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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 07-01-2011 and ending 06-30-2012

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

C Name of organization
MOUNTAIN STATES HEALTH ALLIANCE

Doing Business As
JOHNSON CITY MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
400 N STATE OF FRANKLIN ROAD

City or town, state or country, and ZIP + 4
JOHNSON CITY, TN 37604

D Employer identification number
62-0476282

E Telephone number
(423) 302-3372

G Gross receipts $ 735,073,921

F Name and address of principal officer
DENNIS VONDERFECHT
303 MED TECH PARKWAY STE 300
JOHNSON CITY, TN 37604

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 MSHA COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1945

M State of legal domicile TN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PART I, LINE 1 MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION MSHA OPENED A NEW REPLACEMENT HOSPITAL IN 2012, SMYTH COUNTY COMMUNITY HOSPITAL (SCCH) WHICH IS LOCATED IN VIRGINIA AND MAJORITY-OWNED BY MSHA

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**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	9,147
6	Total number of volunteers (estimate if necessary)	**6**	2,409
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	3,141,566
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	221,368

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	3,143,661	2,745,426
9	Program service revenue (Part VIII, line 2g)	703,882,320	697,705,296
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	15,682,301	24,259,649
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,648,445	10,171,526
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	729,356,727	734,881,897
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	357,333	990,095
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	301,399,812	309,796,341
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶1,619,946		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	377,644,976	372,114,544
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	679,402,121	682,900,980
19	Revenue less expenses Subtract line 18 from line 12	49,954,606	51,980,917
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	1,573,869,411	1,517,954,041
21	Total liabilities (Part X, line 26)	1,268,238,796	1,169,345,060
22	Net assets or fund balances Subtract line 21 from line 20	305,630,615	348,608,981

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

****** | 2013-05-01
Signature of officer | Date

MARVIN EICHORN SENIOR VP & CFO
Type or print name and title

Paid Preparer's Use Only

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

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

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

PART I, LINE 1 MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION MSHA OPENED A NEW REPLACEMENT HOSPITAL IN 2012, SMYTH COUNTY COMMUNITY HOSPITAL (SCCH) WHICH IS LOCATED IN VIRGINIA AND MAJORITY-OWNED BY MSHA

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 $ 576,044,872 including grants of $ 990,095) (Revenue $ 699,506,098)

SEE ATTACHED DOCUMENT MSHA - PROGRAM SERVICE ACCOMPLISHMENTS

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 576,044,872

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	666		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	9,147			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☑ Own website ☐ Another's website ☑ Upon request

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

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

MARVIN EICHORN
303 MED TECH PARKWAY SUITE 300
JOHNSON CITY, TN 37604
(423) 302-3372

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DENNIS VONDERFECHT CEO	60 00	X		X				1,099,588	0	167,285
(2) JEFF FARROW MD DIRECTOR	3 00	X						39,813	0	0
(3) CLEM WILKES JR TREASURER	4 10	X						0	0	0
(4) GARY PEACOCK DIRECTOR	3 60	X						0	0	0
(5) SANDRA BROOKS MD DIRECTOR	3 40	X						0	0	0
(6) RICK STOREY DIRECTOR	2 90	X						0	0	0
(7) THOMAS FOWLKES DIRECTOR	3 00	X						0	0	0
(8) LINDA GARCEAU DIRECTOR	3 50	X						0	0	0
(9) DONALD JEANES PAST CHAIR	4 10	X						0	0	0
(10) JOANNE GILMER VICE CHAIR	4 50	X						0	0	0
(11) DAVID MAY MD DIRECTOR	3 30	X						0	0	0
(12) ROBERT FEATHERS CHAIR	3 70	X						0	0	0
(13) MICHAEL CHRISTIAN SECRETARY	4 10	X						0	0	0
(14) MARVIN EICHORN SENIOR VP/CF	60 00			X				672,484	0	35,543
(15) CANDACE JENNINGS SR VP TN OP	60 00				X			553,717	0	73,519
(16) ANN FLEMING SR VP	60 00				X			501,320	0	66,728
(17) BRAD NURKIN VP/CEO JCMC	55 00				X			394,647	0	21,243

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MONTY MCLAURIN VP/IPMC CEO	55 00				X			348,701	0	55,842
(19) LYNN KRUTAK VP/CORP CFO	55 00				X			271,648	0	30,747
(20) DAVID NICELY VP/CEO WASHI	55 00				X			262,306	0	26,990
(21) SHANE HILTON VP/TN CFO	55 00				X			253,872	0	35,521
(22) CYNTHIA SALYER VP/CARDIO-PU	55 00				X			241,894	0	42,953
(23) DALE CLAYTORE VP	55 00				X			227,871	0	12,784
(24) PAT NIDAY CNO WASHINGT	55 00				X			193,264	0	30,352
(25) MORRIS SELIGMAN MD SR VP/CMO	50 00					X		597,687	0	79,845
(26) FRANK LAURO MD BRMMC CMO	50 00					X		450,006	0	29,327
(27) JAMES PASKERT MD CMO WASHINGT	60 00					X		426,742	0	37,947
(28) DOUGLAS EDEMA PRESIDENT/CE	50 00					X		397,868	0	37,897
(29) CARL KILGORE PRESIDENT BR	50 00					X		393,219	0	50,572

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	7,326,647		835,095

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 ▶ 196

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MORRISON MANAGEMENT SPECIALISTS PO BOX 102289 ATLANTA, GA 30368	DIETARY SVC	8,951,589
ETSU COLLEGE OF MEDICINE BOX 70415 JOHNSON CITY, TN 37614	PHYSICIAN SVC	6,388,241
ANESTHESIA PAIN CONSULTANTS STE 4 1113 SUNSET DRIVE JOHNSON CITY, TN 37605	PHYSICIAN SVC	4,401,130
HOSPITAL HOUSEKEEPING SYSTEMS LTD P O BOX 826 SAN ANTONIO, TX 78293	HOUSEKPNG SVC	3,719,557
CROTHALL LAUNDRY SERVICES INC 13028 COLLECTIONS CENTER DR CHICAGO, IL 60693	LAUNDRY SVC	3,293,657

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 125

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	1,692,349			
	e	Government grants (contributions)	1e	893,978			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	159,099			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		2,745,426			
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE-OTHER		683,614,493	683,614,493		
	b	WELLNESS PROGRAMS		15,921,471	15,921,471		
	c	LAB UBI REVENUE	621500	1,524,216		1,524,216	
	d	PREMIER PURCHASING K-1 (UBI)	541610	28,428		28,428	
	e	P/S PROG SERV INCOME		-1,417,217	-1,417,217		
	f	All other program service revenue		-1,966,095	-1,966,095		
	g	**Total.** Add lines 2a–2f		697,705,296			
	3	Investment income (including dividends, interest and other similar amounts)		17,200,885			17,200,885
	4	Income from investment of tax-exempt bond proceeds		6,669			6,669
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	299,873 /				
	b	Less rental expenses	169,391 /				
	c	Rental income or (loss)	130,482 /				
	d	Net rental income or (loss)		130,482		69,979	60,503
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	6,840,192 / 234,536				
	b	Less cost or other basis and sales expenses	/ 22,633				
	c	Gain or (loss)	6,840,192 / 211,903				
	d	Net gain or (loss)		7,052,095	211,880		6,840,215
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFE' SALES		4,006,850			4,006,850
	b	DIETARY,SECURITY,ENGIN , ETC		3,462,020			3,462,020
	c	DAY CARE		1,002,231			1,002,231
	d	All other revenue		1,569,943		1,518,943	51,000
	e	**Total.** Add lines 11a–11d		10,041,044			
	12	**Total revenue.** See Instructions		734,881,897	696,364,532	3,141,566	32,630,373

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	990,095	990,095		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,468,957		5,468,957	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	241,272,312	231,707,399	8,724,394	840,519
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	10,089,414	9,725,390	328,745	35,279
9	Other employee benefits	34,130,913	30,429,032	3,636,805	65,076
10	Payroll taxes	18,834,745	16,813,372	1,978,810	42,563
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,977,334	7,764	1,969,570	
c	Accounting	282,707	5,100	256,771	20,836
d	Lobbying	43,468	43,468		
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees	1,391,642		1,391,642	
g	Other	86,176,772	79,284,416	6,726,297	166,059
12	Advertising and promotion	2,951,800	2,317,069	613,471	21,260
13	Office expenses	9,686,133	9,407,004	44,685	234,444
14	Information technology	14,644,324	12,718,745	1,925,579	
15	Royalties . .				
16	Occupancy	14,759,554	11,571,695	3,123,421	64,438
17	Travel	2,448,538	1,772,022	644,172	32,344
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	276,813	229,790	46,335	688
20	Interest	42,918,548	-816	42,919,364	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	46,483,192	26,942,801	19,534,953	5,438
23	Insurance	2,364,804	5,727	2,359,077	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES & DRUGS	124,004,766	123,838,671	165,092	1,003
b	REPAIRS & MAINTENANCE	14,349,584	13,702,930	603,502	43,152
c	DUES & SUBSCRIPTIONS	3,768,837	1,068,939	2,696,271	3,627
d	ALL OTHER EXPENSES	3,519,503	3,464,259	12,024	43,220
e					
f	All other expenses	66,225		66,225	
25	**Total functional expenses.** Add lines 1 through 24f	682,900,980	576,044,872	105,236,162	1,619,946
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1	
	2	Savings and temporary cash investments	94,236,272	2	39,216,743
	3	Pledges and grants receivable, net	196,903	3	248,258
	4	Accounts receivable, net	96,082,434	4	103,299,284
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	5,517,265	5	6,806,393
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net	94,585,775	7	15,373,693
	8	Inventories for sale or use	15,564,585	8	15,480,550
	9	Prepaid expenses and deferred charges	3,217,335	9	3,139,089
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 926,605,812			
	b	Less accumulated depreciation — 10b: 432,580,246	469,613,025	10c	494,025,566
	11	Investments—publicly traded securities	257,416,902	11	271,118,030
	12	Investments—other securities See Part IV, line 11		12	
	13	Investments—program-related See Part IV, line 11	282,266,093	13	307,033,212
	14	Intangible assets	143,276,118	14	143,276,118
	15	Other assets See Part IV, line 11	111,896,704	15	118,937,105
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1,573,869,411	16	1,517,954,041
Liabilities	17	Accounts payable and accrued expenses	66,520,793	17	85,554,685
	18	Grants payable		18	
	19	Deferred revenue	19,167,490	19	2,928,666
	20	Tax-exempt bond liabilities	620,629,456	20	813,947,753
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties	382,866,923	23	177,320,621
	24	Unsecured notes and loans payable to unrelated third parties		24	4,437,945
	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	179,054,134	25	85,155,390
	26	**Total liabilities.** Add lines 17 through 25	1,268,238,796	26	1,169,345,060
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	305,570,637	27	348,411,488
	28	Temporarily restricted net assets	59,978	28	197,493
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	305,630,615	33	348,608,981
	34	Total liabilities and net assets/fund balances	1,573,869,411	34	1,517,954,041

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	734,881,897
2	Total expenses (must equal Part IX, column (A), line 25)	2	682,900,980
3	Revenue less expenses Subtract line 2 from line 1	3	51,980,917
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	305,630,615
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-9,002,551
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	348,608,981

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
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	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
MOUNTAIN STATES HEALTH ALLIANCE	62-0476282

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☑ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		299,578
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			299,578
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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		No
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		No
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		No

