMS AND CONDITIONS:

AN ELIGIBLE EMPLOYEE IS A PARTICIPANT IN THE DARTMOUTH-HITCHCOCK RETIREMENT PLAN AND/OR ANY PRIOR PENSION ARRANGEMENTS SPONSORED BY DARTMOUTH-HITCHCOCK (INCLUDING A QUALIFIED DEFINED BENEFIT PLAN) WHO WOULD BE ENTITLED TO ADDITIONAL CONTRIBUTIONS OR BENEFIT ACCRUALS UNDER THE TERMS OF THE PLANS FOR THE PLAN YEAR, BUT ARE LIMITED BY IRC SECTION 401 (A)(17) AND/OR 415. FOR ELIGIBLE EMPLOYEES, THE EMPLOYER WILL PAY

Part III Supplemental Information

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

THE ELIGIBLE EMPLOYEE AN AMOUNT DETERMINED BY THE EMPLOYER EACH YEAR TO OFFSET THE AMOUNT OF THE REDUCTION IN THE BENEFIT ACCRUAL OR CONTRIBUTIONS AS A RESULT OF LIMITATIONS IMPOSED BY IRC SECTIONS 401(A)(17) AND/OR 415.

MHMH SPONSORS A SPLIT DOLLAR LIFE PLAN FOR CERTAIN LONG-TERM EMPLOYEES. THE ORIGINAL OBJECTIVES FOR OFFERING THESE PLANS WERE TO BETTER ENABLE MHMH TO ATTRACT AND RETAIN QUALITY EXECUTIVE PERSONNEL, IMPROVE THE PHYSICIANS' POST-RETIREMENT LIFE INSURANCE BENEFITS, AND TO REPLACE AN INCREASINGLY COSTLY RETIREE LIFE INSURANCE PROGRAM. THE PLAN WAS FROZEN IN 1998 AND THEREFORE NO FURTHER COSTS OF THE INDIVIDUAL EMPLOYEE INSURANCE PREMIUMS HAVE BEEN FUNDED BY THE ORGANIZATION. THE NUMBER OF PARTICIPANTS AND DOLLAR VALUE CONTINUES TO DWINDLE AS INDIVIDUALS RETIRE/LEAVE THE ORGANIZATION.

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTH	02-0279866	644614Y07	08/19/2009	134,661,088.	CURRENT REFUND 2008 (A), (B), (C)		X		X		X
B	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTH	02-0279866		03/30/2009	5,935,000.	VARIOUS EQUIPMENT		X		X		X
C	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTH	02-0279866	644614G29	06/16/2010	73,647,839	CONSTR. OF FACILITY AND EQUIP		X		X		X
D	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTH	02-0279866		08/31/2011	38,119,624	CURRENT REFUND 2001 (A)		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	134,841,419.	5,935,000.	73,666,926.	38,119,624.
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds			3,766,049.	
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	2,273,111.		1,168,560.	97,500.
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		5,935,000.	63,419,617.	
11	Other spent proceeds	132,387,977.			38,022,124.
12	Other unspent proceeds			5,312,700.	
13	Year of substantial completion	2010	2009	2012	2011

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?		X	X			X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?								

Part III Private Business Use

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

Part III Private Business Use *(Continued)* CURRENT REFUND 2008 (A), (B), (C)

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

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
2 Is the bond issue a variable rate issue?		X		X		X	X	
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X	X	
b Name of provider							MORGAN STANLEY	
c Term of hedge							29.800	
d Was the hedge superintegrated?		X		X		X	X	
e Was the hedge terminated?		X		X		X		X
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6 Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V Procedures To Undertake Corrective Action

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

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

PLEASE SEE ADDITIONAL DISCLOSURES IN SCHEDULE O

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

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
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

Part II Loans to and/or From Interested Persons.

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

	(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)	DANIEL JANTZEN SPLIT DOLLAR LIFE		X	85,574.	85,574.		X	X		X	
(2)	SUSAN REEVES SPLIT DOLLAR LIFE		X	115,734.	115,734.		X	X		X	
(3)	SANDRA DICKAU SPLIT DOLLAR LIFE		X	12,824.	12,824.		X	X		X	
(4)	BRUCE KING SPLIT DOLLAR LIFE		X	103,696.	103,696.		X	X		X	
(5)	MARY KING SPLIT DOLLAR LIFE		X	11,790.	11,790.		X	X		X	
(6)	DEBORAH JANTZEN SPLIT DOLLAR LIFE		X	42,961.	42,961.		X	X		X	
(7)											
(8)											
(9)											
(10)											
Total	. . . . . ▶ $				372,579.						

Part III Grants or Assistance Benefiting Interested Persons.

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

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)	MARY OSEID	KEY EE VP AMBULATORY CARE	29,634. EDU.SCHOLARSHIP
(2)	WENDY FIELDING	KEY EE VP FINANCIAL PLANNING	5,500. EDU.SCHOLARSHIP
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

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	(e) Sharing of organization's revenues? No
(1)	HYPERTHERM	TRUSTEE BARABA COUCH	250,000.	SEE PART V		X
(2)	INGRID MROZ	KEY EMPLOYEE WILLIAM MROZ	21,758	SPOUSE EMPLOYED BY MHMH		X
(3)	JOHN COLLINS	FORMER KEY EMPLOYEE	156,435	SEE PART V		X
(4)	BRIAN WARD	KEY EMPLOYEE MICHAEL WARD	21,054	FAMILY MEMBER EMPLOYED BY MHMH		X
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

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

SCHEDULE L PART IV

BUSINESS TRANSACTIONS

NAME OF INTERESTED PERSON: BARBARA COUCH

RELATIONSHIP: TRUSTEE DESCRIPTION OF TRANSACTION: BARBARA COUCH IS A GREATER THAN 35% OWNER OF HYPERTHERM, AN ENTITY THAT CONTRACTS WITH MHMH FOR CERTAIN MEDICAL SERVICES FOR ITS EMPLOYEES.

JOHN COLLINS PROVIDED EXPERTISE SERVICES ON BEHALF OF MHMH TO HAMDEN ASSURANCE RISK RETENTION GROUP, AND HAMDEN ASSURANCE COMPANY LTD; RELATED ORGANIZATIONS THAT PROVIDES LIABILITY INSURANCE TO DARTMOUTH-HITCHCOCK CLINIC AND MARY HITCHCOCK MEMORIAL HOSPITAL.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	11.	37,820.	FAIR MARKET VALUE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(ATCH 1)		1.	40,000.	
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶( )				

			Yes	No
29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29		
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	X	
b	If "Yes," describe in Part II			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information

LINE 32B

THE ORGANIZATION USES DARTMOUTH-HITCHCOCK MEDICAL CENTER, A SUPPORTING ORGANIZATION, FOR SOLICITATION OF CONTRIBUTIONS AND ANNUAL FUND ACTIVITIES. FROM TIME TO TIME, THE HOSPITAL MAY RECEIVE NON-CASH CONTRIBUTIONS DIRECTLY FROM ITS DONORS.

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33 Also complete this part for any additional information

ATTACHMENT 1

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

DESCRIPTION	(A) CHECK	(B) NUMBER OF CONTRIBUTIONS	(C) REVENUES REPORTED	(D) METHOD OF DETERMINING
TRAVEL/FUEL FOR PATIENTS	X	1.	40,000.	FMV
TOTALS		1.	40,000.	

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.	2011 Open to Public Inspection

Name of the organization	Employer identification number
MARY HITCHCOCK MEMORIAL HOSPITAL	02-0222140

CHANGES TO ORGANIZATIONAL DOCUMENTS SINCE LAST 990 FILING

PART VI SECTION A LINE 4

MHMH CHANGED ITS FISCAL YEAR END FROM SEPTEMBER 30 TO JUNE 30 EFFECTIVE JUNE 30, 2012. AS SUCH, THE ORGANIZATION IS FILING A SHORT-YEAR, 9-MONTH IRS FORM 990 FOR FISCAL YEAR 2012.

DESCRIPTION OF CLASSES OF MEMBERS, PERSONS, AND THE NATURE OF THEIR RIGHTS

PART VI, QUESTION 6 & 7A

DARTMOUTH-HITCHCOCK HEALTH (D-HH) IS THE SOLE CORPORATE MEMBER OF MARY HITCHCOCK MEMORIAL HOSPITAL (MHMH). D-HH HAS SPECIFIC AUTHORITY AND RESERVED POWERS, INCLUDING THE POWER TO CONFIRM THE ELECTION OF MEMBERS OF THE MHMH'S BOARD OF TRUSTEES AND THE POWER TO APPROVE SIGNIFICANT GOVERNANCE, FINANCIAL AND OPERATIONAL DECISIONS OF MHMH'S TRUSTEES.

DESCRIPTION OF CLASSES OF MEMBERS, PERSONS, AND THE NATURE OF THEIR RIGHTS

PART VI, QUESTION 7B

IN ADDITION TO RESERVED POWERS, DARTMOUTH-HITCHCOCK HEALTH (D-HH) SHALL HAVE THE AUTHORITY TO TAKE ACTIONS TO ESTABLISH, MANAGE, AND GOVERN THE SYSTEM AS AN INTEGRATED HEALTH CARE DELIVERY SYSTEM IN FURTHERANCE OF THE MISSION OF THE HOSPITAL AND OTHER ORGANIZATIONS. THESE POWERS INCLUDE BUT ARE NOT LIMITED TO ITEMS SUCH AS THE ABILITY TO APPROVE, DISAPPROVE OR MODIFY ALL MATERIAL GOVERNANCE, PROGRAMMATIC AND FINANCIAL DECISIONS OF MHMH'S BOARD OF TRUSTEES, TO APPOINT OR REMOVE A MEMBER OF THE HOSPITAL'S

Name of the organization	Employer identification number
MARY HITCHCOCK MEMORIAL HOSPITAL	02-0222140

BOARD OF TRUSTEES, ASSESS THE HOSPITAL A MONETARY AMOUNT FOR THE PAYMENT OF THE EXPENSES OF D-HH, APPROVE THE HOSPITAL'S BUDGET, APPROVE THE BORROWINGS OR DISPOSITIONS OF ASSETS BY THE HOSPITAL, APPROVE KEY STRATEGIC RELATIONSHIPS, APPROVE THE ELIMINATION OR ADDITION OF ANY MATERIAL HEALTH CARE SERVICE OR PROGRAM, AND OTHER AUTHORITY TO TAKE ACTION ON BEHALF OF THE HOSPITAL.

DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990 FORM 990, PART VI, QUESTION 11B

THE AUDIT COMMITTEE OF THE MHMH BOARD OF TRUSTEES IS PRESENTED WITH A SUBSTANTIALLY COMPLETE FORM 990. THE FORMS 990 AND 990-T ARE REVIEWED BY THE DIRECTOR OF CORPORATE FINANCE, VICE PRESIDENT OF CORPORATE FINANCE, AND THE CHIEF FINANCIAL OFFICER BEFORE THE FILING OF THE RETURN. THE COMMITTEE MEMBERS ARE EXPECTED TO REVIEW THESE FORMS BEFORE THE MEETING. AT THE MEETING A PRESENTATION IS MADE BY THE VICE PRESIDENT OF CORPORATE FINANCE, WITH TIME ALLOTTED FOR QUESTIONS FROM THE COMMITTEE. ONCE THE RETURN HAS BEEN FULLY PREPARED A FINAL 990 AND 990-T COMPLETE ELECTRONIC VERSION IS SENT OUT TO EACH BOARD MEMBER PRIOR TO THE OFFICIAL FILING.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST FORM 990, PART VI, QUESTION 12C

THE MARY HITCHCOCK MEMORIAL HOSPITAL BOARD OF TRUSTEES APPROVED A POLICY CONCERNING A VOLUNTARY SELF-DISCLOSURE OF ANY POTENTIAL CONFLICT OF INTEREST. THE COMPLIANCE AND AUDIT SERVICES DEPARTMENT CONDUCTS AN ANNUAL SURVEY AND PERFORMS OTHER PROCEDURES AS CONSIDERED NECESSARY TO REPORT ON COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. THE COMPLIANCE

Name of the organization	Employer identification number
MARY HITCHCOCK MEMORIAL HOSPITAL	02-0222140