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
	SCHEDULE C, PART II-B, LINE 1	THE COMMUNITY & GOVERNMENT RELATIONS ASSISTANT VICE PRESIDENT AND/OR THE COMMUNITY & GOVERNMENT RELATIONS MANAGER AND/OR DIRECTOR ATTENDED THE FOLLOWING LEGISLATIVE CONFERENCES - PREMIER FEDERAL AFFAIRS NETWORK MEETINGS - AMERICAN HOSPITAL ASSOCIATION ANNUAL MEETING - TENNESSEE HOSPITAL ASSOCIATION LEGISLATIVE ADVOCACY DAY - TENNESSEE HOSPITAL ASSOCIATION ANNUAL MEETING - HOSPITAL ALLIANCE OF TENNESSEE ANNUAL MEETING - NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS AND RELATED INSTITUTIONS VIP ADVOCACY DAY - TENNESSEE PUBLIC & TEACHING HOSPITALS ASSOCIATION ANNUAL MEETING - VIRGINIA HOSPITAL & HEALTHCARE ASSOCIATION LEGISLATIVE ISSUES CONFERENCE, SPRING CONFERENCE ANNUAL MEETING - ASSOCIATION OF AMERICAN MEDICAL COLLEGES GOVERNMENT RELATIONS MEETING THE COMMUNITY & GOVERNMENT RELATIONS ASSISTANT VICE PRESIDENT AND/OR DEPARTMENTAL STAFF ALSO CONTACTED CONGRESSIONAL OFFICES CONCERNING THE FOLLOWING ISSUES - SUPPORT FOR PROVISIONS TO EXPAND INSURANCE COVERAGE (HEALTH INSURANCE EXCHANGES AND MEDICAID EXPANSION) - SUPPORT FOR INITIATIVES TO IMPROVE PAYMENT DELIVERY REDESIGN, SUCH AS ACCOUNTABLE CARE ORGANIZATION DEVELOPMENT - SUPPORT FOR CONTINUATION OF TENNESSEE MEDICAID DISPROPORTIONATE SHARE HOSPITAL PAYMENTS - SUPPORT IMPROVEMENTS IN MEDICARE SHARED SAVINGS PAYMENT RULE - OPPOSITION TO ADDITIONAL CUTS IN MEDICARE/MEDICAID - SUPPORT FOR REAUTHORIZATIONAL AND FUNDING OF CHILDREN'S HOSPITAL GRADUATE MEDICAL EDUCATION - SUPPORT FEDERAL FUNDING FOR TRAUMA CARE - SUPPORT CONTINUATION OF GRADUATE MEDICAL EDUCATIONAL FUNDING - SUPPORT OF STATE MEDICAID PROVIDER TAX PROVISIONS - SUPPORT OF MEDICARE DEPENDENT HOSPITAL AND LOW-VOLUME DESIGNATIONS THE COMMUNITY & GOVERNMENT RELATIONS ASSISTANT VICE PRESIDENT AND/OR DEPARTMENTAL DIRECTORS RESPONDED VIA LETTER, PHONE, OR IN PERSON TO THE FOLLOWING TENNESSEE AND VIRGINIA LEGISLATIVE ISSUES - SUPPORT OF STRONG CERTIFICATE OF NEED PROGRAMS IN TENNESSEE AND VIRGINIA - SUPPORT FOR CONTINUATION OF HOSPITAL ASSESSMENT FEE IN TENNESSEE - SUPPORT INCREASE OF TENNESSEE'S APPROPRIATION FOR CARE OF UNINSURED MENTALLY ILL PATIENTS - SUPPORT OF FUNDING FOR PERINATAL CENTERS IN TENNESSEE - SUPPORT OF SAFETY NET FUNDING FOR PROJECT ACCESS - OPPOSE GUNS IN WORKPLACE LEGISLATION - SUPPORT OF IMPROVEMENTS IN TENNESSEE'S CONTROLLED SUBSTANCE DATABASE - SUPPORT OF STABLE MEDICAID RATES IN VIRGINIA - SUPPORT REGULATIONS TO CONTINUE SUPPLEMENTAL PAYMENTS TO JCMC'S NICU FOR ITS HIGH VIRGINIA MEDICAID VOLUME

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		37,347,384		37,347,384
b Buildings		471,102,737	143,764,013	327,338,724
c Leasehold improvements		958,973	431,346	527,627
d Equipment		417,196,718	288,384,887	128,811,831
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				494,025,566

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

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) INVESTMENT IN JMH	132,000,000	C
(2) INVESTMENT IN BRMMC	100,273,634	C
(3) INVESTMENT IN SCCH	67,400,494	C
(4) INVESTMENT IN ISHN	7,505,747	C
(5) INVESTMENT IN OTHER	-146,663	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	307,033,212	

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

(a) Description	(b) Book value
(1) AWUL - UNDER BOND INDENTURE AGREE	64,391,147
(2) AWUL - CURRENT	22,744,639
(3) DEFERRED CHARGES AND OTHER	19,588,106
(4) LONG TERM COMPENSATION INVESTMENT	12,213,213
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	118,937,105

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ACCRUED SALARIES, ABSENCES & W/H	35,776,926
ACCRUED INTEREST	18,362,502
DUE TO THIRD-PARTY PAYERS	14,363,582
EST FAIR VALUE OF INT RATE SWAP	8,533,957
OTHER LONG-TERM LIABILITIES	8,118,423
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	85,155,390

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	"MOUNTAIN STATES HEALTH ALLIANCE IS CLASSIFIED AS AN ORGANIZATION EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3 OF THE INTERNAL REVENUE CODE AS SUCH, NO PROVISION FOR INCOME TAXES HAS BEEN MADE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE ALLIANCE AND ITS TAX-EXEMPT SUBSIDIARIES TAXABLE ENTITIES ACCOUNT FOR INCOME TAXES IN ACCORDANCE WITH FASB ASC740, "INCOME TAXES" THE ALLIANCE HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS AT JUNE 30, 2012 AND 2011 "

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			17,797,660		17,797,660	2 610 %
b Medicaid (from Worksheet 3, column a)			21,369,903	15,863,216	5,506,687	0 810 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			85,083,534	61,855,886	23,227,648	3 400 %
d **Total** Charity Care and Means-Tested Government Programs			124,251,097	77,719,102	46,531,995	6 810 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			6,146,288	409,962	5,736,326	0 840 %
f Health professions education (from Worksheet 5)			10,108,023	3,585,484	6,522,539	0 960 %
g Subsidized health services (from Worksheet 6)			24,886,625	13,342,547	11,544,078	1 690 %
h Research (from Worksheet 7)			490,139		490,139	0 070 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			205,542		205,542	0 030 %
j **Total** Other Benefits			41,836,617	17,337,993	24,498,624	3 590 %
k **Total.** Add lines 7d and 7j			166,087,714	95,057,095	71,030,619	10 400 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			20,000		20,000	
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			1,969,962		1,969,962	0 290 %
9 Other			784,554		784,554	0 110 %
10 **Total**			2,774,516		2,774,516	0 410 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense	2	18,684,338		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	13,079,036		
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	186,939,141
6	Enter Medicare allowable costs of care relating to payments on line 5	6	206,482,868
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-19,543,727
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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 MED'L SPEC OF JC LLC	MEDICAL SERVICES	51 000 %		49 000 %
2 EMMAUS COMM HLTHCR	MEDICAL SERVICES	75 000 %		25 000 %
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? 6

	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	JOHNSON CITY MEDICAL CENTER 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	X	X	X	X		X	X		REHABILITATION & MENTAL HEALTH
2	INDIAN PATH MEDICAL CENTER 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660	X	X		X			X		
3	FRANKLIN WOODS COMMUNITY HOSPITAL 300 MED TECH PARKWAY JOHNSON CITY,TN 37604	X	X					X		
4	SYCAMORE SHOALS HOSPITAL 1501 W ELK AVENUE ELIZABETHTON,TN 37643	X	X					X		
5	RUSSELL COUNTY MEDICAL CENTER 58 CARROLL STREET LEBANON,VA 24266	X	X					X		
6	JOHNSON COUNTY COMMUNITY HOSPITAL 16901 S SHADY STREET MOUNTAIN CITY,TN 37683	X				X		X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

JOHNSON CITY MEDICAL CENTER

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
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	Yes	
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	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☑ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

INDIAN PATH MEDICAL CENTER

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
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	Yes	
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	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☑ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

FRANKLIN WOODS COMMUNITY HOSPITAL

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
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**	Yes	
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**	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☑ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SYCAMORE SHOALS HOSPITAL

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
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**	Yes	
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**	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☑ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

RUSSELL COUNTY MEDICAL CENTER

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
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	Yes	
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	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☑ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

JOHNSON COUNTY COMMUNITY HOSPITAL

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 6

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
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**	Yes	
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**	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☑ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **10**

	Name and address	Type of Facility (Describe)
1	JCMC AMBULATORY SURGERY CENTER 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	LICENSED AMBULATORY SURGERY CENTER
2	MOUNTAIN STATES IMAGING CENTER 301 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED OUTPATIENT DIAGNOSTIC CENTER
3	FRANKLIN TRANSITIONAL CARE 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	LICENSED SKILLED NURSING FACILITY
4	INDIAN PATH TRANSITIONAL CARE 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660	LICENSED SKILLED NURSING FACILITY
5	MEDICAL CNTR HOME CARE-JOHNSON CITY 101 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED HOME HEALTH AGENCY
6	MEDICAL CNTR HOME CARE-KINGSPORT 2020 BROOKSIDE DRIVE 28 KINGSPORT,TN 37660	LICENSED HOME HEALTH AGENCY
7	RUSSELL CO MEDICAL CNTR HOME HLTH 116 FLANNAGAN AVENUE LEBANON,VA 24266	LICENSED HOME HEALTH AGENCY
8	MEDICAL CENTER HOSPICE 101 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED HOSPICE AGENCY
9	JOHNSON COUNTY HOME HEALTH 1987 SOUTH SHADY STREET MOUNTAIN CITY,TN 37683	LICENSED HOME HEALTH AGENCY
10	RUSSELL COUNTY MEDICAL CNTR HOSPICE 116 FLANNAGAN AVENUE LABANON,VA 24266	LICENSED HOSPICE AGENCY

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
RELATED ORGANIZATION INFORMATION	PART I LINE 6A	MOUNTAIN STATES HEALTH ALLIANCE HAS HISTORICALLY PREPARED AND MADE PUBLIC A COMMUNITY BENEFIT REPORT TO INCLUDE INFORMATION FOR ALL OF THE HOSPITALS WITHIN THE HEALTH SYSTEM DURING FY12 WE DID NOT ISSUE A COMMUNITY BENEFIT REPORT HOWEVER WE INTEND TO PREPARE A COMMUNITY BENEFIT REPORT DURING FY13

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	A COST TO CHARGE RATIO WAS USED WHEN APPROPRIATE TO CALCULATE LINE 7 UTILIZING THE SCHEDULE H APPLICABLE WORKSHEETS INCLUDING WORKSHEET 2 A RATIO OF PATIENT CARE COST TO CHARGES PART I LINE 7G JOHNSON COUNTY COMMUNITY HOSPITAL A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL OPERATES A PHYSICIAN SPECIALTY CLINIC WHICH INCURRED AN OPERATING LOSS OF 50869 FOR THE TWELVE MONTHS ENDING JUNE 30 2012 THE SPECIALTY CLINIC INCLUDES CARDIOLOGY GENERAL SURGERY PODIATRY AND OTHER SPECIALTY SERVICES THIS CONTINUES TO BE A VALUABLE RESOURCE TO THE RESIDENTS OF THE AREA BY AIDING WITH TRANSPORTATION ISSUES OTHER PHYSICIAN OFFICES ARE MORE THAN AN HOUR AWAY RESOLVING ACCESS LIMITATIONS FOR SPECIALTY SERVICES AND PROVIDING RELIEF TO THE SPECIAL HEALTH PROBLEMS OF A LARGELY ELDERLY POPULATION RUSSELL COUNTY MEDICAL CENTER OPERATES A RURAL HEALTH CLINIC LOCATED IN ST PAUL VA ON THE BORDER OF WISE AND RUSSELL COUNTIES RIVERSIDE CLINIC FIRST OPENED IN 1991 TO PROVIDE PRIMARY CARE SERVICES TO THIS ELDERLY UNDERSERVED POPULATION THE CLINICS LARGEST PAYOR IS MEDICARE WHICH ACCOUNTS FOR MORE THAN 45 OF THEIR PATIENTS DURING THE 12MONTH REPORTING PERIOD THE CLINIC INCURRED UNREIMBURSED EXPENSES OF 492682 SOME OTHER SUBSIDIZED AREAS WITHIN MSHA INCLUDE SKILLED NURSING FACILITIES WITHIN TWO HOSPITALS OUR AIR TRANSPORT SERVICE WINGS BABYCHILD GROUND TRANSPORT AND MENTAL HEALTH

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	MSHA LEADERS SUPPORT AND ENCOURAGE ALL TEAM MEMBERS TO VOLUNTEER TIME MONEY AND SKILLS TO COMMUNITY SERVICE PROJECTS AND CHARITABLE ORGANIZATIONS SENIOR LEADERS AND BOARD MEMBERS SET A POSITIVE EXAMPLE FOR MSHA TEAM MEMBERS SERVING VOLUNTARILY ON COMMITTEES AND MANAGING BOARDS OF LOCAL SERVICE AND NONPROFIT ORGANIZATIONS MANY ALSO SERVE AS MEMBERS AND CONSULTANTS ON PROFESSIONAL COMMITTEES AND TASK FORCES THAT AFFECT REGIONAL DEVELOPMENT IN HEALTHCARE AND EDUCATION SOME OF THESE TEAM MEMBERS DEVOTED TWO WEEKS OF NORMAL WORK TIME TO OUTSIDE CHARITABLE ACTIVITIES MSHA IN COLLABORATION WITH AREA HEALTH AGENCIES AND PROVIDERS MAY OFFER ASSISTANCE WITH COORDINATION ADVOCACY AND PUBLICITY PROVIDE SPACE OR CONTRIBUTE SUPPLIES TO SUPPORT GROUPS FOR THEIR PROGRAM ACTIVITIES PHYSICIAN RECRUITMENT IS REPORTED IN COMMUNITY BUILDING AND INCLUDES EXPENSE TO REPLACE PHYSICIANS RETIRING OR LEAVING OUR SERVICE AREAS INCLUDING RECRUITMENT TO ONE OF OUR FEDERALLY DESIGNATED UNDERSERVED COMMUNITIES WITHOUT MSHAS DEDICATION TO RURAL HEALTH THERE WOULD NOT BE AN ADEQUATE NUMBER OF PHYSICIANS TO SERVE THIS PATIENT POPULATION MSHA SUPPORTS THE ECONOMIC DEVELOPMENT OF THE REGION BY PROVIDING FINANCIAL SUPPORT AS WELL AS PAID TEAM MEMBERS TIME TO SERVE ON ECONOMIC DEVELOPMENT BOARDS EVIDENCE SHOWS THAT A HEALTHY ECONOMY RELATES TO A HEALTHIER POPULATION

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	THE CALCULATED COST TO CHARGE RATIO WORKSHEET 2 WAS APPLIED TO BAD DEBT CONTRA REVENUE AND PROVISION FOR BAD DEBT IN DETERMINING LINE 2 OUR VICE PRESIDENT OF PATIENT FINANCIAL SERVICES AND OUR CFO ESTIMATE THAT 70 OF BAD DEBT EXPENSE WAS ASSUMED ATTRIBUTABLE TO PATIENTS LIKELY ELIGIBLE FOR FINANCIAL ASSISTANCE WE HAVE MANY INSTANCES DURING THE YEAR OF PATIENTS WITH LARGE ACCOUNT BALANCES AND NO HEALTH INSURANCE COVERAGE THAT WE ARE SURE WOULD QUALIFY FOR CHARITY CARE ALTHOUGH HOSPITAL TEAM MEMBERS ENCOURAGE THESE INDIVIDUALS TO COMPLETE OUR FINANCIAL ASSISTANCE APPLICATION MANY WILL NOT DO SO EVEN WHEN THESE INDIVIDUALS ARE TOLD WE FEEL SURE THEY DO QUALIFY FOR FULL OR PARTIAL ASSISTANCE THEY STILL REFUSE TO COMPLETE OUR FINANCIAL ASSISTANCE APPLICATION REGARDING LINE 3 IT IS IMPLAUSIBLE TO DETERMINE THE AMOUNT OF MSHAS BAD DEBT ASSOCIATED WITH THOSE PATIENTS WHO MAY HAVE MET THE CRITERIA SET FORTH IN OUR FINANCIAL ASSISTANCE POLICY WITHOUT HAVING A COMPLETED FINANCIAL ASSESSMENT WE ARE UNABLE TO DETERMINE OUR PATIENTS FINANCIAL CIRCUMSTANCES UNLESS A COMPLETED FINANCIAL ASSESSMENT FORM IS VOLUNTARILY PROVIDED TO US WE CAN ASSERT THAT MORE THAN 90 OF OUR PATIENTS WHO HAVE PROVIDED COMPLETED FINANCIAL ASSESSMENT FORMS HAVE BEEN APPROVED FOR AT LEAST PARTIAL FINANCIAL ASSISTANCE FOOTNOTE DISCLOSURE FROM MSHAS FY12 AUDITED FINANCIAL STATEMENT READS NEW ACCOUNTING PRONOUNCEMENTS IN JULY 2011 THE FASB ISSUED ASU 201107 HEALTHCARE ENTITIES TOPIC 954 PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE PROVISION FOR BAD DEBTS AND ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTHCARE ENTITIES WHICH REQUIRES CERTAIN HEALTHCARE ENTITIES TO RECLASSIFY THE PROVISION FOR BAD DEBTS ASSOCIATED WITH PROVIDING PATIENT CARE FROM AN OPERATING EXPENSE TO A DEDUCTION FROM NET PATIENT SERVICE REVENUE IN THE CONSOLIDATED STATEMENTS OF OPERATIONS ADDITIONALLY ASU 201107 REQUIRES ENHANCED DISCLOSURES ABOUT AN ENTITYS POLICIES FOR RECOGNIZING REVENUE AND ASSESSING BAD DEBTS AND QUALITATIVE AND QUANTITATIVE INFORMATION ABOUT CHANGES IN THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE ALLIANCE RETROACTIVELY ADOPTED ASU 201107 IN FISCAL YEAR 2012 THE ADOPTION OF ASU 201107 DID NOT HAVE A MATERIAL IMPACT ON THE 2012 OR 2011 CONSOLIDATED FINANCIAL STATEMENTS THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENT REPORT THE AMOUNT OF ESTIMATED UNCOLLECTIBLE SELFPAY AND EXPLAIN THAT UNCOLLECTIBLE PATIENT ACCOUNTS RECEIVABLE ESTIMATED RESERVES ARE BASED UPON PRIOR COLLECTION HISTORY FOR GROUPS OF RECEIVABLES KNOWN COLLECTION RISKS AND OTHER ENVIRONMENTAL FACTORS INCLUDING THE AGE OF THE RECEIVABLES

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	MEDICARE ALLOWABLE COSTS WERE REPORTED USING MSHAS FILED MEDICARE COST REPORT CR THE CR USES A COST TO CHARGE RATIO BASED ON A STEPDOWN ALLOCATION METHODOLOGY IN CARING FOR THE PATIENT THERE ARE SEVERAL SERVICES THAT ARE CONSIDERED NONALLOWABLE SUCH AS TRANSPORTATION OF A PATIENT COMFORT ITEMS TO INCLUDE A TELEVISION MAGAZINES OR A TELEPHONE ADDITIONAL NONALLOWABLE COSTS INCLUDE THE RECRUITMENT OF PHYSICIANS PHYSICIAN GUARANTEES AND A PORTION OF THE BAD DEBT 30 ASSOCIATED WITH THE CARE OF THE PATIENT MEDICARE LOSSES INCLUDING SOME NONALLOWABLE COSTS SHOULD BE COUNTED AS A COMMUNITY BENEFIT AS THIS IS THE COST OF CARE FOR SERVING THE AGING POPULATION AS A NOTFORPROFIT ORGANIZATION WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTH CARE NEEDS OF THE COMMUNITY AND THE INDIVIDUAL WHILE MAINTAINING A HIGH LEVEL OF HEALTH CARE SERVICES WITHOUT LOSSES SINCE LOSSES DO OCCUR THROUGH THE CMS SYSTEM OF REIMBURSEMENT THESE LOSSES ARE A COST OF DOING BUSINESS FOR OUR COMMUNITY AND SHOULD BE CONSIDERED A COMMUNITY BENEFIT AS A PARTICIPATING PROVIDER IN THE MEDICARE PROGRAM MSHA IS REQUIRED TO PROVIDE THE FULL REGIMEN OF CARE FOR OUR MEDICARE POPULATION THERE ARE A NUMBER OF CARE REGIMENS THAT ARE COMPENSATED BY THE MEDICARE PROGRAM AT LEVELS BELOW OUR COST THEREFORE IT IS ONLY LOGICAL TO ALLOW MSHA TO REPORT THESE UNCOMPENSATED SERVICES AS A COMMUNITY BENEFIT ON THIS DOCUMENT BY MAKING THIS CHANGE NONPROFIT PROVIDERS WILL BE ENCOURAGED TO SUSTAIN IMPORTANT CARE DELIVERY MODELS FOR OUR AGING POPULATION IN SPITE OF THE FACT IT IS SOMETIMES ECONOMICALLY INJURIOUS

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	MSHA FOLLOWS A STRONG COLLECTION PROGRAM THAT COMMUNICATES FINANCIAL RESPONSIBILITY TO THE PATIENT COLLECTION PRACTICES APPLY TO ALL PATIENTS CHARITY AND NONCHARITY CARE IN ROUTINE CIRCUMSTANCES WHEN IT IS DETERMINED THAT A PATIENT HAS NOT RESPONDED TO REQUESTS FOR PAYMENT AND HAS NOT PROVIDED INFORMATION TO ASCERTAIN ABILITY TO PAY AN ACCOUNT CAN BE REFERRED TO AN OUTSIDE COLLECTION AGENCY FOR COLLECTION ASSISTANCE MSHA ENSURES THAT OUTSIDE COLLECTION AGENCIES FOLLOW HOSPITAL BILLING AND COLLECTION GUIDELINES ONCE A DELINQUENT PATIENT ACCOUNT HAS BEEN SUBMITTED TO AN OUTSIDE AGENCY IT CAN BE RETRACTED IF IT IS LATER DETERMINED THAT THE PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE ALL REQUESTS FOR FINANCIAL ASSISTANCE MUST BE ACCOMPANIED BY A COMPLETED FINANCIAL ASSESSMENT FORM AND SUPPORTING DOCUMENTATION

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	PART VI LINE 2 MSHA INCLUDED AMERICAS HEALTH RANKINGS AHR IN ITS ASSESSMENT IN ORDER TO BETTER DEFINE THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES TENNESSEE RANKED 39TH AND VIRGINIA RANKED 20TH HOWEVER IT SHOULD BE NOTED THAT SOUTHWEST VIRGINIA WHERE SOME OF MSHA FACILITIES ARE LOCATED CLOSELY RESEMBLES THE HEALTH RANKINGS FOR TENNESSEE AMERICAS HEALTH RANKINGS ARE BASED ON A SERIES OF MEASURES INCLUDING SEVERAL HEALTH OUTCOMES AND HEALTH FACTORS A SURVEY WAS GIVEN TO 67 INDIVIDUALS REPRESENTING THE NINE COUNTIES IN WHICH MSHA OWNS A FACILITY THESE INDIVIDUALS INCLUDED PHYSICIANS PUBLIC HEALTH LEADERS NONPROFIT DIRECTORS SCHOOL NURSES AND OFFICIALS AND BUSINESS LEADERS A SURVEY WAS GIVEN TO EACH INDIVIDUAL SEEKING FEEDBACK REGARDING AVAILABLE RESOURCES IN EACH AREA THE HEALTH STATUS HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT THE MAJORITY OF RESPONSES SUGGESTED FOCUSING ON EDUCATION IN ORDER TO PROMOTE HEALTHY HABITS OTHER RESPONSES INCLUDED MAKE PHYSICAL EDUCATION A REQUIREMENT AS PART OF SCHOOL CURRICULUM IMPROVE NATURAL TRAILS AND WALKWAYS INCREASE COMMUNITY SUPPORT FOR SMOKEFREE AREAS PARTNER WITH LOCAL FARMERS MARKETS SHARE HEALTH INFORMATION BETWEEN PHARMACIES NETWORK WITH SMALL BUSINESSES AND NONPROFITS IN ORDER TO AVOID DUPLICATING RESOURCES AND PROVIDE EARLY SCREENINGS FOR THE UNINSURED OR UNDERINSURED OVERALL THE COMMUNITY MEMBERS GAVE MSHAS CORE SERVICE AREA A HEALTH STATUS RANKING OF 424 OUT OF 10 1 BEING THE LOWEST 10 BEING THE HIGHEST ALSO ALL 67 PARTICIPANTS AGREED THAT OBESITY CANCER HEART DISEASE AND DIABETES WERE THE TOP HEALTH PRIORITIES IN EACH COUNTY AHR REPORTS THAT TENNESSEE AND VIRGINIA BOTH SAW AN INCREASE IN DIABETES AND OBESITY WITHIN THE PAST TEN YEARS TENNESSEE ALSO RANKED 44TH FOR CARDIOVASCULAR DISEASE AND 46TH FOR CANCER DEATHS VIRGINIA OVERALL HAD A BETTER RANKING IN THESE TWO CATEGORIES BUT AS STATED EARLIER SOUTHWEST VIRGINIA CLOSELY RESEMBLES TENNESSEE MSHA PLANS TO USE THE AVAILABLE RESOURCES TO START IMPROVING THE HEALTH STATUS OF NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	PART VI LINE 3 MSHA PROVIDES COMMUNICATION OF FINANCIAL ASSISTANCE ON ITS WEBSITE AND ON POSTERS LOCATED IN PROMINENT AREAS OF THE HOSPITALS SUCH AS ADMITTING AND THE EMERGENCY DEPARTMENTS PRINTED EDUCATIONAL MATERIALS INCLUDING FINANCIAL ASSISTANCE CONTACT INFORMATION ARE ALSO PROVIDED IN EACH PATIENTS PAPERWORK POSTERS AND REFERENCE MATERIALS ARE WRITTEN IN BOTH ENGLISH AND SPANISH ADMITTING STAFF ARE TRAINED TO EDUCATE PATIENTS ON MSHAS FINANCIAL ASSISTANCE POLICY MSHA ALSO HAS FINANCIAL COUNSELORS TO PROVIDE FURTHER INFORMATION AND ASSISTANCE TO MSHA PATIENTS REGARDING MSHAS FINANCIAL ASSISTANCE POLICY THESE COUNSELORS ALSO HELP UNINSURED PATIENTS DETERMINE SOURCES OF PAYMENT FOR MEDICAL BILLS AND HELP PATIENTS DETERMINE ELIGIBILITY FOR PROGRAMS SUCH AS TNCAREMEDICAID IN ADDITION MSHA CONTRACTS WITH THE COMPANY FIRSTSOURCE SOLUTIONS USA TO WORK WITH SELFPAYING PATIENTS WHO HAVE LIMITED FINANCIAL RESOURCES FIRSTSOURCE SOLUTIONS DETERMINES A PATIENTS ELIGIBILITY IN MEDICAL COVERAGE OPTIONS AND ASSISTS WITH THEIR ENROLLMENT MSHA BEARS THE COST FOR THE FIRSTSOURCE SOLUTIONS PROGRAM