AND AUDIT SERVICES DEPARTMENT THEN REPORTS TO THE BOARD ANY POTENTIAL CONFLICTS FOR THEIR REVIEW. PER THE POLICY ANY CONFLICTS OR OTHERWISE PERCEIVED ARE REQUIRED TO BE ADDRESSED BY THE BOARD OF TRUSTEES ON AN ONGOING BASIS. IF A CONFLICT ARISES, THE INDIVIDUAL IS ASKED TO RECUSE THEMSELVES FROM VOTING ON ANY RELATED ITEMS. THE POLICY APPLIES TO ALL TRUSTEES, EMPLOYEES, AND THEIR IMMEDIATE FAMILY MEMBERS. ALL MHMH BOARD MEMBERS ARE INCLUDED IN THE ANNUAL CONFLICT OF INTEREST SURVEY.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR UNDERTAKEN

FORM 990, PART VI, QUESTION 15A

COMPENSATION FOR THE PRESIDENT IS EVALUATED BY AN INDEPENDENT THIRD PARTY FIRM FOR REASONABLENESS AND NATIONAL DATA BENCHMARKING. THE COMPENSATION COMMITTEE ALONG WITH INDEPENDENT TRUSTEES APPROVE THE FINAL COMPENSATION IN CONSIDERATION WITH THE INDEPENDENT THIRD PARTY FIRM'S RECOMMENDATIONS AND SUGGESTIONS. THIS PROCESS WAS LAST UNDERTAKEN IN 2012.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED & YEAR UNDERTAKEN

FORM 990, PART VI, QUESTION 15B

COMPENSATION FOR OFFICERS AND KEY EMPLOYEES ARE EVALUATED BY AN INDEPENDENT THIRD PARTY FIRM FOR REASONABLENESS AND NATIONAL DATA BENCHMARKING. THE COMPENSATION COMMITTEE ALONG WITH INDEPENDENT TRUSTEES APPROVE THE FINAL COMPENSATION IN CONSIDERATION WITH THE INDEPENDENT THIRD PARTY FIRM'S RECOMMENDATIONS AND SUGGESTIONS. THIS PROCESS WAS LAST UNDERTAKEN IN 2012 FOR EACH PERSON IDENTIFIED AS AN OFFICER OR KEY EMPLOYEE.

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

MHMH'S GOVERNING DOCUMENTS ARE AVAILABLE THROUGH THE NEW HAMPSHIRE SECRETARY OF STATE. CERTAIN FINANCIAL INFORMATION IS DISCLOSED THROUGH THE COMMUNITY BENEFITS ANNUAL REPORT. THE AUDITED FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST EITHER IN ELECTRONIC OR HARDCOPY FORM.

AVERAGE HOURS PER WEEK

FORM 990 PART VII SECTION A, LINE 1A, COLUMN B

AS PART OF MHMH'S AND DARTMOUTH-HITCHCOCK CLINIC'S AFFILIATION AGREEMENT, THE TWO ORGANIZATIONS SHARE OFFICERS. AS SUCH, THE AVERAGE HOURS PER WEEK ARE ALLOCATED BETWEEN THE TWO ORGANIZATION'S 990'S EVEN THOUGH COMPENSATION REPORTED IN PART VII IS BASED ON THE ENTITY ISSUING THE W-2. IN ADDITION, CERTAIN OFFICERS SPEND TIME ON DARTMOUTH-HITCHCOCK HEALTH, THE SOLE CORPORATE MEMBER OF BOTH MHMH AND DHC.

STATEMENT OF FUNCTIONAL EXPENSES

FORM 990 PART IX

MARY HITCHCOCK MEMORIAL HOSPITAL AND DARTMOUTH-HITCHCOCK CLINIC OPERATE UNDER AN AFFILIATION AGREEMENT AS DIRECTED BY DARTMOUTH-HITCHCOCK HEALTH, THE SOLE CORPORATE MEMBER OF BOTH ENTITIES. DUE TO THE INTEGRATED OPERATING STRUCTURE, RELATED MISSION, AND CLOSE RELATIONSHIP OF THE TWO TAX-EXEMPT ORGANIZATIONS, EXPENSES ARE SHARED BETWEEN THE TWO ENTITIES. ALL EXPENSES REPORTED WITHIN THIS 990 ARE THE ORGANIZATION'S SHARE OF EXPENSES AS DESIGNATED BY THE AFFILIATION AGREEMENT.

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

FINANCIAL STATEMENTS AND REPORTING

FORM 990 PART XI, QUESTION 5

OTHER CHANGES IN NET ASSETS INCLUDE:

CHANGE IN UNREALIZED GAIN/LOSS: $25,598,567

PENSION-RELATED CHARGES: ($16,152,071)

UNREALIZED GAIN/LOSS ON HEDGE AND OTHER ($476,403)

TOTAL CHANGES IN NET ASSETS: $8,970,093

AUDITED FINANCIAL STATEMENTS

FORM PART XII, QUESTION 2D

THE ORGANIZATION'S FINANCIAL INFORMATION IS INCLUDED IN THE AUDITED FINANCIAL STATEMENTS OF DARTMOUTH-HITCHCOCK AND SUBSIDIARIES, WHICH CONSISTS OF DARTMOUTH-HITCHCOCK CLINIC, MARY HITCHCOCK MEMORIAL HOSPITAL, AND SUBSIDIARIES.

A-133 AUDIT

FORM PART XII, QUESTION 3A

DURING FISCAL YEAR 2012, MARY HITCHCOCK MEMORIAL HOSPITAL EXPENDED FUNDS FROM FEDERAL AWARDS IN EXCESS OF THE MINIMUM THRESHHOLD SET FORTH IN THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133, THEREFORE REQUIRING AN AUDIT. DUE TO THE ISSUANCE OF THE COMBINED FINANCIAL STATEMENTS, THE SINGLE AUDIT WAS PERFORMED ON THE COMBINED FINANCIAL INFORMATION OF ALL ORGANIZATIONS.

FORM 990 SCHEDULE K, TAX-EXEMPT BONDS

ADDITIONAL INFORMATION PART I(F)

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

CURRENT REFUND 2008 (A), ISSUED 9/4/2008, WHICH ADVANCE REFUNDS 1985

CURRENT REFUND 2008 (B), ISSUED 10/31/2008, WHICH ADVANCE REFUNDS 1993

CURRENT REFUND 2008 (C), ISSUED 12/19/2008

CURRENT REFUND 2001(A), ISSUED 10/17/2001, WHICH ADVANCE REFUNDS 1997 & 1994

FORM 990 SCHEDULE K, PART V

WRITTEN PROCEDURES

MHMH HAS INTERNAL PROCEDURES CURRENTLY IN USE REGARDING TAX-EXEMPT BOND COMPLIANCE. THE ORGANIZATION IS IN THE PROCESS OF FORMALIZING THESE INTO A POLICY FOR FISCAL YEAR 2013.

ATTACHMENT 1

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

MARY HITCHCOCK MEMORIAL HOSPITAL (THE HOSPITAL), IS AN ACUTE AND TERTIARY CARE TEACHING HOSPITAL LOCATED IN LEBANON, NEW HAMPSHIRE. THE HOSPITAL IS A NOT-FOR-PROFIT ORGANIZATION, AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE CODE) AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE. THE HOSPITAL PROVIDES A BROAD RANGE OF PATIENT SERVICES AND HEALTH RELATED COMMUNITY SERVICES, CONSISTENT WITH ITS ROLE AS A COMMUNITY HOSPITAL, A MAJOR TEACHING HOSPITAL AND A TERTIARY CARE REFERRAL HOSPITAL. THESE INCLUDE A FULL RANGE OF SERVICES IN BOTH ACUTE AND CRITICAL MEDICINE, SURGERY, PSYCHIATRY AND REHABILITATION FOR INFANTS, CHILDREN AND ADULTS. DURING FISCAL YEAR 2012 THE HOSPITAL PROVIDED 90,544 PATIENT DAYS OF INPATIENT SERVICE AND HAD 19,974 TOTAL ACUTE CARE

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

ATTACHMENT 1 (CONT'D)

DISCHARGES, WHILE THE HOSPITAL'S EMERGENCY ROOM WAS OPEN TO THE PUBLIC 24 HOURS PER DAY, 7 DAYS PER WEEK AND HAD 18,533 DISCHARGES. THE HOSPITAL OPERATES AS A MEMBER OF DARTMOUTH HITCHCOCK MEDICAL CENTER (DHMC), A NEW HAMPSHIRE NONPROFIT CORPORATION ORGANIZED FOR THE EXPLORATION AND COORDINATION OF MATTERS OF MUTUAL INTEREST AMONG ITS MEMBERS WHICH CONSIST OF THE HOSPITAL, DARTMOUTH-HITCHCOCK CLINIC (THE CLINIC), GEISEL SCHOOL OF MEDICINE (GSM), A COMPONENT OF DARTMOUTH COLLEGE, AND THE VETERANS AFFAIRS MEDICAL CENTER IN WHITE RIVER JUNCTION, VERMONT. THE CLINIC PROVIDES THE PHYSICIAN STAFF TO THE HOSPITAL AND THE SOPHISTICATION ESSENTIAL FOR THE DEVELOPMENT OF THE HOSPITAL AS THE LARGEST AND ONLY TEACHING HOSPITAL IN NEW HAMPSHIRE AND THE DESIGNATION BY THE FEDERAL GOVERNMENT AS A RURAL REFERRAL CENTER FOR NORTHERN NEW ENGLAND. THE SHARED MISSION OF THE HOSPITAL AND CLINIC IS TO ADVANCE HEALTH THROUGH RESEARCH, EDUCATION, CLINICAL PRACTICE AND COMMUNITY PARTNERSHIPS, PROVIDING EACH PERSON THE BEST CARE, IN THE RIGHT PLACE, AT THE RIGHT TIME, EVERY TIME. CONSISTENT WITH THIS MISSION AND IN PARTNERSHIP WITH THE CLINIC, THE HOSPITAL PROVIDES HIGH QUALITY, COST EFFECTIVE, COMPREHENSIVE, AND INTEGRATED HEALTH CARE TO INDIVIDUALS, FAMILIES, AND THE COMMUNITIES IT SERVES REGARDLESS OF A PATIENT'S ABILITY TO PAY. THE HOSPITAL ACTIVELY SUPPORTS COMMUNITY-BASED HEALTH CARE AND PROMOTES THE COORDINATION OF SERVICES AMONG HEALTH CARE PROVIDERS AND SOCIAL SERVICES ORGANIZATIONS. THE HOSPITAL ALSO SEEKS TO WORK COLLABORATIVELY WITH OTHER AREA HEALTH CARE PROVIDERS TO

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

ATTACHMENT 1 (CONT'D)

IMPROVE THE HEALTH STATUS OF THE REGION.

EFFECTIVE WITH FISCAL YEAR 2000, THE HOSPITAL AND THE CLINIC BEGAN FILING AN ANNUAL COMMUNITY BENEFIT REPORT WITH THE STATE OF NEW HAMPSHIRE WHICH OUTLINES THE COMMUNITY AND CHARITABLE BENEFITS THEY PROVIDE. THE MOST RECENT COMMUNITY BENEFIT REPORTS ARE AVAILABLE UPON REQUEST OR CAN BE FOUND ON DARTMOUTH-HITCHCOCK'S WEB SITE (WWW.DARTMOUTH-HITCHCOCK.ORG). FINANCIAL ASSISTANCE, FORMERLY CALLED CHARITY CARE, REPRESENTS SERVICES PROVIDED TO PATIENTS WHO CANNOT AFFORD HEALTH CARE SERVICES DUE TO INADEQUATE FINANCIAL RESOURCES WHICH RESULT FROM BEING UNINSURED OR UNDERINSURED. FOR THE YEAR ENDED JUNE 30, 2012 THE HOSPITAL PROVIDED FINANCIAL ASSISTANCE TO 8,749 PATIENTS IN THE AMOUNT OF $24,197,235, AS MEASURED BY GROSS CHARGES. THE ESTIMATED COST OF PROVIDING THIS CARE FOR THE YEAR ENDED JUNE 30, 2012 WAS $8,957,154. THE HOSPITAL ALSO ROUTINELY PROVIDES SERVICES TO MEDICAID PATIENTS AT REIMBURSEMENT LEVELS THAT ARE BELOW THE COST OF THE CARE PROVIDED. THE COMMUNITY HEALTH ACTIVITIES INCLUDES THE COST OR VALUE OF SEVERAL DIFFERENT TYPES OF PROGRAMS INCLUDING THE COST OF COMMUNITY BASED EDUCATION, HEALTH FAIRS, HEALTH SCREENINGS, SUPPORT GROUPS, AND PROGRAMS AND MATERIALS THAT PROMOTE WELLNESS AND PREVENT ILLNESS. EXAMPLES OF THESE TYPES OF EFFORTS INCLUDE PARTNERING WITH THE HEALTHY EATING ACTIVE LIVING NH INITIATIVE, THE WOMEN'S HEALTH RESOURCE CENTER, AND SMOKING PREVENTION AND CESSATION. THIS CATEGORY ALSO INCLUDES FINANCIAL

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

ATTACHMENT 1 (CONT'D)

CONTRIBUTIONS AND THE CONTRIBUTION OF TIME AND SERVICES TO COMMUNITY PROGRAMS, HOSPITALS AND AGENCIES. THE HOSPITAL ALSO PROVIDES A SIGNIFICANT AMOUNT OF UNCOMPENSATED CARE TO ITS PATIENTS REPORTED AS PROVISION FOR BAD DEBTS, WHICH IS NOT INCLUDED IN THE AMOUNTS REPORTED ABOVE. DURING THE YEAR ENDED JUNE 30, 2012, THE HOSPITAL REPORTED A PROVISION FOR BAD DEBTS OF APPROXIMATELY $17,267,575.