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	MSHA SERVES THE HEALTHCARE NEEDS OF 29 APPALACHIAN COUNTIES IN TENNESSEE SOUTHWEST VIRGINIA KENTUCKY AND NORTH CAROLINA SOME OF THE COUNTIES MSHA SERVES ARE FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS MSHA OPERATES 2 CRITICAL ACCESS HOSPITALS DICKENSON COMMUNITY HOSPITAL IN VIRGINIA AND JOHNSON COUNTY COMMUNITY HOSPITAL IN TENNESSEE THESE TWO FACILITIES OPERATE IN FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS THE HEALTH STATUS OF THE POPULATION IN MSHAS SERVICE AREA IS GENERALY POOR THE SERVICE AREA EXTENDS TO SOME OF THE POOREST RURAL COUNTIES IN THE REGION WITH A POVERTY RATE OF ALMOST 30 SOME OF THE MOST WELL OFF COUNTIES IN MSHAS SERVICE AREA STILL HAVE A MEDIAN HOUSEHOLD INCOME LOWER THAN STATE AND NATIONAL AVERAGES RURAL SERVICE AREA COUNTIES SHARE COMMON CHALLENGES OF 1 HIGH RATES OF UNINSURED 2 HIGH PREVALENCE OF OBESITY 3 HIGH PREVALENCE OF DIABETES

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	PART VI LINE 5 MSHA IS DEDICATED TO OPERATING EFFICIENTLY SO THAT WASTE IS MINIMIZED MSHAS LEADERSHIP REMAINS MINDFUL OF MANAGING THE ALLIANCES LIMITED RESOURCES SO THAT ADEQUATE FACILITIES AND EQUIPMENT ARE AVAILABLE FOR THE CARE OF OUR PATIENTS VARIOUS CHECKS AND BALANCES ARE ESTABLISHED TO ENSURE THAT EXPENDITURES FOR OPERATING EXPENSES AND CAPITAL COSTS ARE REASONABLE AND NECESSARY THE MAJORITY OF MSHAS GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE ORGANIZATIONS PRIMARY SERVICE AREA PHYSICIANS THAT REQUEST PRIVILEGES WHO ARE QUALIFIED AND CREDENTIALED ARE EXTENDED PRIVILEGES BY MSHA

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE INFORMATION	PART VI	MSHA PROVIDES CARE TO PEOPLE IN 29 COUNTIES IN TENNESSEE VIRGINIA KENTUCKY AND NORTH CAROLINA EACH HOSPITAL IS FULLY ACCREDITED MOST BY THE JOINT COMMISSION MSHA IS INTEGRATED BOTH VERTICALLY AND HORIZONTALLY AND IS THE LARGEST REGIONAL HEALTHCARE SYSTEM WITH 13 HOSPITALS NINE FACILITIES ARE WHOLLYOWNED FACILITIES 8 FACILITIES IN TENNESSEE AND 1 IN VIRGINIA EACH FACILITY IN THIS FORM 990 IS ACCREDITED BY THE JOINT COMMISSION WITH THE EXCEPTION OF JCCH JCCH RECEIVES CERTIFICATION THROUGH THE STATE OF TENNESSEE SINCE IT IS A CRITICAL ACCESS HOSPITAL IN ADDITION TO THE WHOLLYOWNED HOSPITALS WITHIN THIS FORM 990 MSHA ALSO HAS MAJORITY OWNERSHIP IN 4 HOSPITALS IN SOUTHWEST VIRGINIA IN ADDITION TO OUR ACUTE CARE HOSPITALS OUR SYSTEM ALSO INCLUDES SUCH SERVICES AS PRIMARYSPECIALTY PHYSICIAN PRACTICES URGENT CARE CENTERS EMERGENCY DEPARTMENTS OCCUPATIONAL MEDICINE REHABILITATION OUTREACH LABORATORY MENTAL HEALTH NEONATAL INTENSIVE CARE A NACHRIAFFILIATED CHILDRENS HOSPITAL RENAL DIALYSIS ST JUDES ONCOLOGY INPATIENTOUTPATIENT SURGERY SKILLED NURISNG HOME HEALTH AIR AMBULANCE TRANSPORT AND MORE WITH THESE ADDITIONAL FACILITIES AND SERVICES MSHA EXTENDS A HIGHLY EFFECTIVE HEALTH CARE DELIVERY SYSTEM SINCE OUR SYSTEM IS BOTH HORIZONTALLY AND VERTICALLY INTEGRATED PATIENTS CAN BE EFFICIENTLY MOVED ALONG AN INTEGRATED COMPREHENSIVE CONTINUUM OF CARE AS THEIR HEALTH STATUS DICTATES OUR FLAGSHIP FACILITY JOHNSON CITY MEDICAL CENTER IS AT THE CORE OF OUR SYSTEM OFFERING FULL SERVICE TERTIARY CARE IN ADDITION TO OUR HOSPITALS MSHA IS THE SOLE MEMBER OF BLUE RIDGE MEDICAL MANAGEMENT CORPORATION BRMMC MSHA EXTENDS AN INTEGRATED HEALTHCARE DELIVERY SYSTEM THROUGH BRMMC TO INCLUDE MULTIPLE PRIMARY AND SPECIALTY CARE PATIENT ACCESS CENTERS AND NUMEROUS OUTPATIENT CARE SITES INCLUDING URGENT CARE CENTERS OCCUPATIONAL MEDICINE SERVICES A SAME DAY SURGERY CENTER AND OUTPATIENT REHABILITATION MSHA COUNTYSPECIFIC OPERATIONS ARE GOVERNED BY A COMMUNITY BOARD OF DIRECTORS COUNTY BOARDS REPORT TO A SYSTEM LEVEL BOARD OF DIRECTORS ALL BOARDS ARE PRIMARILY COMPOSED OF LOCAL COMMUNITY RESIDENTS PART VI LINE 8 MSHA SUBMITS COMMUNITY BENEFIT DATA TO THE VIRGINIA HEALTH AND HOSPITAL ASSOCIATION VHHA AND THE HOSPITAL ALLIANCE OF TENNESSEE HAT VHHA COMBINES DATA FROM ALL SOURCES TO DEMONSTRATE THE COMMUNITY BENEFITS PROVIDED BY BOTH FORPROFIT AND NOTFORPROFIT HOSPITALS AND HEALTH SYSTEMS TO THE STATE OF VIRGINIA HAT PROVIDES ITS MEMBERS AND TENNESSEE LEGISLATORS WITH COMMUNITY BENEFIT DATA IN AN EFFORT TO PROVIDE A CLEAR PICTURE OF NOTFORPROFIT HEALTH SYSTEMS INVESTMENT IN THE COMMUNITIES THEY SERVE

Identifier	ReturnReference	Explanation
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	TENNESSEE VIRGINIA

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED IN NINE COUNTIES WITHIN MSHAS CORE SERVICE AREA EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPRORIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES JCMCS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE FRANKLIN WOODS COMMUNITY HOSPITAL WOODRIDGE PSYCHIATRIC HOSPITAL JAMES H CECILE C QUILLEN REHABILITATION HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 NOW THAT THE IMPLEMENTATION PLANS HAVE BEEN ADOPTED MSHA WILL BE ABLE TO BEGIN TAKING ACTION TO IMPROVE THE HEALTH PRIORITIES IN EACH COUNTY THOUGH AT THIS POINT NOT ALL OF THE PRIORITIES HAVE BEEN ADDRESSED DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 13G	PART V LINE 13G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 19D	PART V LINE 19D	UNINSURED PATIENTS RECEIVE A 50 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED IN NINE COUNTIES WITHIN MSHAS CORE SERVICE AREA EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPRORIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES IPMCS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE JOHNSON CITY MEDICAL CENTER FRANKLIN WOODS COMMUNITY HOSPITAL WOODRIDGE PSYCHIATRIC HOSPITAL JAMES H CECILE C QUILLEN REHABILITATION HOSPITAL SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 NOW THAT THE IMPLEMENTATION PLANS HAVE BEEN ADOPTED MSHA WILL BE ABLE TO BEGIN TAKING ACTION TO IMPROVE THE HEALTH PRIORITIES IN EACH COUNTY THOUGH AT THIS POINT NOT ALL OF THE PRIORITIES HAVE BEEN ADDRESSED DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 13G	PART V LINE 13G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 19D	PART V LINE 19D	UNINSURED PATIENTS RECEIVE A 50 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED IN NINE COUNTIES WITHIN MSHAS CORE SERVICE AREA EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPRORIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES FWCHS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE JOHNSON CITY MEDICAL CENTER WOODRIDGE PSYCHIATRIC HOSPITAL JAMES H CECILE C QUILLEN REHABILITATION HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 NOW THAT THE IMPLEMENTATION PLANS HAVE BEEN ADOPTED MSHA WILL BE ABLE TO BEGIN TAKING ACTION TO IMPROVE THE HEALTH PRIORITIES IN EACH COUNTY THOUGH AT THIS POINT NOT ALL OF THE PRIORITIES HAVE BEEN ADDRESSED DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 13G	PART V LINE 13G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 19D	PART V LINE 19D	UNINSURED PATIENTS RECEIVE A 50 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED IN NINE COUNTIES WITHIN MSHAS CORE SERVICE AREA EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPRORIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES SSHS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE JOHNSON CITY MEDICAL CENTER FRANKLIN WOODS COMMUNITY HOSPITAL WOODRIDGE PSYCHIATRIC HOSPITAL JAMES H CECILE C QUILLEN REHABILITATION HOSPITAL INDIAN PATH MEDICAL CENTER JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 NOW THAT THE IMPLEMENTATION PLANS HAVE BEEN ADOPTED MSHA WILL BE ABLE TO BEGIN TAKING ACTION TO IMPROVE THE HEALTH PRIORITIES IN EACH COUNTY THOUGH AT THIS POINT NOT ALL OF THE PRIORITIES HAVE BEEN ADDRESSED DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 13G	PART V LINE 13G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 19D	PART V LINE 19D	UNINSURED PATIENTS RECEIVE A 50 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED IN NINE COUNTIES WITHIN MSHAS CORE SERVICE AREA EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPRORIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES RCMCS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE JOHNSON CITY MEDICAL CENTER FRANKLIN WOODS COMMUNITY HOSPITAL WOODRIDGE PSYCHIATRIC HOSPITAL JAMES H CECILE C QUILLEN REHABILITATION HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 NOW THAT THE IMPLEMENTATION PLANS HAVE BEEN ADOPTED MSHA WILL BE ABLE TO BEGIN TAKING ACTION TO IMPROVE THE HEALTH PRIORITIES IN EACH COUNTY THOUGH AT THIS POINT NOT ALL OF THE PRIORITIES HAVE BEEN ADDRESSED DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 13G	PART V LINE 13G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 19D	PART V LINE 19D	UNINSURED PATIENTS RECEIVE A 50 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED IN NINE COUNTIES WITHIN MSHAS CORE SERVICE AREA EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPRORIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES JCCHS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE JOHNSON CITY MEDICAL CENTER FRANKLIN WOODS COMMUNITY HOSPITAL WOODRIDGE PSYCHIATRIC HOSPITAL JAMES H CECILE C QUILLEN REHABILITATION HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 NOW THAT THE IMPLEMENTATION PLANS HAVE BEEN ADOPTED MSHA WILL BE ABLE TO BEGIN TAKING ACTION TO IMPROVE THE HEALTH PRIORITIES IN EACH COUNTY THOUGH AT THIS POINT NOT ALL OF THE PRIORITIES HAVE BEEN ADDRESSED DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 13G	PART V LINE 13G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 19D	PART V LINE 19D	UNINSURED PATIENTS RECEIVE A 50 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 14