ATTACHMENT 2

FORM 990, PART III - PROGRAM SERVICE, LINE 4B

AS A COMPONENT OF AN INTEGRATED ACADEMIC MEDICAL CENTER, THE HOSPITAL PROVIDES SIGNIFICANT SUPPORT FOR ACADEMIC AND RESEARCH PROGRAMS THROUGH ITS SUPPORT OF THE GEISEL SCHOOL OF MEDICINE AT DARTMOUTH COLLEGE, THE HOSPITAL PROVIDES SUPPORT FOR PHYSICIANS' UNPAID TEACHING TIME AS PART OF ITS COMMUNITY BENEFIT INITIATIVES, CONSISTING OF THE TIME PHYSICIANS SPEND PROVIDING CLINICAL SUPERVISION AND EDUCATION FOR RESIDENTS AND MEDICAL STUDENTS. IN ADDITION, THE HOSPITAL PROVIDES IN-KIND SUPPORT FOR RESEARCH AND OTHER GRANTS REPRESENTING COSTS IN EXCESS OF AWARDS FOR NUMEROUS GRANT-FUNDED HEALTH RESEARCH AND SERVICE INITIATIVES AWARDED TO THE CLINIC AND GSM. OTHER COMMUNITY BENEFIT INITIATIVES INCLUDE SUBSIDIZING THE COSTS OF PROVIDING MEDICAL AND CLINICAL EDUCATION TO PROFESSIONALS ACROSS NEW HAMPSHIRE, VERMONT AND BEYOND AS WELL AS UNCOMPENSATED COSTS OF ACADEMIC AND MEDICAL RESEARCH ACTIVITIES.

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
NANCY FORMELLA, MSN, RN PRES MHMH END11/14/11/TRST ADV	21.00
THOMAS COLACCHIO, MD TSTEE/PRES DHH END11/14/11 PHY	23.00
JAMES WEINSTEIN, DO, MS TRUSTEE EX-OF/CEO EFF 11/14/11	22.00
CARL DEMATTEO, MD CHF QUAL COMPL OFR END 1/1/12	21.00
ROBIN KILFEATHER-MACKEY, CPA CHIEF FINANCIAL OFFICER	23.00
PETER JOHNSON CHIEF INFO OFFICER END 11/1/11	19.00
LINDA VON REYN CHIEF NURSING OFFICER	19.00
DANIEL JANTZEN, CPA CHIEF OPERATING OFFICER	19.00
STEPHEN LEBLANC EXEC VP D-H HEALTH	46.00
JOHN BUTTERLY, MD EXEC VP OF MED AFFAIRS, D-HH	44.00
LAWRENCE DACEY, MD CHIEF MEDICAL OFFICER	19.00
ALAN WESTON CHIEF HUMAN RESOURCES OFFICER	19.00
NEIL CASTALDO CHIEF LEGAL OFFICER EFF10/1/11	21.00
GREGG MEYER, MD CCO/EVP POP HLTH EFF 4/30/2012	19.00
ANDREW GETTINGER, MD CHIEF MED INFO OFR 1/1-6/30/12	19.00
BRIAN LALLY CHIEF ADVAN OFR END 1/13/2012	19.00
JEANINE ARDEN ORNT GENERAL COUNSEL EFF 10/1/11	21.00
VINCENT FUSCA CHIEF OF STAFF EFF 1/3/12	19.00
MARY OSEID V.P AMBULATORY CARE	13.00
CHRISTINE SCHON V.P COMM. GRP. PRACT. OPS	13.00
WILLIAM MROZ V.P. OPERATIONS/CLINICAL SVCS	13.00
SANDRA DICKAU VP OPS/PTNT CARE END 10/29/11	13.00
GAIL DAHLSTROM V.P. FACILITIES MGMT	13.00
MICHAEL WARD V.P. CANCER SERVICES	13.00

Name of the organization: MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number: 02-0222140

ATTACHMENT 3 (CONT'D)

TINA NAIMIE, CPA	
VP CORPORATE FINANCE	13.00
WENDY FIELDING	
VP FINANCIAL PLANNING	13.00
BARBARA WALTERS, DO, MBA	
EXECUTIVE MEDICAL DIRECTOR	19.00
DAVID GLADSTONE, MD	
CHIEF CLINICAL PHYS RAD/ONC	13.00
BRUCE KING	
PRES & CEO NEW LONDON HOSP	13.00
SUSAN REEVES	
VP/CHAIR NURS COLBY SAW COLLG	13.00
DAVID EVANCICH	
VP PUBLIC RELATNS END 5/14/11	13.00
KEVIN DONOVAN	
CEO MT ASCUTNEY HOSPITAL	13.00
RICHARD DAVIS	
FORMER KEY EMPLOYEE	0
MARY KAY BOUDEWYNS	
FORMER KEY EMPLOYEE	13.00

ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ACCRETIVE HEALTH 401 N MICHIGAN AVE SUITE 2700 CHICAGO, IL 60611	REVENUE MNGT SERVICE	15,476,572.
TRUSTEES OF DARTMOUTH COLLEGE 37 DEWEY FIELD HANOVER, NH 03755	ADMIN & DIR SUPPORT	16,975,834.
HARVEY CONSTRUCTION 10 HARVEY ROAD BEDFORD, NH 03110	CONSTRUCTION SVCS	25,027,229.
CROSS COUNTRY STAFFING 40 EASTERN AVENUE MALDEN, MA 02148	TEMP STAFFING SVCS	6,355,356.
DEW CONSTRUCTION CORP 277 BLAIR PARK ROAD WILLISTON, VT 05495	CONSTRUCTION SVCS	5,297,610.
	TOTAL COMPENSATION	69,132,601.

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
MARY HITCHCOCK MEMORIAL HOSPITAL

Employer identification number
02-0222140

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) NEW ENGLAND ALLIANCE FOR HEALTH, LLC 26-4232401 ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	HLTH IMPROVMT	NH	1,645,141.	223,133.	MHMH
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) DARTMOUTH-HITCHCOCK CLINIC 22-2519596 ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	PHYSICIAN SVC	NH	501(C)3	9	D-HH	X	
(2) DARTMOUTH-HITCHCOCK MEDICAL CENTER 22-2715483 ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	SUPPORTNG ORG	NH	501(C)3	11 TYPE I	N/A	X	
(3) DARTMOUTH - HITCHCOCK HEALTH 26-4812335 ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	SUPPORTNG ORG	NH	501(C)3	7	N/A	X	
(4) HAMDEN RISK RETENTION GROUP, INC 20-8530788 30 MAIN STREET, STE 330 BURLINGTON, VT 05401	SELF INS	VT	501(C)3	11 TYPE I	DHC	X	
(5) THE HITCHCOCK FOUNDATION 02-0222139 ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	HLTHCRE RSRCH	NH	501(C)3	7	DHC	X	
(6)							
(7)							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) D-H MSTER INVST PRG 02-0205863 1 MED CTR DR LEBANON, NH 03756	POOLED INVEST	NH	MHMH	EXCLUDED	23,589,746	461,642,194		X	-8,630	X		95.5780
(2) NEW ENG PHMCY COL 26-3819035 1 MED CTR DR LEBANON, NH 03756	GROUP PURCHAS	NH	N/A	RELATED	-74,213.	25,090.		X	0	X		28 9240
(3) THE HITCHCOCK PTSHP 02-0514823 1 MED CTR DR LEBANON, NH 03756	INVST IN PTNR	NH	MHMH	INVESTMENT	19,495.	365,523		X	0	X		61 4194
(4) KEENE HLTH ALLIANCE 30-0179297 580 COURT ST KEENE, NH 03431	HEALTHCARE	NH	N/A	N/A								
(5) OBNET SERVICES, LLC 04-3746287 1 MED CTR DR LEBANON, NH 03756	DATABASE SERV	NH	DHC	N/A								
(6) ONE CARE VT ACO,LLC 45-5399921 111 COLCHESTER AVE	SHARED SAVINGS PR	VT	DHH	N/A								
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CHARIT REMNDR UNITRUSTS(3) ONE MEDICAL CENTER DRIVE LEBANON, NH 03756	CHART. TRUST	NH	N/A	TRUST			100 0000
(2) POMPANOOSUC INVESTMENT CORP 02-0352330 1 MEDICAL CTR DR LEBANON, NH 03756	REAL EST HLDG	NH	N/A	C CORPORATION			
(3) HAMDEN ASSURANCE CO LTD 98-0121409 44 CHURCH ST HM 12 HAMILTON, BD	LIAB. INSUANC	BD	DHC	FOREIGN CORP			25 8000
(4) DH PENSION GRP TRST 20-2588083 1 MEDICAL CTR DR LEBANON, NH 03756	PENSION TRUST	NH	N/A	TRUST			
(5)							
(6)							
(7)							

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

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

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

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	DARTMOUTH-HITCHCOCK CLINIC	M,N,O,P,QR	93,290,092.	FMV
(2)	DARTMOUTH-HITCHCOCK HEALTH	O	3,095,250.	FMV
(3)	DARTMOUTH-HITCHCOCK HEALTH	P	2,968,427.	FMV
(4)	DARTMOUTH-HITCHCOCK MEDICAL CENTER	O	2,814,815.	FMV
(5)	DARTMOUTH-HITCHCOCK MEDICAL CENTER	P	2,266,581.	FMV
(6)	HAMDEN RISK RETENTION GROUP	O	5,860,444.	FMV

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		
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)		

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)	THE HITCHCOCK FOUNDATION	O	1,384,737.	FMV
(2)	THE HITCHCOCK FOUNDATION	P	1,836,821.	FMV
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(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		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

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

Dartmouth-Hitchcock and Subsidiaries

Combined Financial Statements

For the Nine Months Ended June 30, 2012 and the Year Ended September 30, 2011

Dartmouth-Hitchcock and Subsidiaries

Index

For the Nine Months Ended June 30, 2012 and the Year Ended September 30, 2011

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Combined Financial Statements	
Balance Sheets	2
Statements of Operations and Changes in Net Assets	3–4
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Notes to Financial Statements	6–39

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Report of Independent Auditors

To the Board of Trustees of
Dartmouth-Hitchcock and Subsidiaries:

In our opinion, the accompanying combined balance sheet and the related combined statements of operations and changes in net assets and cash flows present fairly, in all material respects, the financial position of Dartmouth-Hitchcock and Subsidiaries (Dartmouth-Hitchcock) at June 30, 2012, and the results of their operations and changes in net assets and their cash flows for the nine months then ended in conformity with accounting principles generally accepted in the Unites States of America. These financial statements are the responsibility of Dartmouth-Hitchcock's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The combined financial statements of Dartmouth-Hitchcock as of September 30, 2011 and for the year then ended were audited by other auditors whose report dated January 27, 2012 expressed an unqualified opinion on those statements.