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

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

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

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	PART I, LINE 2 MSHA ADHERED TO THE FOLLOWING CRITERIA FOR OUR CONTRIBUTIONS TO ORGANIZATIONS IN THE REGION HEALTHCARE THE ORGANIZATION ENHANCED OR IMPROVED ACCESS FOR THE UNINSURED OR UNDERINSURED POPULATION OR SUPPORTED A PROGRAM TO IMPROVE THE HEALTH OF OUR CHILDREN (I E , CHILDHOOD OBESITY PREVENTION) EDUCATION THE ORGANIZATION PROVIDED A PROGRAM TO IMPROVE EDUCATION OF THE CHILDREN IN OUR REGION ALL THE WAY TO COLLEGE AGE STUDENTS (RN NURSING PROGRAMS) QUALITY OF LIFE THE ORGANIZATION OFFERED PROGRAMS TO ENHANCE THE QUALITY OF LIFE WHICH IS IMPORTANT IN THE RECRUITMENT EFFORTS OF BUSINESSES IN THE REGION AS WE WORK TO ATTRACT AND RETAIN THE BEST TALENT FOR THE SUPPORTED PROGRAMS, METRICS WERE ESTABLISHED TO DETERMINE THE SUCCESS (OR FAILURE) OF EACH PROGRAM TO WHICH MSHA CONTRIBUTES AS THE DEPRESSED ECONOMIC SITUATION CONTINUED DURING FY12 THE CRITERIA USED IN THE DECISION MAKING PROCESS FOR MAJOR DONATIONS WAS REVISED TO SUPPORT THOSE PROGRAMS WHICH FOCUSED ON HEALTH AND WELLNESS INITIATIVES, PARTICULARLY THOSE FIGHTING CHILDHOOD OBESITY

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	BOARD MEMBERS AND TEAM MEMBERS OF MSHA ARE NOT PERMITTED TO TRAVEL FIRST-CLASS WITH THE EXCEPTION OF MSHA'S CEO AS SANCTIONED BY MSHA'S BOARD OF DIRECTORS, MSHA'S CEO IS PERMITTED TO TRAVEL FIRST-CLASS WHEN THE FLIGHT'S DURATION IS GREATER THAN TWO HOURS DUE TO THE LENGTH OF SUCH FLIGHTS, THE BOARD BELIEVES IT IS IN THE BEST INTEREST OF MSHA FOR THE CEO TO TRAVEL FIRST-CLASS CHARTER TRAVEL IS LIMITED TO MSHA BUSINESS TRIPS THAT INCLUDE NUMEROUS TRAVELERS AND WHICH CAN BE JUSTIFIED BASED UPON FINANCIAL AND/OR ESSENTIAL TIME SAVINGS CHARTER FLIGHTS MUST BE APPROVED BY THE CEO PRIOR TO BOOKING THE FLIGHT
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	DENNIS VONDERFECHT 0 125,000 0 CANDACE JENNINGS 0 40,346 0 ANN FLEMING 0 35,303 0 MONTY MCLAURIN 0 13,352 0 DAVID NICELY 0 269 0 CYNTHIA SALYER 0 9,411 0 MORRIS SELIGMAN, M D 0 42,363 0 FRANK LAURO, M D 0 3,173 0 JAMES PASKERT, M D 0 17,123 0 DOUGLAS EDEMA 0 16,675 0 CARL KILGORE 0 15,208 0
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	PART I, LINE 4B THE FOLLOWING EXECUTIVES LISTED IN SCHEDULE J, PART II PARTICIPATED IN A 457(F) RETIREMENT PLAN PROVIDED BY MOUNTAIN STATES HEALTH ALLIANCE (MSHA) DENNIS VONDERFECHT, ANN FLEMING, CANDACE JENNINGS, MONTY MCLAURIN, CINDY SALYER, MORRIS SELIGMAN, FRANK LAURO, DAVID NICELY, JAMES PASKERT, DOUGLAS EDEMA, AND CARL KILGORE THE 457(F)PLAN IS A NONQUALIFIED TAX-DEFERRED COMPENSATION PLAN AVAILABLE TO A SELECT GROUP OF KEY EXECUTIVES FOR THE INTENT OF SUPPORTING RETENTION AND TO OFFER A COMPETITIVE TOTAL RETIREMENT PROGRAM ACCOUNT BALANCES HAVE A "SUBSTANTIAL RISK OF FORFEITURE " IN ADDITON TO CREDITOR RISK, SUBSTANTIAL RISK OF FORFEITURE IS CREATED THROUGH DEFAULT RISK IF THE PARTICIPANT'S EMPLOYMENT WITH MSHA IS TERMINATED PRIOR TO AGE 65 HOWEVER, THE 457(F) PLAN CONTAINS A NON-COMPETE PROVISION THAT PROVIDES THE ACCOUNT BALANCE TO BE PAID IN A LUMP SUM AFTER THE EXECUTIVE SATISFIES THE TWO-YEAR NON-COMPETE PERIOD THIS PROVISION APPLIES TO EMPLOYER CONTRIBUTIONS IF THE EXECUTIVE HAS PROVIDED ELIGIBLE SERVICE FOR SIX OR MORE YEARS (ELIGIBLE SERVICE IS OFFICER SERVICE THAT PERMITTED THE EXECUTIVE TO PARTICIPATE IN THE PLAN) THE EXECUTIVE WILL RECEIVE THE ENTIRE ACCOUNT BALANCE IF HE/SHE BECOMES DISABLED, DIES OR IF THE EXECUTIVE TERMINATES FOR "GOOD REASON" OR IS INVOLUNTARILY TERMINATED WITHOUT "GOOD CAUSE" WITHIN A 24 MONTH PERIOD AFTER A CHANGE-OF-CONTROL OCCCURS DISTRIBUTIONS FROM THIS PLAN ARE SUBJECT TO FEDERAL, STATE, AND LOCAL TAXES ON THE ENTIRE ACCOUNT BALANCE UPON DISTRIBUTION

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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 Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HLTH & EDU FACILITIES BD 2011A&B OF THE CITY OF JOHNSON CITY TN	62-1464028	478271JS9	10-19-2011	195,840,000	CONSTRUCT AND EQUIP		X		X		X
B	HLTH & EDU FACILITIES BD 2010A&B	62-1464028	478271JH3	04-29-2010	205,877,528	PARTIAL REFUNDING OF		X		X		X
C	HLTH & EDU FACILITIES BD2009ABC	62-1464028	478271HT9	03-31-2009	124,301,533	CONSTRUCT AND EQUIP		X		X		X
D	HLTH & EDU FACILITIES BD 2008A&B	62-1464028	478271HL6	02-20-2008	127,000,000	ACQUIRE, CONSTRUCT		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired		9,620,000		60,825,000
2	Amount of bonds defeased				
3	Total proceeds of issue	195,840,000	206,072,386	125,179,916	129,698,430
4	Gross proceeds in reserve funds		18,402,779	12,200,052	
5	Capitalized interest from proceeds				2,719,365
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	2,328,425	3,474,644	2,481,706	1,953,563
8	Credit enhancement from proceeds				324,975
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	154,142,550		94,192,104	75,648,290
11	Other spent proceeds	34,166,505	184,194,962	9,870,809	47,306,504
12	Other unspent proceeds	5,202,520	16,988,109	6,435,244	926,984
13	Year of substantial completion				

		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?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X		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?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?		X		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?		X		X		X		X
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		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 hedge with respect to the bond issue?		X		X		X	X	
b	Name of provider							CAPITAL SERVICES INC CAPITAL SERVICES INC	
c	Term of hedge								30 4
d	Was the hedge superintegrated?								X
e	Was a hedge terminated?								X
4a	Were gross proceeds invested in a 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)

Identifier	Return Reference	Explanation
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	HLTH EDU FACILITIES BD 2011AB LINE A CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING TAXABLE DEBT RELATING THERETO REFUND BONDS ISSUED 12012001 REFINANCING LOANS AND EQUIPMENT LEASES HLTH EDU FACILITIES BD 2010AB LINE B PARTIAL REFUNDING OF BONDS ISSUED 12142007 2007A AND 2007C AND 2202008 2008A HLTH EDU FACILITIES BD2009ABC LINE C CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING OF TAXABLE INDEBTEDNESS RELATING THERETO HLTH EDU FACILITIES BD 2008AB LINE D ACQUIRE CONSTRUCT AND EQUIP HOSPITAL FACILITIES INCLUDING REFINANCING OF TAXABLE INDEBTEDNESS RELATING THERETO AND WORKING CAPITAL EXPENDITURES RELATING TO CAPITAL EXPENDITURES HLTH EDU FACILITIES BD 2006A LINE E CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING TAXABLE DEBT RELATING THERETO AND COST OF INTEREST RATE HEDGE REFUND BONDS ISSUED 32801 70103 70804 112304 9705 AND 112305

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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 Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HLTH & EDU FACILITIES BD 2011A&B OF THE CITY OF JOHNSON CITY TN	62-1464028	478271JS9	10-19-2011	195,840,000	CONSTRUCT AND EQUIP		X		X		X
B	HLTH & EDU FACILITIES BD 2010A&B	62-1464028	478271JH3	04-29-2010	205,877,528	PARTIAL REFUNDING OF		X		X		X
C	HLTH & EDU FACILITIES BD2009ABC	62-1464028	478271HT9	03-31-2009	124,301,533	CONSTRUCT AND EQUIP		X		X		X
D	HLTH & EDU FACILITIES BD 2008A&B	62-1464028	478271HL6	02-20-2008	127,000,000	ACQUIRE, CONSTRUCT		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired		9,620,000		60,825,000
2	Amount of bonds defeased				
3	Total proceeds of issue	195,840,000	206,072,386	125,179,916	129,698,430
4	Gross proceeds in reserve funds		18,402,779	12,200,052	
5	Capitalized interest from proceeds				2,719,365
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	2,328,425	3,474,644	2,481,706	1,953,563
8	Credit enhancement from proceeds				324,975
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	154,142,550		94,192,104	75,648,290
11	Other spent proceeds	34,166,505	184,194,962	9,870,809	47,306,504
12	Other unspent proceeds	5,202,520	16,988,109	6,435,244	926,984
13	Year of substantial completion				

		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?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X		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?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?		X		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?		X		X		X		X
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		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 hedge with respect to the bond issue?		X		X		X	X	
b	Name of provider							CAPITAL SERVICES INC CAPITAL SERVICES INC	
c	Term of hedge								30 4
d	Was the hedge superintegrated?								X
e	Was a hedge terminated?								X
4a	Were gross proceeds invested in a 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)

Identifier	Return Reference	Explanation
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	HLTH EDU FACILITIES BD 2011AB LINE A CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING TAXABLE DEBT RELATING THERETO REFUND BONDS ISSUED 12012001 REFINANCING LOANS AND EQUIPMENT LEASES HLTH EDU FACILITIES BD 2010AB LINE B PARTIAL REFUNDING OF BONDS ISSUED 12142007 2007A AND 2007C AND 2202008 2008A HLTH EDU FACILITIES BD2009ABC LINE C CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING OF TAXABLE INDEBTEDNESS RELATING THERETO HLTH EDU FACILITIES BD 2008AB LINE D ACQUIRE CONSTRUCT AND EQUIP HOSPITAL FACILITIES INCLUDING REFINANCING OF TAXABLE INDEBTEDNESS RELATING THERETO AND WORKING CAPITAL EXPENDITURES RELATING TO CAPITAL EXPENDITURES HLTH EDU FACILITIES BD 2006A LINE E CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING TAXABLE DEBT RELATING THERETO AND COST OF INTEREST RATE HEDGE REFUND BONDS ISSUED 32801 70103 70804 112304 9705 AND 112305

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? 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) DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSURANCE LOAN		X	2,705,125	2,705,125		No	Yes		Yes	
(2) DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSURANCE LOAN		X	900,000	938,520		No	Yes		Yes	
(3) DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSURANCE LOAN		X	900,000	937,530		No	Yes		Yes	
(4) DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSURANCE LOAN		X	900,000	936,090		No	Yes		Yes	
(5) DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSURANCE LOAN		X	900,000	927,540		No	Yes		Yes	
(6) MARVIN EICHORN SPLIT DOLLAR LIFE INSURANCE LOAN		X	350,000	361,588		No	Yes		Yes	
Total . . . . . ▶ $				6,806,393						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	SCHEDULE L PART V	1 SANDRA BROOKS MD MSHA BOARD MEMBER IS A PARTNER WITH OWNERSHIP INTEREST IN WATAUGA PATHOLOGY ASSOCIATES PC WATAUGA PATHOLOGY ASSOCIATES PC PROVIDES MEDICAL SERVICES TO MSHA 2 JEFF FARROW MD MSHA BOARD MEMBER IS A KEY EMPLOYEE OF PULMONARY ASSOC OF EAST TN PC AND HAS AN OWNERSHIP INTEREST IN THE PC PULMONARY ASSOC OF EAST TN PC PROVIDES MEDICAL SERVICES TO MSHA 3 ROBERT FEATHERS MSHA BOARD MEMBER IS OWNER OF WORKSPACE INTERIORS INC WHICH PROVIDES COMMERCIAL FURNISHINGS AND DESIGN SERVICES TO MSHA TRANSACTIONS ARE CONDUCTED AT ARMSLENGTH 4 JOANNE GILMER MSHA BOARD MEMBER IS A FAMILY MEMBER OF MATTHEW MARTIN AN EMPLOYEE OF MSHA 5 JOANNE GILMER MSHA BOARD MEMBER IS A FAMILY MEMBER OF MITCH HATHAWAY AN EMPLOYEE OF MSHA 6 DAVID MAY MD MSHA BOARD MEMBER SERVES AS BOARD CHAIR FOR SYCAMORE SHOALS ANESTHESIA ASSOCIATES PC AND HAS AN OWNERSHIP SHARE IN THE PROFESSIONAL CORPORATION SYCAMORE SHOALS ANESTHESIA ASSOCIATES PC PROVIDES MEDICAL SERVICES TO MSHA 7 DALE CLAYTORE KEY EMPLOYEE OF MSHA IS A FAMILY MEMBER OF PAULA CLAYTORE AN EMPLOYEE OF MSHA 8 CLEM WILKES JR MSHA BOARD MEMBER IS A FAMILY MEMBER OF CLEM WILKES III AN EMPLOYEE OF MSHA 9 PAT NIDAY KEY EMPLOYEE OF MSHA IS A FAMILY MEMBER OF JAMES TEIXEIRA AN EMPLOYEE OF MSHA

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Identifier	Return Reference	Explanation
DOING BUSINESS AS	FORM 990, PAGE 1, ITEM C	NISWONGER CHILDREN'S HOSPITAL, QUILLEN REHABILITATION HOSPITAL, FRANKLIN WOODS COMMUNITY HOSPITAL, INDIAN PATH MEDICAL CENTER, SYCAMORE SHOALS HOSPITAL, WOODRIDGE HOSPITAL FOR BEHAVIORAL HEALTH SERVICES, JOHNSON COUNTY COMMUNITY HOSPITAL, RUSSELL COUNTY MEDICAL CENTER

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	PART I, LINE 1 MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE. WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION MSHA OPENED A NEW REPLACEMENT HOSPITAL IN 2012, SMYTH COUNTY COMMUNITY HOSPITAL (SCCH) WHICH IS LOCATED IN VIRGINIA AND MAJORITY-OWNED BY MSHA

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	MSHA CORPORATION HAS TWO CLASSES OF MEMBERS, A & B THE CLASS A MEMBERS ARE WHAT IS TRADITIONALLY CONSIDERED MEMBERS, HAVING THE ABILITY TO ELECT OFFICERS AND VOTE ON CERTAIN ACTIONS OF THE CORPORATION CLASS A MEMBERS WILL REMAIN CLASS A MEMBERS SO LONG AS THEY PARTICIPATE IN TWO EDUCATIONAL SESSIONS ANNUALLY OFFERED BY THE CORPORATION PERSONS DESIRING TO BECOME NEW CLASS A MEMBERS MUST CONTRIBUTE 500 UPON APPLICATION, CONTRIBUTE 100 ANNUALLY THEREAFTER, AND PARTICIPATE IN THE TWO ANNUAL EDUCATION SESSIONS CLASS B MEMBERS ARE ANY FORMER CLASS A MEMBERS WHO FAILED TO MAINTAIN THE REQUIREMENTS OF CLASS A MEMBERSHIP, OR ANY ONE APPLYING TO BECOME A CLASS B MEMBER AND CONTRIBUTE 100 AT APPLICATION CLASS B MEMBERS HAVE NO VOTE, BUT CAN ATTEND AND PARTICIPATE IN THE MEETINGS AND EDUCATION SESSIONS OF THE CLASS A MEMBERSHIP, BUT ARE NOT REQUIRED TO

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	THE CLASS A MEMBERS ANNUALLY ELECT MEMBERS TO THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	CERTAIN DECISIONS OF THE BOARD ARE, PURSUANT TO TENNESSEE STATUTE, SUBJECT TO APPROVAL BY THE CLASS A MEMBERS THESE DECISIONS INCLUDE DISSOLUTION OF THE CORPORATION, MERGER OF THE CORPORATION, NON-ORDINARY COURSE OF BUSINESS SALE OF ASSETS, ETC NO ORDINARY DAY-TO-DAY DECISIONS ARE SUBJECT TO MEMBER APPROVAL

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE CFO REVIEWED THE FORM 990 WITH THE BOARD OF DIRECTORS PRIOR TO FILING AND THE RETURN WAS MADE AVAILABLE TO EACH BOARD MEMBER IN AN ELECTRONIC FORMAT PRIOR TO THE REVIEW

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ANNUALLY, THE AUDIT AND COMPLIANCE DEPARTMENT OF THE CORPORATION FORWARDS THE POLICY AND THE CONFLICT OF INTEREST DISCLOSURE FORMS TO ALL COVERED PERSONS EACH PERSON IS REQUIRED TO PROVIDE A COMPLETED DISCLOSURE FORM, NOTING ANY CONFLICTS OR ATTESTING THEY HAVE "NONE", AND THEN FORWARD THOSE BACK TO THE AUDIT AND COMPLIANCE DEPARTMENT ANY DISCLOSURES ARE FORWARDED TO THE APPROPRIATE MANAGEMENT OR BOARD PERSONNEL TO EVALUATE AND UTILIZE WHEN A TRANSACTION INVOLVING A CONFLICTED PERSON ARISES ADDITIONALLY, PERSONNEL WHO HAVE A CONFLICT ARISE BETWEEN THE ANNUAL DISTRIBUTION OF THE POLICY AND FORMS ARE REQUIRED TO DISCLOSE THE CONFLICT AND WOULD BE DISCIPLINED IN ANY INSTANCE WHERE THEY HAVE NOT DISCLOSED AND ENGAGED IN A CONFLICTED TRANSACTION

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE COMPENSATION COMMITTEE, WHICH IS THE EXECUTIVE COMMITTEE OF THE MSHA BOARD, OBTAINS THE SERVICES OF AN OUTSIDE AND INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE THE COMMITTEE WITH RELEVANT MARKET DATA FROM COMPENSATION SURVEYS AND WITH ADVICE WHEN THE COMMITTEE MAKES RECOMMENDATIONS ON PAY AND BENEFITS FOR THE CEO OF MSHA

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	THE BOARD ALSO APPROVES PAY AND BENEFITS FOR THE CFO THE COMPENSATION COMMITTEE REVIEWS AND HAS FINAL APPROVAL OF CEO RECOMMENDATIONS FOR PAY AND BENEFITS FOR ALL OTHER EXECUTIVES

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	GOVERNING DOCUMENTS AND CONFILICT OF INTEREST POLICY ARE MADE AVAILABLE UPON REQUEST TO APPROPRIATE PARTIES REQUESTING THEM FINANCIAL STATEMENTS ARE MADE AVAILABLE UPON REQUEST TO APPROPRIATE PARTIES REQUESTING THEM, AND THEY ARE MADE AVAILABLE TO THOSE PARTIES WHO OWN INDEBTEDNESS OF THE COMPANY ON A QUARTERLY BASIS

Identifier	Return Reference	Explanation
GROUP RETURN EXPLANATION	FORM 990, PAGE 7, PART VII	OFFICER, KEY EMPLOYEE & HIGHEST PAID COMPENSATION LYNN KRUTAK, CFO AND MSHA KEY EMPLOYEE, IS PAID BY MSHA BLUE RIDGE MEDICAL MANAGEMENT CORPORATION (BRMMC) REIMBURSES MSHA FOR 50% OF KRUTAK'S SALARY AND BENEFITS MSHA IS THE SOLE MEMBER OF BRMMC KRUTAK DEVOTES AN EQUAL AMOUNT OF TIME BETWEEN MSHA AND BRMMC CARL KILGORE, REPORTABLE AS A HIGHEST COMPENSATED EMPLOYEE, IS PAID BY MSHA AND HIS SALARY AND BENEFITS ARE FULLY RIEMBURSED TO MSHA BY BRMMC DR FRANK LAURO, REPORTABLE AS A HIGHEST COMPENSATED EMPLOYEE, IS PAID BY MSHA AND 50% OF HIS SALARY AND BENEFITS ARE REIMBURSED TO MSHA BY BRMMC DR LAURO DEVOTES AN EQUAL AMOUNT OF TIME BETWEEN MSHA AND BRMMC DR DOUGLAS EDEMA, REPORTABLE AS A HIGHEST COMPENSATED EMPLOYEE, IS PAID BY MSHA AND HIS SALARY AND BENEFITS ARE FULLY REIMBURSED TO MSHA BY BRMMC CERTAIN EXECUTIVES OF THE ORGANIZATION, SUCH AS THE CEO AND SR VP/CFO, PROVIDE SERVICES TO SOME OR ALL OF THE ORGANIZATIONS RELATED TO MSHA

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	PARTNERSHIP CHARITABLE CONTRIBUTIONS NOT ON BOOKS 17,654 PARTNERSHIP PORTFOLIO EXPENSES NOT ON BOOKS 252,901 TEMPORARILY RESTRICTED GRANTS 41,832 CHANGE IN FAIR VALUE OF DERIVATIVES -6,085,740 NET UNREALIZED (LOSS) ON INVESTMENT -3,807,518 PARTNERSHIP INCOME NOT ON BOOKS 1,193,604 PARTNERSHIP INTEREST INCOME NOT ON BOOKS -16,657 PARTNERSHIP CAPITAL LOSSES NOT ON BOOKS -23 PARTNERSHIP DIVIDEND INCOME NOT ON BOOKS -598,604 TOTAL TO FORM 990, PART XI, LINE 5 -9,002,551