PricewaterhouseCoopers LLP

October 26, 2012

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Dartmouth-Hitchcock and Subsidiaries
Combined Balance Sheets
June 30, 2012 and September 30, 2011

(in thousands of dollars)	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 59,510	$ 50,778
Patient accounts receivable, net of estimated uncollectibles of $57,585 at June 30, 2012 and $56,495 at September 30, 2011 (Notes 4 and 5)	165,378	154,294
Prepaid expenses and other current assets (Note 14)	77,833	82,328
Total current assets	302,721	287,400
Assets limited as to use (Notes 6, 8, and 11)	520,978	498,234
Other investments for temporarily and permanently restricted activities (Notes 6 and 8)	99,282	95,943
Property, plant, and equipment, net (Note 7)	444,598	429,267
Other assets	47,614	45,616
Total assets	$ 1,415,193	$ 1,356,460
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 11)	$ 9,675	$ 9,698
Current portion of liability for pension and other postretirement plan benefits (Note 12)	7,639	7,623
Accounts payable and accrued expenses (Note 14)	68,585	73,686
Accrued compensation and related benefits	99,782	99,374
Estimated third-party settlements (Note 5)	22,386	22,491
Total current liabilities	208,067	212,872
Long-term debt, excluding current portion (Note 11)	407,711	408,523
Insurance deposits and related liabilities (Note 13)	95,866	93,703
Interest rate swaps (Notes 8 and 11)	29,006	26,768
Liability for pension and other postretirement plan benefits (Note 12)	410,587	371,556
Total liabilities	1,151,237	1,113,422
Net assets		
Unrestricted	171,098	152,039
Temporarily restricted (Notes 9 and 10)	61,849	60,011
Permanently restricted (Notes 9 and 10)	31,009	30,988
Total net assets	263,956	243,038
Commitments and contingencies (Notes 5, 7, 8, 11, 14, and 16)	-	-
Total liabilities and net assets	$ 1,415,193	$ 1,356,460

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

Dartmouth-Hitchcock and Subsidiaries
Combined Statements of Operations and Changes in Net Assets
For the Nine Months Ended June 30, 2012 and Year Ended September 30, 2011

(in thousands of dollars)	2012	2011
Unrestricted revenue and other support		
Net patient service revenue, net of provision for bad debt ($25,394 in 2012, $39,123 in 2011) (Notes 4 and 5)	$ 863,095	$ 1,077,187
Medicaid uncompensated care revenue (Note 5)	-	41,693
Contracted revenue (Note 2)	47,856	62,119
Other operating revenue (Notes 2, 5, 6, and 14)	35,174	38,911
Net assets released from restrictions (Note 9)	10,349	10,581
Total unrestricted revenue and other support	956,474	1,230,491
Operating expenses		
Salaries	447,859	587,563
Employee benefits	152,074	198,770
Medical supplies and medications	126,416	160,197
Purchased services and other	112,910	153,564
Medicaid enhancement tax (Note 5)	32,798	43,491
Medical school financial support	6,000	8,000
Depreciation and amortization	39,233	49,632
Interest (Note 11)	12,614	16,094
Expenditures relating to net assets released from restrictions (Note 9)	10,349	10,581
Total operating expenses	940,253	1,227,892
Operating margin, before nonrecurring charge	16,221	2,599
Voluntary early retirement program (Note 12)	-	15,781
Operating income (loss)	16,221	(13,182)
Nonoperating gains (losses)		
Investment gains (Notes 6 and 11)	32,031	964
Loss on advance refunding (Note 11)	-	(1,698)
Other losses	(4,390)	(4,466)
Total nonoperating gains (losses), net	27,641	(5,200)
Excess (deficiency) of revenue over expenses	43,862	(18,382)

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

Dartmouth-Hitchcock and Subsidiaries
Combined Statements of Operations and Changes in Net Assets, Continued
For the Nine Months Ended June 30, 2012 and Year Ended September 30, 2011

(in thousands of dollars)	2012	2011
Unrestricted net assets		
Excess (deficiency) of revenue over expenses	43,862	(18,382)
Net assets released from restrictions (Note 9)	1,068	224
Change in funded status of pension and other postretirement benefits (Note 12)	(24,188)	(25,994)
Change in fair value on interest rate swaps (Note 11)	(1,683)	(1,694)
Increase (decrease) in unrestricted net assets	19,059	(45,846)
Temporarily restricted net assets		
Gifts, bequests, and sponsored activities	9,559	7,603
Investment gains	1,760	1,928
Change in net unrealized gains (losses) on investments	1,936	(1,411)
Net assets released from restrictions (Note 9)	(11,417)	(10,805)
Increase (decrease) in temporarily restricted net assets	1,838	(2,685)
Permanently restricted net assets		
Gifts and bequests	21	333
Increase in permanently restricted net assets	21	333
Change in net assets	20,918	(48,198)
Net assets		
Beginning of year	243,038	291,236
End of year	$ 263,956	$ 243,038

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

Dartmouth-Hitchcock and Subsidiaries
Combined Statements of Cash Flows
For the Nine Months Ended June 30, 2012 and Year Ended September 30, 2011

(in thousands of dollars)	2012	2011
Cash flows from operating and nonoperating activities		
Change in net assets	$ 20,918	$ (48,198)
Adjustments to reconcile change in net assets to net cash provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	2,238	2,246
Provision for bad debt expense	25,394	39,123
Depreciation and amortization	39,584	49,913
Change in funded status of pension and other postretirement benefits	24,188	25,994
Loss on disposal of fixed assets	870	778
Loss on advance refunding of debt	-	1,698
Net realized gains and change in net unrealized (gains) losses on investments	(30,567)	322
Restricted contributions	(21)	(333)
Changes in assets and liabilities		
Patient accounts receivable, net	(36,478)	(28,361)
Prepaid expenses and other current assets	4,495	(26,441)
Other assets, net	(1,998)	(5,172)
Accounts payable and accrued expenses	(9,062)	9,503
Accrued compensation and related benefits	408	15,805
Estimated third-party settlements	(105)	(2,730)
Liability for pension and other postretirement benefits	14,859	17,195
Net cash provided by operating and nonoperating activities	54,723	51,342
Cash flows from investing activities		
Purchase of property, plant, and equipment	(51,774)	(86,010)
Change in assets limited as to use - held by trustee	(19,298)	58,229
Sales (purchases) of investments, net	26,072	2,410
Net cash used by investing activities	(45,000)	(25,371)
Cash flows from financing activities		
Proceeds from line of credit	30,000	-
Payments on line of credit	(30,000)	-
Repayment of long-term debt		
Principal payments on existing debt	(1,012)	(14,853)
Advance refunding of Series 2001A Bonds	-	(99,480)
Proceeds from issuance of debt		
Series 2011 Revenue Bonds	-	99,702
Payment of debt issuance costs	-	(250)
Partial redemption of interest rate swap	-	(4,068)
Restricted contributions	21	333
Net cash used by financing activities	(991)	(18,616)
Increase in cash and cash equivalents	8,732	7,355
Cash and cash equivalents		
Beginning of year	50,778	43,423
End of year	$ 59,510	$ 50,778
Supplemental cash flow information		
Interest paid	$ 10,904	$ 21,807
Construction in progress included in accrued expenses	6,230	2,269
Equipment acquired through issuance of capital lease obligations	150	-

1. Organization and Reporting Entity

Dartmouth-Hitchcock (D-H) is comprised of the following entities.

- Dartmouth-Hitchcock Clinic (the Clinic) and Subsidiaries, a multispecialty physician practice group which operates clinics throughout New Hampshire (NH) and Vermont (VT), provides, among other things, medical services to patients, medical education, and research. The Clinic is also the sole corporate member of The Hitchcock Foundation (THF), an organization established to provide financial aid to research and general health programs. The accompanying combined financial statements include the accounts of THF and the Clinic's wholly owned for profit subsidiary Pompanoosuc Investment Corporation, majority-owned Hamden Assurance Company, Limited (HAC), and majority-owned Hamden Assurance Risk Retention Group, Inc. (RRG) (Note 13)

  The Clinic has entered into various contractual arrangements with community hospitals located in Keene, Concord, Manchester, and Nashua, NH in which the Clinic has existing community practice sites. These arrangements attempt to integrate and/or coordinate hospital and physician operations clinically and administratively within these communities (Note 2).

- Mary Hitchcock Memorial Hospital (the Hospital), an acute and tertiary care teaching hospital located in Lebanon, NH.

These organizations are not-for-profit organizations, as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from Federal income taxes on related income pursuant to Section 501(a) of the IRC with the exception of the Clinic's wholly owned for-profit subsidiary.

During 2012 the Clinic and Hospital Boards approved a fiscal year end change from September 30 to June 30, effective with the nine month period ended June 30, 2012.

Dartmouth-Hitchcock Health (D-HH), a nonprofit NH corporation under Section 501(c)(3) of the IRC, became the sole member of both the Hospital and Clinic effective August 30, 2010 and as such holds certain reserved powers over the activities of both entities. D-HH is not included in the combined financial statements of Dartmouth-Hitchcock and Subsidiaries due to the relative immateriality of D-HH to the combined entity. Effective October 1, 2010, an affiliation agreement was established, preserving the historical operational integration of the Clinic and Hospital

2. Affiliated Entities

Affiliated entities include the following.

New England Alliance for Health (NEAH)
NEAH is a NH limited liability company, which is owned and managed by the Hospital. NEAH provides, on a contract basis, a range of consulting, group purchasing and other services to its members throughout NH and VT

Dartmouth-Hitchcock Medical Center (DHMC)
DHMC is a nonprofit corporation organized for the exploration and coordination of matters of mutual interest among its members, which consist of D-H, The Geisel School of Medicine at Dartmouth, a component of Dartmouth College (the College), and the Veterans Affairs Medical

Center and Regional Office of White River Junction, VT. Administrative costs and other costs of DHMC are apportioned among the member organizations.

In addition, D-H and the College provide certain services to each other including graduate medical education, staffing of clinical departments, support services, and the provision of space. The members of DHMC have agreed to compensate one another directly based on the cost of the services provided

Other Regional Relationships

- D-H's Keene community practice and The Cheshire Medical Center, Keene's community hospital, operate collectively under a Partnership Agreement effective October 1, 1998. This agreement substantially integrates many hospital and physician operations clinically, administratively, and financially while maintaining the independent legal structure of each organization. Pursuant to this agreement, the Clinic recorded approximately $3,100,000 and $3,429,000, classified as other operating revenue in the accompanying combined statements of operations and changes in net assets, in the nine months ended June 30, 2012 and year ended September 30, 2011, respectively. A NH nonprofit Joint Coordinating Company and Coordinating Board, consisting of 19 board members, has been delegated certain responsibilities to develop and recommend strategic plans, budgets, and community health initiatives The purpose of the partnership is to improve the planning, delivery, and integration of healthcare services to benefit the greater Keene community.

- D-H and subsidiaries of Concord Hospital (CRHC/DHC, Inc), Catholic Medical Center (Allied Health Services), and an affiliate of St Joseph's Hospital (D-H Family Medicine Nashua, Inc), entered into Professional Services Agreements (PSAs), pursuant to which these facilities purchase, with certain limited exceptions, the services of all personnel employed by D-H at its Concord, NH Division, two Bedford, NH locations and its Nashua, NH satellite locations to provide healthcare services to the related communities. The payment amount for the professional services of D-H's personnel are based on fair market value considerations and are not directly or indirectly related to the volume or value of referrals or admissions, in accordance with governing law Through the PSAs, D-H and the parties identified above provide coordination of patient care in the community and facilitate the recruitment of new and needed physicians without unnecessary duplication of services, and serve as a platform for future discussions between the parties to explore additional collaborative programs Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts, have been classified as contracted revenue in the accompanying combined statements of operations and changes in net assets

The combined financial statements of D-H do not include the accounts of the Clinic's regional affiliations or DHMC.

3. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954 *Healthcare Entities* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed

stipulations and are available for operations Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained in perpetuity The combined financial statements include the accounts of the Clinic and Hospital. All significant intercompany transactions have been eliminated upon combination

Use of Estimates
The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant areas that are affected by the use of estimates include the allowance for estimated uncollectible accounts, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results could differ from those estimates

Excess of Revenue over Expenses
The combined statements of operations and changes in net assets include excess (deficiency) of revenue over expenses Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from excess (deficiency) of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care and Provision for Bad Debts
D-H provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates Because D-H does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

D-H grants credit without collateral to patients, most are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 4 and 5).

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 5).

Cash Equivalents
Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors As more fully discussed in Note 8, cash equivalents available for operating purposes are recorded at fair value using a Level 1 measurement.

Investments and Investment Income
Investments in equity securities with readily determinable fair values, mutual funds and pooled/comingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess (deficiency) of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement-date (Note 8).

Investments in private equity and hedge funds are valued using the equity method of accounting with changes in value recorded in excess (deficiency) of revenues over expenses

D-H and The Hitchcock Foundation (THF), a subsidiary of the Clinic, are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. THF joined the partnership effective November 1, 2011 In addition, Central Vermont Medical Center (CVMC), an unrelated VT 501(c)(3) organization withdrew from the partnership as of December 31, 2011 The Hospital has been designated to serve as the managing general partner and, in such capacity, has the authority to bind the partners and the partnership under the agreement Substantially all of D-H's board-designated and restricted assets, and certain of THF's board-designated assets and restricted assets, were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end

Investment income or losses (including change in unrealized and realized gains and losses on unrestricted investments, change in fair value of equity method investments, interest, and dividends) are included in excess (deficiency) of revenue over expenses classified as nonoperating gains and losses, unless the income or loss is restricted by donor or law (Note 10)

Fair Value Measurement of Financial Instruments
D-H estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures,* are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities

Level 2 – Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.

Level 3 – Prices or valuation techniques that are both significant to the fair value measurement and unobservable or investments with liquidity restrictions

D-H also applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to D-H's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets, accounts payable, and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment
Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair market value at the time of donation, less accumulated depreciation. D-H's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which are 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term or 5 to 12 years for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to ten years Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the combined statements of operations and changes in net assets

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

Bond Issuance Costs
Bond issuance costs, classified on the combined balance sheets as other assets, are amortized over the term of the related bonds. Amortization is recorded within depreciation and amortization in the combined statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Derivative Instruments and Hedging Activities
D-H applies the provisions of ASC 815, *Derivatives and Hedging,* to its derivative instruments, which requires that all derivative instruments be recorded at their respective fair value in the combined balance sheets

On the date a derivative contract is entered into, D-H designates the derivative as a *cash-flow hedge* of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, D-H formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the combined balance sheets or to specific firm commitments or forecasted transactions D-H also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in unrestricted net assets until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash-flow hedge is reported in excess of revenue over expenses in the combined statements of operations and changes in net assets.

D-H discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item, (b) the derivative expires or is sold, terminated, or exercised, (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur, (d) a hedged firm commitment no longer meets the definition of a firm commitment, and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, D-H continues to carry the derivative at its fair value on the combined balance sheets and recognizes any subsequent changes in its fair value in excess (deficiency) of revenue over expenses

Gifts and Bequests
Unrestricted gifts and bequests are recorded net of related expenses as nonoperating gains Conditional promises to give and indications of intentions to give to D-H are reported at fair market value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined statements of operations and changes in net assets as net assets released from restrictions.

Reclassifications
Certain amounts in the 2011 combined financial statements have been reclassified to conform to the 2012 presentation.

Recently Issued Accounting Pronouncements
In August 2010, the FASB issued *Health Care Entities: Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), which provides that the net presentation of receivables for insurance recoveries and related claims liabilities is not permitted. D-H adopted the

provisions of ASU 2010-24 during the nine months ended June 30, 2012. The adoption of this guidance did not have a material impact on the combined financial statements

In August 2010, the FASB issued *Health Care Entities: Measuring Charity Care for Disclosure* (ASU 2010-23), which clarified the disclosure of charity care provided by healthcare organizations, providing that such disclosure should be measured using cost and that related reimbursements recorded should also be separately disclosed. D-H adopted the provisions of ASU 2010-23 during the nine months ended June 30, 2012 (Note 4).

In July 2011, the FASB issued *Health Care Entities: 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), which requires certain healthcare entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from net patient service revenue Additionally those healthcare entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. D-H elected to early adopt ASU 2011-07 and changed its reporting of the provision for bad debt. Accordingly, the previously reported provision for bad debt of $39,123,000 for the year ended September 30, 2011 has been reclassified as a reduction to net patient service revenue The reclassification had no impact on the previously reported (deficiency) excess of revenue over expenses for 2011.

4. Charity Care and Community Benefits

The mission of D-H is to advance health through research, education, clinical practice and community partnerships, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, D-H provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. D-H actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, D-H also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, D-H provides significant support for academic and research programs

D-H files an annual Community Benefit Report with the State of NH which outlines the community and charitable benefits it provides. The broad categories used in the Community Benefit Report to summarize these benefits are as follows

- *Community health services* include activities carried out by D-H to improve community health and could include community health education (such as lectures, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.)

- D-H provides both financial and nonfinancial support for *health professional education* in the form of undergraduate training, internships (clinical and nonclinical), residency education programs, scholarships, and continuing heath professional education.

- *Subsidized health services* are services D-H provides even though there is a financial loss because they meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government

- D-H provides support for *research* and other grants representing costs in excess of awards for numerous health research and service initiatives awarded to D-H

- D-H supports other community health-related initiatives outside of the organization through various *financial contributions* of cash, in-kind, and grants to local organizations.

- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address social and economic determinants of health Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement. *Community benefit operations* includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations

- *Charity care (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the nine months ended June 30, 2012 and year ended September 30, 2011, D-H provided financial assistance to patients in the amount of approximately $40,513,000 and $55,285,000, respectively, as measured by gross charges. The estimated cost of providing this care for the nine months ended June 30, 2012 and year ended September 30, 2011 was approximately $17,207,000 and $25,586,000, respectively. The estimated costs of providing charity care services are determined using a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using D-H's total expenses, less bad debt, divided by gross revenue. During the year, D-H received approximately $52,000 in endowment income to help defray the costs of charity care

- As part of *government-sponsored healthcare services,* D-H provides services to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided

- The *uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Report for 2011 was approximately $86,261,000. The 2012 Community Benefits Report is expected to be filed in April 2013.

The following table summarizes the value of the community benefit initiatives outlined in D-H's most recently filed Community Benefit Report for the year ended September 30, 2011.

(Unaudited, in thousands of dollars)

Community Health Services	$	4,789
Health Professional Education		28,490
Subsidized Health Services		4,879
Research		4,484
Financial Contributions		1,522
Community Building Activities		407
Community Benefit Operations		36
Charity Care		22,430
Government-sponsored health care services		86,261
Total community benefit value	$	153,298

D-H also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above During the nine months ended June 30, 2012 and year ended September 30, 2011, D-H reported a provision for bad debts of approximately $25,394,000 and $39,123,000, respectively. D-H also routinely provides services to Medicare patients at reimbursement levels that are below the costs of the care provided

5. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debt as follows for the nine months ended June 30, 2012 and year ended September 30, 2011:

		2012		2011
Gross patient service revenue	$	2,153,435	$	2,585,712
Less. Contractual allowances		1,264,946		1,469,402
Less. Provision for bad debt		25,394		39,123
Net patient service revenue	$	863,095	$	1,077,187

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, D-H analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debts Management performs a collection rate look-back analysis on a quarterly basis to evaluate the sufficiency of the allowance for doubtful accounts. Throughout the year, D-H, after all reasonable collection efforts have been exhausted, will write off the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, against the allowance for doubtful accounts. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for doubtful accounts

Accounts receivable, prior to adjustment for doubtful accounts, is summarized as follows at June 30, 2012 and September 30, 2011:

	2012	2011
Receivables		
Patients	$ 109,413	$ 97,757
Third-party payors	112,581	109,681
Non-patient	969	3,351
	$ 222,963	$ 210,789

The allowance for doubtful accounts of $57,585,000 and $56,495,000 as of June 30, 2012 and September 28, 2011, respectively, is established to reserve for uncollectible amounts due primarily from patients

The following table categorizes payors into six groups and their respective percentages of D-H's gross patient service revenue for the nine months ended June 30, 2012 and year ended September 30, 2011:

	2012	2011
Medicare	37 %	36 %
Anthem/Blue Cross	23	23
Commercial insurance	23	24
Medicaid	13	13
Self-pay/Other	4	4
	100 %	100 %

D-H has agreements with third-party payors that provide for payments at amounts different from D-H's established rates. A summary of the acute care payment arrangements in effect during the nine months ended June 30, 2012 and year ended September 30, 2011 with major third-party payors follows.

Inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandated modifications. D-H is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary

Payment for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-

through, based on the filing of the Medicare cost report Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems

Inpatient services rendered to Anthem/Blue Cross subscribers and certain commercial insurers are paid at prospectively determined rates-per-discharge or a percentage of established charges Outpatient services are reimbursed on a fee schedule or at a discount from established charges

Non-acute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations

D-H has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2007-2012). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations During 2012 and 2011, changes in estimates related to settlements with third-party payors resulted in increases of net patient service revenue of approximately $6,600,000 and $1,700,000, respectively, in the combined statements of operations and changes in net assets.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

During the nine months ended June 30, 2012 and year ended September 30, 2011, D-H paid a Medicaid Enhancement Tax (MET) to the State of NH of $43,354,775 and $36,692,000, respectively. The tax, which is based on NH's fiscal year (July 1 - June 30), is calculated at 5.5% of certain gross patient revenues in accordance with instructions received from the State of NH. The MET expense is included in operating expenses in the combined statements of operations and changes in net assets. In addition, D-H has filed amended returns to conform the calculation of gross patient service revenue to the federal definition as issued by the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) which generally supervises the federal aspects of the Medicaid program

D-H, as determined annually by NH, may qualify to receive a Medicaid Uncompensated Care Payment under their Disproportionate Share Program The payments are included in unrestricted revenue and other support in the combined statements of operations and changes in net assets

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers and eligible professionals over the next four years CMS has published a final rule to define Stage 1 meaningful use of certified EHR technology and establish criteria for the incentive program The Hospital and the Clinic have attested to Stage 1 criteria and received $12 million in year 1 Meaningful Use incentives for the Hospital and Physicians for both the Medicare and Vermont Medicaid programs. These amounts have been recognized as other operating revenue of approximately $3,200,000 and $8,800,000 during the nine months ended June 30, 2012 and year ended September 30, 2011, respectively, and are subject to audit by CMS. The Hospital and Physicians are currently in the CMS defined measurement period for year 2 meaningful use which will also be measured using the same Stage 1 criteria On August 23, 2012, CMS published a proposed rule to define Stage 2 meaningful use

criteria with anticipated implementation date of October 2013 for the Hospital and January 2014 for the Physicians.

D-HH is one of just 32 health systems nationally to be selected to participate in the Pioneer Accountable Care Organization (ACO) payment model, a transformative new initiative sponsored by the CMS Innovation Center Through the Pioneer ACO Model, D-H (D-HH has delegated operating function to D-H) will work with CMS to provide Medicare beneficiaries with higher quality care, while reducing growth in Medicare expenditures through enhanced care coordination. CMS will use robust quality measures and other criteria to reward ACOs like D-H for providing beneficiaries with a positive patient experience and better health outcomes, while also rewarding D-H for reducing growth in Medicare expenditures for the same patient population The expected payment model is risk-based based on a calendar year and, as of June 30, 2012, no receivable or liability has been recorded, based on management's estimate of the calendar year 2012 settlement.

6. Investments

The composition of investments at June 30, 2012 and September 30, 2011 is set forth in the following table.