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	FORM 990, PART XII	RESPONSE TO PART VI TO SCHEDULE K (FORM 990) 1 COMMENT ON SCHEDULE K, PART L, LINES A, B, C AND D MOUNTAIN STATES HEALTH ALLIANCE (MSHA) OWNS AND/OR OPERATES HOSPITALS IN A NUMBE R OF DIFFERENT LOCATIONS BOTH IN TENNESSEE AND IN VIRGINIA AS A RESULT, MSHA MUST UTILIZE CONDUIT GOVERNMENTAL BOND ISSUERS IN A NUMBER OF JURISDICTIONS IN ORDER TO FINANCE IMPROV EMENTS TO ITS HOSPITAL FACILITIES IN 2008,2009,2010 AND 2011, MSHA WAS THE CONDUIT BORROW ER OF TAX-EXEMPT BONDS ISSUED BY MULTIPLE ISSUERS IN TENNESSEE AND VIRGINIA FOR FEDERAL T AX PURPOSES, EVEN THOUGH DIFFERENT GOVERNMENTAL ISSUERS WERE INVOLVED, THESE MULTIPLE ISSU ES IN EACH YEAR WERE REQUIRED TO BE TREATED, AND WERE TREATED, AS A SINGLE "ISSUE" BECAUSE THEY MET THE SINGLE "ISSUE" TEST UNDER THE APPLICABLE FEDERAL TAX REGULATIONS THEREFORE, MULTIPLE ISSUERS ARE LISTED UNDER LINES A,B,C AND D BECAUSE THE BONDS THAT WERE ISSUED WE RE PART OF A SINGLE "ISSUE" FOR FEDERAL TAX PURPOSES 2 COMMENT ON SCHEDULE K, PART LL, L INE 3 LINE 3 FOR THE BOND ISSUES LISTED IN LINES B, C, D AND E DOES NOT MATCH THE APPLICA BLE ISSUE PRICE FOR EACH SUCH BOND ISSUE BECAUSE OF INTEREST EARNINGS EARNED ON THE SALE P ROCEEDS OF EACH SERIES OF BONDS PLEASE ALSO NOTE THAT THE AMOUNTS SHOWN ON LINE 3 FOR THE SAME BOND ISSUES LISTED ON LINES B, C, D AND E ARE DIFFERENT THAN THE AMOUNTS THAT WERE L ISTED FOR THE SAME BOND ISSUES SHOWN ON THIS SAME FILING FOR FY2011 THE INSTRUCTIONS PROV IDE THAT THE AMOUNT OF PROCEEDS TO BE SHOWN ON THIS LINE FOR EACH ISSUE IS THE PROCEEDS "A S OF THE END OF THE 12-MONTH PERIOD" THIS LANGUAGE RESULTED IN OUR LISTING THE AMOUNT OF PROCEEDS EXISTING AS OF THE END OF THE FISCAL YEAR, NOT THE AGGREGATE PROCEEDS AFTER REVI EWING 990 FILING BY A NUMBER OF OTHER ENTITIES, IT APPEARS THAT A MAJORITY OF SUCH ENTITIE S LISTED THE AGGREGATE AMOUNT OF PROCEEDS, NOT THE AMOUNT EXISTING AS OF THE END OF THE FI SCAL YEAR FOR THIS 990, MSHA HAS TAKEN THAT SAME APPROACH A CLARIFICATION IN THE INSTRUC TIONS AS TO THIS ISSUE WOULD BE HELPFUL 3 COMMENT ON SCHEDULE K, PART II, LINE 4 CERTAIN PROCEEDS OF THE BOND ISSUES LISTED IN LINES B, C, AND E ARE DEPOSITED IN REASONABLY REQUI RED RESERVE FUNDS, THE SIZE OF EACH OF WHICH COMPLIES WITH FEDERAL TAX REGULATIONS THE AM OUNTS SHOWN ON LINE 2 OF PART II OF SCHEDULE K INCLUDE PROCEEDS HELD IN THOSE FUNDS THESE LINES (OTHER THAN LINE E) ALSO INCLUDE A SMALL AMOUNT OF INVESTMENT EARNINGS RELATIVE TO THESE FUNDS THAT HAD NOT YET BEEN MOVED AS OF THE END OF THE APPLICABLE REPORTING PERIOD T O ANOTHER FUND TO BE USED TO PAY DEBT SERVICE, AS IS PERMITTED UNDER THE APPLICABLE BOND D OCUMENTS 4 COMMENTS ON SCHEDULE K, PART II, LINES 9 THROUGH 11 THE INSTRUCTIONS ARE UNC LEAR AS TO WHETHER AMOUNTS USED TO REFINANCE SHORT- TERM TAXABLE LOANS INCURRED TO TEMPORA RILY FINANCE ELIGIBLE COSTS SHOULD BE SHOWN AS CAPITAL EXPENDITURES AND WORKING CAPITAL (L INES 9 AND 10) OR AS OTHER SPENT PROCEEDS(LINE 11) BASED UPON A REVIEW OF OTHER 990 FILIN GS, IT APPEARS THAT MOST REPORTING ENTITIES HAVE LISTED THE APPLICATION OF PROCEEDS FOR SU CH PURPOSE UNDER OTHER SPENT PROCEEDS (LINE 11) THIS FILING TAKES THAT APPROACH, AND THER EFORE THE REPORTING ON LINES 9 THROUGH 11 FOR PART IV IS INCONSISTENT WITH REPORTING ON TH E SAME LINES FOR THE PRIOR FISCAL YEAR 5 COMMENT ON SCHEDULE K, PART IV, LINE 12 IT IS U NCLEAR UNDER THE INSTRUCTIONS WHETHER TRANSFERRED PROCEEDS SHOULD BE TREATED AS OTHER UNSP ENT PROCEDS FOR REPORTING PURPOSES ON LINE 12 AS AN ABUNDANCE OF CAUTION TRANSFERRED PRO CEEDS HAVE BEEN INCLUDED ON LINE 12 FOR EACH ISSUE TO THE EXTENT APPLICABLE 6 COMMENT ON SCHEDULE K, PART IV, LINE 1 AS OF THE REPORTING DATE OF THE 990, THE ONLY ARBITRAGE REBAT E CALCULATION THAT WAS REQUIRED RELATED TO THE BONDS DESCRIBED IN LINE E OF PART I (THE SE RIES 2006 BONDS) MSHA RETAINED A REBATE CALCULATION AGENT TO CALCULATE WHETHER ANY ARBITR AGE REBATE WAS DUE WITH RESPECT TO THOSE BONDS, AND THERE WAS NEGATIVE ARBITRAGE REBATE LI ABILITY IN A SIGNIFICANT AMOUNT THEREFORE, NO FORM 8038-T WAS REQUIRED TO BE FILED WITH R ESPECT TO THAT BOND ISSUE 7 COMMENT ON SCHEDULE K, PART IV, LINE 4D PART IV, LINE 4D RE LATIVE TO THE BOND ISSUE DESCRIBED ON LINE E SHOWS THAT THE REGULATORY SAFE HARBOR FOR EST ABLISHING FAIR MARKET VALUE OF THE GIC DESCRIBED IN LINE 4A WAS NOT SATISFIED DUE TO MARK ET CONDITIONS AT THE TIME, MSHA DID NOT RECEIVE THREE BIDS FOR THIS GIC HOWEVER, THE YIEL D ON THE GIC WAS SO SUBSTANTIALLY BELOW THE YIELD ON THE RELEVANT BONDS THAT THERE WAS NO DOUBT THAT THE YIELD ON THE GIC DID NOT EXCEED THE APPROPRIATE YIELD ON THE RELEVANT BONDS 8 COMMENT ON SCHEDULE K, PART IV, LINE 5 THE BOND ISSUES DESCRIBED IN LINES B, C AND D OF PART I FINANCED SIGNIFICANT CAPITAL IMPROVEMENTS TO HOSPITAL FACILITIES THERE HAVE BE EN UNEXPECTED DELAYS IN THE CONSTRUCTION AND EQUIPPING OF CERTAIN OF THESE HOSPITAL FACILI TIES, AND THEREFORE NOT ALL OF THE BOND PROCEEDS WERE SPENT WITHIN THE THREE-YEAR TEMPORAR Y PERIOD RELATIVE TO CONSTRUCTION PROJECTS HOWEVE

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	FORM 990, PART XII	R, MSHA HAS YIELD RESTRICTED THESE PROCEEDS AFTER THE END OF THE APPLICABLE TEMPORARY PERI OD AND/OR WILL BE MAKING A YIELD REDUCTION PAY MENT WITH RESPECT TO THOSE PROCEEDS, IF REQU IRED 9 COMMENT ON SCHEDULE K, PART V MSHA HAS EXECUTED DETAILED TAX CERTIFICATES REQUIR ING TAX COMPLIANCE THAT ARE INTENDED TO ENSURE THAT VIOLATIONS OF FEDERAL TAX REQUIREMENTS ARE TIMELY IDENTIFIED MSHA HAS ALSO ADOPTED SEPARATE PROCEDURES FOR SUCH PURPOSES THAT W ERE APPLICABLE DURING THE REPORTING PERIOD

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization Yes	(g) Section 512(b)(13) controlled organization No
(1) DICKENSON COMMUNITY HOSPITAL ONE HOSPITAL DRIVE CLINTWOOD, VA 24228 77-0599553	HOSPITAL	VA	501C3	3	NCH		No
(2) MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK ROAD STE 101 JOHNSON CITY, TN 37604 58-1418862	FUNDRAISER	TN	501C3	11A	NA		No
(3) MSHA AUXILIARY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 58-1418345	SUPPORT	TN	501C3	11A	NA		No
(4) SMYTH COUNTY COMMUNITY HOSPITAL 245 MEDICAL PARK DRIVE MARION, VA 24354 54-0794913	HOSPITAL	VA	501C3	3	MSHA		No
(5) NORTON COMMUNITY HOSPITAL 100 15TH STREET NW NORTON, VA 24273 54-0566029	HOSPITAL	VA	501C3	3	NA		No
(6) JOHNSTON MEMORIAL HOSPITAL 16000 JOHNSTON MEMORIAL DRIVE ABINGDON, VA 24211 54-0544705	HOSPITAL	VA	501C3	3	NA		No
(7) ABINGDON PHYSICIAN PARTNERS 16000 JOHNSTON MEMORIAL DRIVE ABINGDON, VA 24211 20-5485346	MED SERV	VA	501C3	11A	JMH		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
See Additional Data Table												

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

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

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

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
DENNIS VONDERFECHT CEO	60 00	X		X				1,099,588	0	167,285
JEFF FARROW MD DIRECTOR	3 00	X						39,813	0	0
CLEM WILKES JR TREASURER	4 10	X						0	0	0
GARY PEACOCK DIRECTOR	3 60	X						0	0	0
SANDRA BROOKS MD DIRECTOR	3 40	X						0	0	0
RICK STOREY DIRECTOR	2 90	X						0	0	0
THOMAS FOWLKES DIRECTOR	3 00	X						0	0	0
LINDA GARCEAU DIRECTOR	3 50	X						0	0	0
DONALD JEANES PAST CHAIR	4 10	X						0	0	0
JOANNE GILMER VICE CHAIR	4 50	X						0	0	0
DAVID MAY MD DIRECTOR	3 30	X						0	0	0
ROBERT FEATHERS CHAIR	3 70	X						0	0	0
MICHAEL CHRISTIAN SECRETARY	4 10	X						0	0	0
MARVIN EICHORN SENIOR VP/CF	60 00			X				672,484	0	35,543
CANDACE JENNINGS SR VP TN OP	60 00				X			553,717	0	73,519
ANN FLEMING SR VP	60 00				X			501,320	0	66,728
BRAD NURKIN VP/CEO JCMC	55 00				X			394,647	0	21,243
MONTY MCLAURIN VP/IPMC CEO	55 00				X			348,701	0	55,842
LYNN KRUTAK VP/CORP CFO	55 00				X			271,648	0	30,747
DAVID NICELY VP/CEO WASHI	55 00				X			262,306	0	26,990
SHANE HILTON VP/TN CFO	55 00				X			253,872	0	35,521
CYNTHIA SALYER VP/CARDIO-PU	55 00				X			241,894	0	42,953
DALE CLAYTORE VP	55 00				X			227,871	0	12,784
PAT NIDAY CNO WASHINGT	55 00				X			193,264	0	30,352
MORRIS SELIGMAN MD SR VP/CMO	50 00					X		597,687	0	79,845

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
FRANK LAURO MD BRMMC CMO	50 00					X		450,006	0	29,327
JAMES PASKERT MD CMO WASHINGT	60 00					X		426,742	0	37,947
DOUGLAS EDEMA PRESIDENT/CE	50 00					X		397,868	0	37,897
CARL KILGORE PRESIDENT BR	50 00					X		393,219	0	50,572

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SUSAN KOMEN BREAST CANCER FOUNDPO BOX 5835 KINGSPORT,TN 37663	84-1689067	501	9,000	1,122		PRINTING	SPONSORSHIP
ETSU FOUNDATIONP O BOX 70721 JOHNSON CITY,TN 37614	23-7092731	501	10,000				SUPPORT BUSINESS COL