(in thousands of dollars)	2012	2011
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 4,666	$ 2,853
U.S government securities	41,468	44,601
Domestic corporate debt securities	110,764	109,388
International debt securities	42,993	37,768
Domestic equities	91,841	75,037
International equities	37,235	32,599
Emerging markets equities	16,432	9,231
Private equity funds	33,373	40,543
Hedge funds	39,481	30,714
Other	1,389	1,732
	419,642	384,466
Investments held by captive insurance companies (Note 13)		
Cash and short-term investments	3,120	1,627
U.S government securities	20,687	20,878
Domestic corporate debt securities	57,716	58,407
Domestic equities	14,497	8,242
	96,020	89,154
Held by trustee under indenture agreement (Note 11)		
Cash and short-term investments	5,316	24,614
	5,316	24,614
Assets limited as to use	$ 520,978	$ 498,234

(in thousands of dollars)	2012	2011
Other investments for temporarily and permanently restricted activities		
Cash and short-term investments	$ 5,083	$ 4,264
U.S. government securities	6,521	8,145
Domestic corporate debt securities	42,574	38,115
International debt securities	9,635	7,626
Domestic equities	15,321	20,247
International equities	5,941	8,546
Emerging markets equities	2,754	1,137
Private equity funds	5,179	4,367
Hedge funds	6,127	3,309
Other	147	187
Total other investments for temporarily and permanently restricted activities	$ 99,282	$ 95,943

Investment income (losses) is comprised of the following for the nine months ended June 30, 2012 and year ended September 30, 2011:

(in thousands of dollars)	2012	2011
Unrestricted:		
Interest and dividend income, and other	$ 8,966	$ 7,056
Net realized gains on sales of securities	5,769	13,179
Change in net unrealized gains (losses) on investments	21,870	(13,458)
Interest expense (Note 11)	(2,850)	(3,148)
Total	33,755	3,629
Temporarily Restricted:		
Interest and dividend income	768	560
Net realized gains on sales of securities	992	1,368
Change in net unrealized gains (losses) on investments	1,936	(1,411)
Total	3,696	517
	$ 37,451	$ 4,146

For the nine months ended June 30, 2012 and year ended September 30, 2011, investment income (losses) is reflected in the accompanying combined statements of operations and changes in net assets as operating revenue of approximately $1,724,000 and $2,665,000 and as non-operating gains (losses) of approximately $32,031,000 and $964,000, respectively.

Private equity and hedge fund investments typically represent non-controlling limited partnership shares in investment funds where the controlling general partner serves as the investment manager. Limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days It is the intent of D-H to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreements expire. Under the terms of certain agreements, D-H has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2012, D-H has committed to contribute

approximately $58,033,000 to such funds, of which D-H has contributed approximately $48,224,000 and has outstanding commitments of $9,809,000.

7. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2012 and September 30, 2011:

(in thousands of dollars)	2012	2011
Land and improvements	$ 46,247	$ 41,234
Buildings and improvements	523,641	480,438
Equipment	423,031	399,678
	992,919	921,350
Less. Accumulated depreciation and amortization	581,477	542,592
Total depreciable assets, net	411,442	378,758
Construction in progress	33,156	50,509
	$ 444,598	$ 429,267

As of June 30, 2012 construction in progress primarily consists of the construction of the Medical Office Building, the Fixed Clinical MRI and the Advanced Surgery Center in Lebanon, NH. Estimated costs to complete these projects are $31,700,000 at June 30, 2012.

Depreciation and amortization expense included in operating and non-operating activities was approximately $39,584,000 and $49,913,000 for 2012 and 2011, respectively.

8. Fair Value Measurements

The following is a description of the valuation methodologies used by D-H for its assets and liabilities measured at fair value on a recurring basis.

Cash and short-term investments: Consists of money market funds and are valued at NAV reported by the financial institution.

Domestic, emerging markets and international equities: Consists of actively traded equity securities and mutual funds and pooled/commingled investment funds Actively traded equity securities and mutual funds are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements). Pooled/commingled investment funds represent investments where D-H owns shares or units of pooled funds rather than the underlying securities in that fund These investments are measured using the NAV as a practical expedient as reported by the fund on the close of business on at least a monthly basis (Level 2 measurements).

U.S. government securities, domestic corporate and international debt securities. Consists of D-H's directly owned U S. government securities, domestic corporate and international debt securities and D-H's investment in mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and international debt securities. Securities owned directly by D-H

are valued based on quoted market prices or dealer quotes where available (Level 1 measurements) If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements) Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements). Pooled/commingled investment funds are measured using fair value or, if fair value is not readily determinable, the NAV as reported by the fund on the close of business on at least a monthly basis, as a practical expedient (Level 2 measurements)

Private equity and hedge funds: Although D-H carries its investments in private equity and hedge funds under the equity method of accounting, they have been included in the following fair value hierarchy table using the NAV per share or its equivalent as a practical expedient. D-H owns interests in these funds rather than in securities underlying each fund and, therefore, is generally required to consider such investments as Level 2 or Level 3, even though the underlying securities may not be difficult to value or may be readily marketable.

Interest rate swaps: The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although D-H believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date Also, because D-H uses NAV as a practical expedient to estimate fair value of certain investments, the level in the fair value hierarchy in which each fund's fair value measurement is classified is based primarily on D-H's ability to redeem its interest in the fund at or near the date of the combined balance sheets (defined as 90 days). Accordingly, the inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risk associated with investing in those investments or a reflection on the liquidity of each fund's underlying assets and liabilities.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement The following tables set forth D-H's combined financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2012 and September 30, 2011. In addition, D-H has included its investments in private equity and hedge funds within Level 3 of the following fair value hierarchy even though these investments have been recorded under the equity method of accounting.

Dartmouth-Hitchcock and Subsidiaries
Notes to Combined Financial Statements
For the Nine Months Ended June 30, 2012 and Year Ended September 30, 2011

	2012					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short term investments	$ 18,185	$ -	$ -	$ 18,185	Daily	1
U S. government securities	68,676	-	-	68,676	Daily	1
Domestic corporate debt securities	109,835	101,219	-	211,054	Daily - Monthly	1 - 15
International debt securities	23,728	28,900	-	52,628	Daily - Monthly	1 - 15
Domestic equities	74,013	47,646	-	121,659	Daily - Monthly	1 - 10
International equities	163	43,013	-	43,176	Daily - Monthly	1 - 11
Emerging market equities	205	18,981	-	19,186	Daily - Monthly	1 - 7
Private Equity funds	-	-	38,552	38,552	See Note 6	See Note 6
Hedge Funds	-	24,535	21,073	45,608	Monthly - Annually	30 - 96
Other	-	1,536	-	1,536	Not applicable	Not applicable
	$ 294,805	$ 265,830	$ 59,625	$ 620,260		
Interest rate swaps	$ -	$ 29,006	$ -	$ 29,006	Not applicable	Not applicable

	2011					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short term investments	$ 33,358	$ -	$ -	$ 33,358	Daily	1
U S government securities	73,624	-	-	73,624	Daily	1
Domestic corporate debt securities	109,760	96,150	-	205,910	Daily - Monthly	1 - 15
International debt securities	20,547	24,847	-	45,394	Daily - Monthly	1 - 15
Domestic equities	66,592	36,934	-	103,526	Daily - Monthly	1 - 10
International equities	5,035	36,110	-	41,145	Daily - Monthly	1 - 11
Emerging market equities	143	10,225	-	10,368	Daily - Monthly	1 - 7
Private Equity funds	-	-	44,910	44,910	See Note 6	See Note 6
Hedge Funds	-	14,690	19,333	34,023	Monthly - Annually	30 - 96
Other	-	1,919	-	1,919	Not applicable	Not applicable
	$ 309,059	$ 220,875	$ 64,243	$ 594,177		
Interest rate swaps	$ -	$ 26,768	$ -	$ 26,768	Not applicable	Not applicable

(in thousands of dollars)	2012 Private Equity Funds	2012 Hedge Funds	2012 Total
Balance at beginning of year	$ 44,910	$ 19,333	$ 64,243
Purchases	5,421	1,359	6,780
Sales	(12,672)	-	(12,672)
Net realized gains (losses)	(376)	-	(376)
Change in net unrealized gains	1,269	381	1,650
Balance at end of year	$ 38,552	$ 21,073	$ 59,625

(in thousands of dollars)	2011 Private Equity Funds	2011 Hedge Funds	2011 Total
Balance at beginning of year	$ 36,219	$ 23,945	$ 60,164
Purchases	9,662	-	9,662
Sales	(4,204)	(4,671)	(8,875)
Net realized gains (losses)	503	(3,805)	(3,302)
Change in net unrealized gains	2,730	3,864	6,594
Balance at end of year	$ 44,910	$ 19,333	$ 64,243

The total aggregate net unrealized losses included in the fair value of the Level 3 investments as of June 30, 2012 and September 30, 2011 were approximately $11,014,000 and $11,726,000, respectively

Certain investments may also be temporarily illiquid as a result of restrictions imposed by the fund manager that have suspended normal liquidity terms or lock-ups with definite expiration dates As of June 30, 2012, D-H had no investments that were deemed temporarily illiquid.

There were no significant transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the nine months ended June 30, 2012 and year ended September 30, 2011

9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2012 and September 30, 2011.

(in thousands of dollars)	2012	2011
Healthcare services	$ 17,454	$ 16,332
Research	29,049	29,640
Purchase of equipment	3,833	3,776
Charity care	1,420	1,209
Health education	9,029	7,597
Other	1,064	1,457
	$ 61,849	$ 60,011

Income earned on permanently restricted net assets is available for the following purposes at June 30, 2012 and September 30, 2011.

(in thousands of dollars)	2012	2011
Healthcare services	$ 11,841	$ 11,832
Research	2,770	2,762
Purchase of equipment	4,686	4,686
Charity care	2,443	2,440
Health education	9,269	9,268
	$ 31,009	$ 30,988

10. Board Designated and Endowment Funds

D-H's net assets include approximately 50 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH *Uniform Prudent Management of Institutional Funds Act (UPMIFA or Act)* for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. D-H classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any Collectively these amounts are referred to as the historic dollar value of the fund.

Unrestricted net assets include D-H funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation Temporarily restricted net assets include funds appropriated for expenditure pursuant to D-H endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law When the temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets

In accordance with the Act, D-H considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund, general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and D-H's investment policies

D-H has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. D-H targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge funds strategies to achieve its long-term return objectives within prudent risk constraints The D-H

Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

D-H, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value Such market losses were not material as of June 30, 2012 and September 30, 2011

Endowment net asset composition by type of fund consists of the following at June 30, 2012 and September 30, 2011 (in thousands of dollars):

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 13,091	$ 31,009	$ 44,100
Board-designated endowment funds	19,965	-	-	19,965
Total endowed net assets	$ 19,965	$ 13,091	$ 31,009	$ 64,065

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 10,823	$ 30,988	$ 41,811
Board-designated endowment funds	19,354	-	-	19,354
Total endowed net assets	$ 19,354	$ 10,823	$ 30,988	$ 61,165

Changes in endowment net assets for the nine months ended June 30, 2012 and year ended September 30, 2011 (in thousands of dollars):

	2012			
	Board - Designated	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning of year	$ 19,354	$ 10,823	$ 30,988	$ 61,165
Net investment return	191	3,247	-	3,438
Contributions	-	11	21	32
Transfers	450	-	-	450
Release of Appropriated Funds	(30)	(990)	-	(1,020)
Balance at end of year	$ 19,965	$ 13,091	$ 31,009	$ 64,065

	2011			
	Board - Designated	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning of year	$ 18,629	$ 11,081	$ 30,655	$ 60,365
Net investment return	418	1,425	41	1,884
Contributions	-	66	333	399
Transfers	450	41	(41)	450
Release of Appropriated Funds	(143)	(1,790)	-	(1,933)
Balance at end of year	$ 19,354	$ 10,823	$ 30,988	$ 61,165

11. Indebtedness

Long-Term Debt

A summary of long-term debt at June 30, 2012 and September 30, 2011 follows:

(in thousands of dollars)	2012	2011
Variable rate issues.		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2011, principal maturing in varying annual amounts, through August 2031 (1)	$ 99,702	$ 99,702
Fixed rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2010, principal maturing in varying annual amounts, through August 2040 (2)	75,000	75,000
Series 2009, principal maturing in varying annual amounts, through August 2038 (3)	125,435	125,435
Series 2002, principal maturing in varying annual amounts, through August 2031 (4)	115,930	115,930
Other		
Obligations under capital leases	2,485	3,348
	418,552	419,415
Less		
Original issue discount, net	1,166	1,194
Current portion	9,675	9,698
	$ 407,711	$ 408,523

The Hospital established the Obligated Group in 1993 for the original purpose of issuing bonds financed through the New Hampshire Health and Education Facilities Authority (NHHEFA or the Authority). In subsequent years, CVMC, Cooley Dickinson Hospital, Inc., and the Clinic joined the Hospital as members of the Obligated Group in connection with the issuance of facility-specific revenue bonds. Effective November 1, 2011, CVMC formally withdrew from the Obligated Group

Revenue Bonds issued by members of the Obligated Group are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the Obligated Group under certain conditions The notes constitute a joint and several obligation of the members of the Obligated Group (and any other future members of the Obligated Group) and are equally and ratably collateralized by a pledge of the members' gross receipts Payment of principal and interest due on the Series 2002 Bonds is collateralized with a commercial bond insurer. The Obligated Group is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive of which are the Maximum Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

Outstanding revenue bonds as of June 30, 2012 and September 30, 2011 include:

(1) Series 2011 Revenue Bonds

The Hospital, through the Obligated Group, received approximately $99,702,000 from the proceeds of NHHEFA Revenue Bonds, Series 2011 issued by the Authority in August of 2011 The proceeds from the Series 2011 Revenue Bonds were used to advance refund the Series 2001A Revenue Bonds and associated cost of issuance and related release of 2001A debt service funds totaling approximately $8 4 million The advance refunding of the Series 2001A Revenue Bonds resulted in a loss of $1,698,000, recognized in the accompanying combined statement of operations and changes in net assets during the year ended September 30, 2011. The Series 2011 Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR) The variable rate as of June 30, 2012 was 1 08%. The Series 2011 Bonds are callable by the bank upon the end of seven years or may be renegotiated at that time.

(2) Series 2010 Revenue Bonds

The Hospital, through the Obligated Group, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment and to pay cost of issuance Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(3) Series 2009 Revenue Bonds

The Hospital, through the Obligated Group, issued NHHEFA Revenue Bonds, Series 2009, in August 2009 The proceeds from the Series 2009 Revenue Bonds were used to advance refund the Series 2008 Revenue Bonds and pay costs of issuance Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 3.00% and 6 00% and mature at various dates through August 2038

(4) Series 2002 Revenue Bonds

The Hospital, through the Obligated Group, issued NHHEFA Revenue Bonds, Series 2002 in February 2002. The proceeds were used to finance a significant expansion of the D-H facilities. The Series 2002 Bonds bear interest at 5 35% and mature at various dates through August 2031

Aggregate annual principal payments required under D-H revenue bond agreements and capital lease obligations for the next five years and thereafter ending June 30 are as follows:

(in thousands of dollars)

2013	$ 9,675
2014	9,712
2015	8,959
2016	9,193
2017	9,601
Thereafter	371,412
	$ 418,552

Outstanding joint and several indebtedness of the Obligated Group at June 30, 2012 and September 30, 2011 approximates $480,000,000 and $509,000,000, respectively.

The Master Trust Indenture requires that members of the Obligated Group establish certain debt service funds with the proceeds of the bonds, including the maintenance of debt service reserves and other trustee held funds Trustee held funds of approximately $5,316,000 and $24,614,000 at June 30, 2012 and September 30, 2011, respectively, are classified as assets limited as to use in the accompanying combined balance sheets. The decrease of trustee held funds in 2012 is a result of the continued construction of the Nashua Medical Staff Office Building and the release of debt service reserve funds associated with the Series 2001A refunded bonds

For the nine months ended June 30, 2012 and year ended September 30, 2011, interest expense on long term debt is reflected in the accompanying combined statements of operations and changes in net assets as operating expense of approximately $12,614,000 and $16,094,000, and as a reduction of investment income of $2,850,000 and $3,148,000, respectively.

The estimated fair value of D-H's long-term debt as of June 30, 2012 and September 30, 2011 was approximately $430,510,000 and $423,980,000, respectively, which was determined by discounting the future cash flows of each instrument at rates that reflect rates currently observed in publicly traded debt markets for debt of similar terms to organizations with comparable credit risk.

Swap Agreements
D-H is subject to market risks such as changes in interest rates that arise from normal business operation. D-H regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. D-H has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

- In connection with the issuance of the Series 2001A Bonds, D-H entered into an interest rate swap agreement (Fixed Payor Swap), with a notional amount of $118,780,000, as a hedge against the variability of cash flows associated with its variable rate Series 2001A Bonds The interest rate swap agreement matures August 31, 2031. The interest rate swap agreement effectively fixed the interest rate on the Series 2001A Bonds at 4 56% As a result of the credit market disruptions in the autumn of 2008, the counterparty to the Fixed Payor Swap exercised its option to apply the Securities Industry and Financial Markets Association (SIFMA) rate index through August 1, 2011 for purposes of calculating the interest to be received under the Fixed Payor Swap. The SIFMA rate index replaced the previous method of using the rate of interest on the Series 2001A Bonds. Effective August 1, 2011 and through

the maturity of the agreement, the interest to be received under the Fixed Payor Swap is based on the LIBOR index

In connection with the advance refunding of the Series 2001A Revenue Bonds through the issuance of the Series 2011 Revenue Bonds, D-H also amended the Fixed Payor Swap resulting in a partial redemption of approximately $4,068,000 and a re-designation as a cashflow hedge of the Series 2011 Revenue Bonds, effective September 1, 2011. The notional amount of the amended Fixed Payor Swap is $91,040,000 The amended Fixed Payor Swap effectively fixes the interest rate on the Series 2011 Revenue Bonds at 4 56%

At June 30, 2012 and September 30, 2011, D-H recorded a liability for the fair value of the interest rate swap agreement of approximately $29,006,000 and $26,768,000, respectively. The effective portion of the change in market value of the Fixed Payor Swap is reflected as an adjustment to unrestricted net assets in the combined statements of operations and changes in net assets and any ineffective portion of the hedge relationship is recognized through excess (deficiency) of revenue over expenses For the nine months ended June 30, 2012 and year ended September 30, 2011, there was no material impact on operations due to hedge ineffectiveness.

The obligation of D-H to make payments on its bonds with respect to interest is in no way conditional upon D-H's receipt of payments from the interest rate swap agreement counterparty.

12. Employee Benefits

Defined Benefit Plan

Employees of D-H who were employed or offered employment prior to February 9, 2006, and who met certain age and service requirements are covered by one of two defined benefit pension plans. The benefits are based on years of service and the employee's average compensation. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future Effective December 31, 2011 D-H administratively merged the two defined benefit plans The merging of the plans did not change the benefits available under the plans

The Dartmouth-Hitchcock Pension Group Trust (the Group Trust) was established for the purpose of operating a master investment program of defined benefit pension investments Substantially all of the Hospital's and Clinic's defined benefit pension assets were invested in the Group Trust by purchasing units based on the market value of the Group Trust funds at the end of the month prior to receipt of any additions to the funds. Investment income earned on the Group Trust funds was allocated monthly based on the weighted average units outstanding at month-end Realized gains and losses on sales of securities were allocated based on the number of units outstanding at the previous month-end As a result of the merger of the two defined benefit plans the Group Trust was dissolved effective December 31, 2011, and all assets are now held by the Plan and Master Trust.

In addition to the defined benefit pension plans, D-H has established the Dartmouth-Hitchcock Retirement Program. The Dartmouth-Hitchcock Retirement Program consists of three components, all defined contribution in nature: an employer-sponsored 403(b) pre-tax program, an employer-sponsored 401(a) plan, and a nonqualified supplemental retirement program. Under the Dartmouth-Hitchcock Retirement Program, D-H has allowed certain employees of the Clinic and Hospital to continue to earn benefit service in the defined benefit pension plan, provided that they met certain criteria Other employees, comprised of employees (1) who received an offer of

employment on or after February 9, 2006, (2) who have not been eligible to participate in or accrue benefits under the defined benefit pension plans, and (3) who have made the choice to irrevocably elect to participate in the new retirement program, are not eligible to earn benefit service in the defined benefit pension plans after December 31, 2006.

In addition to providing pension benefits, D-H sponsors postretirement healthcare plans for retired employees, and the Clinic provides postretirement life insurance benefits for retired employees.

On August 15, 2011, D-H extended a Voluntary Early Retirement Offer (VERO) to certain eligible employees. Employees accepting the VERO will receive an enhanced pension benefit and subsidized medical coverage The total cost of the VERO was $15,781,000, including the pension enhancement, subsidized medical coverage, consulting and other incidentals which have been included in the combined statement of operations and changes in net assets for the year ended September 30, 2011

Net periodic pension expense included in employee benefits in the combined statements of operations and changes in net assets is comprised of the components listed below for the nine months ended June 30, 2012 and year ended September 30, 2011:

(in thousands of dollars)	2012	2011
Service cost for benefits earned during the year	$ 11,455	$ 17,036
Interest cost on projected benefit obligation	32,543	43,181
Expected return on plan assets	(36,078)	(50,316)
Net amortization	14,855	17,513
Special termination benefits	-	11,524
	$ 22,775	$ 38,938

The following assumptions were used to determine net periodic pension expense.

	2012	2011
Weighted average discount rate	5.30 %	5 50 %
Rate of increase in compensation for next 12 months	0.00	0.00
Rate of increase in compensation beyond 12 months	2.00	3.00
Expected long-term rate of return on plan assets	8 25	8 50

The following table sets forth the funded status and amounts recognized in D-H's combined financial statements for the above referenced defined benefit pension plans at June 30, 2012 and September 30, 2011:

(in thousands of dollars)	2012	2011
Change in benefit obligation		
Benefit obligation at beginning of year	$ 849,369	$ 796,577
Service cost	11,455	17,036
Interest cost	32,543	43,181
Benefits paid	(42,167)	(26,303)
Actuarial loss	75,761	6,412
Plan change	-	942
Special termination benefits	-	11,524
Benefit obligation at end of year	926,961	849,369
Change in plan assets		
Fair value of plan assets at beginning of year	573,591	554,743
Actual return on plan assets	66,073	16,562
Benefits paid	(42,167)	(26,303)
Employer contributions	11,613	28,589
Fair value of plan assets at end of year	609,110	573,591
Funded status of the plans	(317,851)	(275,778)
Liability for pension	$ (317,851)	$ (275,778)

For the nine months ended June 30, 2012 and year ended September 30, 2011, the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying combined balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets are as follows:

(in thousands of dollars)	2012	2011
Net actuarial loss	$ 355,185	$ 323,921
Prior service cost	2,152	2,506
	$ 357,337	$ 326,427

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension expense in 2013 are as follows.

(in thousands of dollars)	2013
Unrecognized prior service cost	$ 413
Net actuarial loss	25,441
	$ 25,854

The accumulated benefit obligation for the defined benefit pension plans was approximately $854,615,000 and $790,873,000 at June 30, 2012 and September 30, 2011, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2012 and September 30, 2011.

	2012	2011
Weighted average discount rate	4.90 %	5.30 %
Rate of increase in compensation for next 12 months	0 00	0.00
Rate of increase in compensation beyond 12 months	2 00	2 00
Expected long-term rate of return on plan assets	8 25	8.50

The primary investment policy objective for the Dartmouth-Hitchcock Retirement Program is to provide long-term capital appreciation by utilizing a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows.

	Range of Target Allocations	Target Allocations
Equity securities	27 - 62%	44 %
Debt securities	27 - 59	40
Alternative investments, including private equity funds, hedge funds, and real estate	5 - 33	12
Cash and other	0 - 15	4

To the extent an asset class falls outside of its target range on a quarterly basis, D-H shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Hospital and Clinic, as Plan Sponsors, oversee the design, structure, and prudent professional management of the D-H Plans' assets, in accordance with Board-approved investment policies, roles, responsibilities and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,
- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants

The hierarchy and inputs to valuation techniques to measure fair value of the Plan's assets are the same as outlined in Note 8. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient D-H Plans own interests in these funds rather than in securities underlying each fund and, therefore, are generally required to consider such investments as Level 2 or Level 3, even though the underlying securities may not be difficult to value or may be readily marketable. The following table sets forth D-H Plans' investments that were accounted for at fair value as of June 30, 2012 and September 30, 2011.

	2012					
(in thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Redemption or Liquidation**	**Days' Notice**
Investments						
Cash and short-term investments	$ 5,938	$ -	$ -	$ 5,938	Daily	1
Domestic debt securities	62,117	141,645	-	203,762	Daily - Monthly	1 - 15
International debt securities	28,197	40,885	-	69,082	Daily - Monthly	1 - 15
Domestic equities	70,186	61,061	-	131,247	Daily - Monthly	1 - 10
International equities	-	65,170	-	65,170	Daily - Monthly	1 - 11
Emerging market equities	-	30,402	-	30,402	Daily - Monthly	1 - 17
Private equity funds	-	-	16,243	16,243	See Note 6	See Note 6
Hedge funds	-	18,639	68,627	87,266	Quarterly - Annual	60 - 96
	$ 166,438	$ 357,802	$ 84,870	$ 609,110		

	2011					
(in thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Redemption or Liquidation**	**Days' Notice**
Investments						
Cash and short-term investments	$ 10,193	$ -	$ -	$ 10,193	Daily	1
Domestic debt securities	79,156	142,677	-	221,833	Daily - Monthly	1 - 15
International debt securities	16,729	43,114	-	59,843	Daily - Monthly	1 - 15
Domestic equities	77,169	55,548	-	132,717	Daily - Monthly	1 - 10
International equities	-	60,076	-	60,076	Daily - Monthly	1 - 11
Emerging market equities	-	13,750	-	13,750	Daily - Monthly	1 - 17
Private equity funds	-	-	16,203	16,203	See Note 6	See Note 6
Hedge funds	-	-	58,976	58,976	Quarterly - Annual	60 - 96
	$ 183,247	$ 315,165	$ 75,179	$ 573,591		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the nine months ended June 30, 2012 and year ended September 30, 2011.

	2012		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balance, beginning of year	$ 58,976	$ 16,203	$ 75,179
Purchases	-	6	6
Sales	-	(603)	(603)
Net realized gains	-	71	71
Net unrealized (losses) gains	9,651	566	10,217
Balance, end of year	$ 68,627	$ 16,243	$ 84,870

	2011		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balance, beginning of year	$ 59,088	$ 9,145	$ 68,233
Purchases	-	6,761	6,761
Sales	-	(566)	(566)
Net realized gains	5,983	161	6,144
Net unrealized (losses) gains	(6,095)	702	(5,393)
Balance, end of year	$ 58,976	$ 16,203	$ 75,179

The total aggregate net unrealized losses included in the fair value of the Level 3 investments as of June 30, 2012 and September 30, 2011 were approximately $5,678,000 and $15,895,000, respectively

There were no significant transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the nine months ended June 30, 2012 and year ended September 30, 2011.

The weighted average asset allocation for the D-H Plans at June 30, 2012 and September 30, 2011 by asset category is as follows:

	2012	2011
Equity securities	45 %	36 %
Debt securities	45	48
Alternative investments, including private equity funds, hedge funds and real estate	9	13
Cash and other	1	3
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic

environment. Based on these factors, it is expected that the pension assets will earn an average of 8.25% per annum.

D-H is expected to contribute approximately $150,000,000 to the Plans in 2013 (see Note 16)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30, 2013 and thereafter:

(in thousands of dollars)	**Pension Plans**
2013	$ 31,991
2014	34,163
2015	36,631
2016	39,473
2017	42,795
2018-2022	271,639

Defined Contribution Plan
The Dartmouth-Hitchcock Retirement Plan is an employer-sponsored 401(a) plan, under which D-H makes base, transition, and match contributions based on specified percentages of compensation and employee deferrals Effective January 1, 2011, the 401(a) plan was amended to make the match provision discretionary. D-H did not make a discretionary match contribution in 2011 Total employer contributions to the plan of $20,992,000 and $27,264,000 in 2012 and 2011, respectively, are included in employee benefits in the accompanying combined statements of operations and changes in net assets.

Postretirement Medical and Life Benefits
D-H has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical and life insurance benefits to certain retired employees of D-H who meet age and years of service requirements The plans are not funded.

Net periodic postretirement medical and life benefit cost is comprised of the components listed below for the nine months ended June 30, 2012 and year ended September 30, 2011:

(in thousands of dollars)	**2012**	**2011**
Service cost	$ 1,642	$ 2,418
Interest cost	3,990	5,020
Amortization of net transition asset	20	25
Amortization of prior service cost	-	-
Amortization of net loss	1,147	1,483
Special termination benefits	-	3,012
	$ 6,799	$ 11,958

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in D-H's combined financial statements at June 30, 2012 and September 30, 2011.

(in thousands of dollars)	2012	2011
Change in benefit obligation		
Benefit obligation at beginning of year	$ 103,401	$ 94,156
Service cost	1,642	2,418
Interest cost	3,990	5,020
Benefits paid	(3,555)	(3,704)
Actuarial loss	(5,103)	2,498
Special termination benefits	-	3,013
Benefit obligation at end of year	100,375	103,401
Funded status of the plans	(100,375)	(103,401)
Liability for postretirement medical and life benefits	$ (100,375)	$ (103,401)

For the nine months ended June 30, 2012 and year ended September 30, 2011, the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying combined balance sheets

Amounts not yet reflected in net periodic postretirement medical and life benefit cost and included in the change in unrestricted net assets are as follows.

(in thousands of dollars)	2012	2011
Net transition obligation	$ 32	$ 51
Net actuarial loss	18,230	24,479
	$ 18,262	$ 24,530

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement expense in 2013 are as follows

(in thousands of dollars)	
Net transition obligation	$ 25
Net actuarial loss	939
	$ 964

In determining the accumulated postretirement medical and life benefit obligation, D-H used a discount rate of 4.9% and 5 4% in 2012 and 2011, respectively, and an assumed healthcare cost trend rate of 7.75%, trending down to 4 75% in 2018 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2012 by $10,510,000 and the net periodic postretirement medical benefit cost for the nine months then ended by $554,000. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated post retirement medical benefit obligation as of June 30, 2012 by $8,566,000 and the net periodic postretirement medical benefit cost for the nine months then ended by $533,000.

13. Liability Insurance Coverage

D-H, along with certain DHMC members are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Company Limited (HAC), a captive insurance company located in Bermuda, and Hamden Assurance Risk Retention Group, Inc (RRG), a Vermont captive insurance company. D-H and certain DHMC members have ownership interests in both HAC and RRG HAC and RRG, together with D-H's purchase of excess commercial policies, provide the insurance of the covered institutions and named insured's with coverage on a modified claims-made basis that provides specific coverage of claims submitted during the policy term. Premiums and related insurance deposits are actuarially determined based on asserted, and incurred but unasserted liability claims. The reserves for outstanding losses have been discounted at a rate of 3 0% and 5 0% at June 30, 2012 and September 30, 2011, respectively.

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2012 and September 30, 2011 are summarized as follows:

	2012			2011		
(in thousands of dollars)	HAC (Audited)	RRG (Unaudited)	Total	HAC (Audited)	RRG (Unaudited)	Total
Assets	$ 101,584	$ 2,291	$ 103,875	$ 97,787	$ 1,862	$ 99,649
Shareholders' equity	12,120	534	12,654	12,120	471	12,591
Net income	-	63	63	-	134	134

14. Commitments and Contingencies

Litigation

D-H is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the combined financial position of D-H

Operating Leases and Other Commitments
D-H leases certain facilities and equipment under operating leases with varying expiration dates. D-H's rental expense totaled approximately $8,769,000 for the nine months ended June 30, 2012 and $11,024,000 for the year ended September 30, 2011 Minimum future lease payments under non-cancelable operating leases at June 30, 2012 were as follows:

(in thousands of dollars)

2013	$ 7,915
2014	5,866
2015	3,521
2016	2,124
2017	241
Thereafter	-
	$ 19,667

Medical Resident Tax Refund
Employers (typically hospitals and medical schools) and individual taxpayers (medical residents) began filing Federal Insurance Contributions Act (FICA) refund claims in the 1990s based on a position that medical residents are students eligible for the FICA tax exemption under IRC section 3121(b)(10). This is referred to as the student exception. The employer's FICA claims were for both the employer and employee withholdings. The Internal Revenue Service (IRS) held certain claims in suspense because there was a dispute as to whether the student FICA tax exception applied

In March 2010, the IRS made an administrative determination to accept the position that medical residents were exempt from FICA taxes for tax periods ending before April 1, 2005, when new IRS regulations went into effect The Hospital has filed claims for years 1999 through the first quarter of 2005 for which the IRS has acknowledged that it has received the claims for those periods. As of September 30, 2010, D-H had substantively completed the necessary actions to perfect its refund claim, and therefore recorded a refund receivable and other operating revenue. The FICA refund receivable of approximately $8,051,000 and $7,500,000 including applicable interest is reflected in other current assets in the accompanying combined balance sheets at June 30, 2012 and September 30, 2011.

In addition to the Hospital's claim, the residents had the option to have the Hospital pursue their respective refund claim on their behalf. An asset and corresponding liability for the resident portion has been recorded in the accompanying combined balance sheet as of June 30, 2012 and September 30, 2011. The resident's refund claim approximates $6,700,000, including accrued interest

Line of Credit
On July 28, 2011 D-H entered into a Loan Agreement with a financial institution establishing access to revolving loans of up to $60,000,000 Interest is variable and determined using LIBOR The Loan Agreement was due to expire on July 27, 2012. As of and for the nine months ended June 30, 2012, there was no outstanding balance and interest expense was approximately $150,000 and is included in the combined statement of operations and changes in net assets.

15. Functional Expenses

Approximate operating expenses of D-H by function are as follows for the nine months ended June 30, 2012 and year ended September 30, 2011:

(in thousands of dollars)	2012	2011
Program Services	$ 814,000	$ 1,109,000
Management & General	124,000	132,000
Fundraising	2,000	3,000
Total	$ 940,000	$ 1,244,000

Functional expenses for the year ended September 30, 2011 have been re-stated for the reclassification of the provision for bad debt.

16. Subsequent Event

D-H has assessed the impact of subsequent events through October 26, 2012, the date the audited financial statements were issued, and has concluded that there were no such events that require adjustment to the audited financial statements or disclosure in the notes to the audited financial statements, other than as noted below

In July 2012, D-H joined the Mayo Clinic Care Network (MCCN). As a member of the MCCN, D-H physicians and providers will have access to Mayo Clinic resources, including tools to promote physician-to-physician consultations and a point-of-care database of best-practice information on disease management, care guidelines, treatment recommendations, and reference materials. This collaboration strengthens long-standing ties between the two organizations that date back to the founding of the Clinic in 1927. More recently, D-H and Mayo have been frequent collaborators on research, grants, clinical care, and health policy. In addition to their collaboration through the MCCN, Mayo Clinic and D-H are also discussing a number of future joint projects, including advancing population health using large data systems, expanded clinical and basic research, joint educational initiatives and advancement of the science of health care delivery

On July 19, 2012, D-H closed on a $150 million taxable loan and used the proceeds to pre-fund its defined benefit pension plan, the first step in a comprehensive strategy to manage and reduce the risk associated with the pension liability. The borrowing allows D-H to begin reducing the size of the outstanding pension liability via a settlement strategy for certain participants, which will minimize the volatility D-H has experienced over the last 10 years regarding pension expense, contributions, and funded status. The Loan proceeds will be invested in assets that hedge the interest rate risk associated with the liability, further reducing risk

D-H also amended the Loan Agreement noted at Note 14, extending its expiration to July 27, 2013.

Form **8868**

(Rev January 2012)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No 1545-1709

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

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

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

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

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

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

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
File by the due date for filing your return See instructions.	**Mary Hitchcock Memorial Hospital**	☑ **02-0222140**
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	One Medical Center Drive	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	Lebanon, NH 03756	

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

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

- The books are in the care of ▶ **Robin Kilfeather-Mackey, One Medical Center Drive, Lebanon, NH 03756**

Telephone No. ▶ **603-650-5668** FAX No. ▶ **603-653-1111**

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **February 15**, 20 **13**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year 20 ____ or

▶ ☑ tax year beginning **October 1**, 20 **11**, and ending **June 30**, 20 **12**.

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

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 0
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 0

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

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

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

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

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

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions. Mary Hitchcock Memorial Hospital	Enter filer's identifying number, see instructions Employer identification number (EIN) or ☑ 02-0222140
	Number, street, and room or suite no. If a P.O. box, see instructions. One Medical Center Drive	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Lebanon, New Hampshire 03756	

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

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

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

• The books are in the care of ▶ Robin Kilfeather-Mackey, One Medical Center Drive, Lebanon, NH 03756
Telephone No. ▶ 603-650-5668 FAX No. ▶ 603-653-1111

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

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

4 I request an additional 3-month extension of time until May 15, 20 13.

5 For calendar year ____, or other tax year beginning October 1, 20 11, and ending June 30, 20 12.

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

7 State in detail why you need the extension Additional time is necessary to file a complete and accurate tax return.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 0
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 0
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ 0

Signature and Verification must be completed for Part II only.

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

Signature ▶ _____ Title ▶ Chief Financial Officer Date ▶ 1/21/13