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
EAST TENNESSEE STATE UNIVERSITYPO BOX 70732 JOHNSON CITY,TN 37614	62-6021046	501	24,500				SUPPORT FIT KIDS
COALITION FOR KIDSPO BOX 3156 JOHNSON CITY,TN 37602	62-1765487	501		10,795			FIGHT CHILD OBESITY

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
JC PARKS & RECREATION FOUNDATION4137 BRISTOL HIGHWAY JOHNSON CITY,TN 37601	38-3731893	501	15,000				SPONSORSHIP
AMERICAN DIABETES ASSOCIATIONPO BOX 930850 ATLANTA,GA 311930850	13-1623888	501	10,000				

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BOYS & GIRLS CLUB OF KINGSPORTPO BOX 784 213 LEE STREET KINGSPORT,TN 37662	62-0481370	501	10,000				PROGRAM SUPPORT
MOUNTAIN STATES FOUNDATION2335 KNOB CREEK ROAD SUITE 101 JOHNSON CITY,TN 37604	58-1418862	501	672,450	95		PRINTING	PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
RUSSELL COUNTY PUBLIC SCHOOLSP O BOX 8 LEBANON,VA 24266	54-6001591	501	6,500				PROGRAM SUPPORT
UNITED WAY WASHINGTON COP O BOX 4039 JOHNSON CITY,TN 37602	62-6001105	501	10,000	1,675		PRINT & POSTAGE	PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LEBANON LIFESAVING CREW INCP O BOX 791 LEBANON,VA 24266	54-1382140	501	25,694	811		DRUG BOX REFILL	HEART MONITORS
FOUNDATION OF THE NSNA45 MAIN STREET 606 BROOKLYN,NY 11201	13-5123125	501	5,370				NURSING SCHOLARSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION3101 BROWNS MILL RD SUITE 6-321 JOHNSON CITY,TN 37604	13-5613797	501	35,000				PROGRAM SUPPORT
MARCH OF DIMES PO BOX 799 2700 S ROAN ST 430 JOHNSON CITY,TN 37605	13-1846366		17,500	567		PRINTING	PROGRAM SUPPORT

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other compensation				
DENNIS VONDERFECHT	(I) (II)	764,230	252,675	82,683	144,600	22,685	1,266,873	
MARVIN EICHORN	(I) (II)	440,258	157,892	74,334	14,700	20,843	708,027	
CANDACE JENNINGS	(I) (II)	396,230	140,783	16,704	52,596	20,923	627,236	
ANN FLEMING	(I) (II)	345,309	116,778	39,233	47,553	19,175	568,048	
BRAD NURKIN	(I) (II)	201,273	88,769	104,605	2,192	19,051	415,890	
MONTY MCLAURIN	(I) (II)	255,744	78,002	14,955	27,874	27,968	404,543	
LYNN KRUTAK	(I) (II)	209,522	59,811	2,315	14,824	15,923	302,395	
DAVID NICELY	(I) (II)	200,047	49,739	12,520	8,529	18,461	289,296	
SHANE HILTON	(I) (II)	193,442	46,928	13,502	12,104	23,417	289,393	
CYNTHIA SALYER	(I) (II)	179,125	58,693	4,076	20,647	22,306	284,847	
DALE CLAYTORE	(I) (II)	172,480	40,007	15,384	9,428	3,356	240,655	
PAT NIDAY	(I) (II)	145,691	35,094	12,479	6,854	23,498	223,616	
MORRIS SELIGMAN MD	(I) (II)	413,000	155,691	28,996	50,582	29,263	677,532	
FRANK LAURO MD	(I) (II)	414,898	35,016	92	9,970	19,357	479,333	
JAMES PASKERT MD	(I) (II)	338,025	75,998	12,719	17,123	20,824	464,689	
DOUGLAS EDEMA	(I) (II)	327,315	52,449	18,104	16,675	21,222	435,765	
CARL KILGORE	(I) (II)	298,394	82,632	12,193	31,500	19,072	443,791	

Additional Data

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
WATAUGA PATHOLOGY ASSOC PC	M D SERVICES	317,520	SEE PART V		No
PULMONARY ASSOC OF EAST TN PC	M D SERVICES	129,033	SEE PART V		No
WORKSPACE INTERIORS INC	VENDOR	352,578	SEE PART V		No
MATTHEW MARTIN	FAMILY MEMBER	28,276	SEE PART V		No
MITCH HATHAWAY	FAMILY MEMBER	94,307	SEE PART V		No
SYCAMORE SHOALS ANESTHESIA ASSOC	M D SERVICES	1,046,064	SEE PART V		No
PAULA CLAYTORE	FAMILY MEMBER	289,749	SEE PART V		No
CLEM WILKES III	FAMILY MEMBER	59,551	SEE PART V		No
JAMES TEIXEIRA	FAMILY MEMBER	33,282	SEE PART V		No

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
DICKENSON COMMUNITY HOSPITAL ONE HOSPITAL DRIVE CLINTWOOD, VA 24228 77-0599553	HOSPITAL	VA	501C3	3	NCH		No
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK ROAD STE 101 JOHNSON CITY, TN 37604 58-1418862	FUNDRAISER	TN	501C3	11A	NA		No
MSHA AUXILIARY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 58-1418345	SUPPORT	TN	501C3	11A	NA		No
SMYTH COUNTY COMMUNITY HOSPITAL 245 MEDICAL PARK DRIVE MARION, VA 24354 54-0794913	HOSPITAL	VA	501C3	3	MSHA		No
NORTON COMMUNITY HOSPITAL 100 15TH STREET NW NORTON, VA 24273 54-0566029	HOSPITAL	VA	501C3	3	NA		No
JOHNSTON MEMORIAL HOSPITAL 16000 JOHNSTON MEMORIAL DRIVE ABINGDON, VA 24211 54-0544705	HOSPITAL	VA	501C3	3	NA		No
ABINGDON PHYSICIAN PARTNERS 16000 JOHNSTON MEMORIAL DRIVE ABINGDON, VA 24211 20-5485346	MED SERV	VA	501C3	11A	JMH		No

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
INTEGRATED SOLUTIONS HEALTH NETWORK 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 62-1711997	INVESTMENT	TN	NA		-3,337,924	3,380,840		No			No	99 170 %
EMMAUS COMMUNITY HEALTHCARE LLC 6070 HWY 11E PINEY FLATS, TN 37686 20-0577483	MED SERV	TN	NA					No			No	
MEDICAL SPECIALISTS OF JC LLC 2526 WESLEY STREET SUITE 2 JOHNSON CITY, TN 37601 27-2199037	MED SERV	TN	NA		-177,531	123,421		No			No	51 000 %
INTEGRATED SOLUTIONS HEALTH NETWORK 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 62-1711997	INVESTMENT	TN	NA		-3,337,924	3,380,840		No			No	99 170 %
EMMAUS COMMUNITY HEALTHCARE LLC 6070 HWY 11E PINEY FLATS, TN 37686 20-0577483	MED SERV	TN	NA					No			No	
MEDICAL SPECIALISTS OF JC LLC 2526 WESLEY STREET SUITE 2 JOHNSON CITY, TN 37601 27-2199037	MED SERV	TN	NA		-177,531	123,421		No			No	51 000 %
INTEGRATED SOLUTIONS HEALTH NETWORK 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 62-1711997	INVESTMENT	TN	NA		-3,337,924	3,380,840		No			No	99 170 %
EMMAUS COMMUNITY HEALTHCARE LLC 6070 HWY 11E PINEY FLATS, TN 37686 20-0577483	MED SERV	TN	NA					No			No	
MEDICAL SPECIALISTS OF JC LLC 2526 WESLEY STREET SUITE 2 JOHNSON CITY, TN 37601 27-2199037	MED SERV	TN	NA		-177,531	123,421		No			No	51 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
BLUE RIDGE MEDICAL MANAGEMENT CORP 1019 W OAKLAND AVENUE JOHNSON CITY, TN 37604 62-1490616	MED SERV	TN	NA	C CORP	88,108,621	203,141,889	100 000 %
MEDISERVE MEDICAL EQUIPMENT 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1212286	DME	TN	BRMMC	C CORP	4,544,750	4,279,185	100 000 %
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1845895	PROP MGMT	TN	BRMMC	C CORP	14,024,348	149,156,249	100 000 %
MOUNTAIN STATES PHYSICIAN GROUP 1019 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1700412	MED SERV	TN	BRMMC	C CORP	49,444,275	6,131,411	100 000 %
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA 24273 54-1453810	DME	VA	NCH	C CORP	364,522	353,609	50 100 %
COMMUNITY PHYSICIAN SERVICES CORP 100 15TH STREET NW NORTON, VA 24273 54-1641446	MED SERV	VA	NCH	C CORP	516		50 100 %
SOUTHWEST COMMUNITY HEALTH SERV 565 RADIO HILL RD PO BOX 880 MARION, VA 24354 54-1460695	MED SERV	VA	SCCH	C CORP	283,630	1,061,936	80 000 %
WILSON PHARMACY INC PO BOX 5289 JOHNSON CITY, TN 37604 62-0329587	PHARMACY	TN	BRMMC	C CORP	3,257,657	2,903,651	100 000 %
CRESTPOINT HEALTH INSURANCE COMPANY 208 SUNSET DRIVE SUITE 101 JOHNSON CITY, TN 37604 62-0381170	INSURANCE	TN	ISHN	C CORP			99 170 %
BLUE RIDGE MEDICAL MANAGEMENT CORP 1019 W OAKLAND AVENUE JOHNSON CITY, TN 37604 62-1490616	MED SERV	TN	NA	C CORP	88,108,621	203,141,889	100 000 %
MEDISERVE MEDICAL EQUIPMENT 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1212286	DME	TN	BRMMC	C CORP	4,544,750	4,279,185	100 000 %
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1845895	PROP MGMT	TN	BRMMC	C CORP	14,024,348	149,156,249	100 000 %
MOUNTAIN STATES PHYSICIAN GROUP 1019 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1700412	MED SERV	TN	BRMMC	C CORP	49,444,275	6,131,411	100 000 %
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA 24273 54-1453810	DME	VA	NCH	C CORP	364,522	353,609	50 100 %
COMMUNITY PHYSICIAN SERVICES CORP 100 15TH STREET NW NORTON, VA 24273 54-1641446	MED SERV	VA	NCH	C CORP	516		50 100 %
SOUTHWEST COMMUNITY HEALTH SERV 565 RADIO HILL RD PO BOX 880 MARION, VA 24354 54-1460695	MED SERV	VA	SCCH	C CORP	283,630	1,061,936	80 000 %
WILSON PHARMACY INC PO BOX 5289 JOHNSON CITY, TN 37604 62-0329587	PHARMACY	TN	BRMMC	C CORP	3,257,657	2,903,651	100 000 %
CRESTPOINT HEALTH INSURANCE COMPANY 208 SUNSET DRIVE SUITE 101 JOHNSON CITY, TN 37604 62-0381170	INSURANCE	TN	ISHN	C CORP			99 170 %
BLUE RIDGE MEDICAL MANAGEMENT CORP 1019 W OAKLAND AVENUE JOHNSON CITY, TN 37604 62-1490616	MED SERV	TN	NA	C CORP	88,108,621	203,141,889	100 000 %
MEDISERVE MEDICAL EQUIPMENT 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1212286	DME	TN	BRMMC	C CORP	4,544,750	4,279,185	100 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1845895	PROP MGMT	TN	BRMMC	C CORP	14,024,348	149,156,249	100 000 %
MOUNTAIN STATES PHYSICIAN GROUP 1019 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1700412	MED SERV	TN	BRMMC	C CORP	49,444,275	6,131,411	100 000 %
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA 24273 54-1453810	DME	VA	NCH	C CORP	364,522	353,609	50 100 %
COMMUNITY PHYSICIAN SERVICES CORP 100 15TH STREET NW NORTON, VA 24273 54-1641446	MED SERV	VA	NCH	C CORP	516		50 100 %
SOUTHWEST COMMUNITY HEALTH SERV 565 RADIO HILL RD PO BOX 880 MARION, VA 24354 54-1460695	MED SERV	VA	SCCH	C CORP	283,630	1,061,936	80 000 %
WILSON PHARMACY INC PO BOX 5289 JOHNSON CITY, TN 37604 62-0329587	PHARMACY	TN	BRMMC	C CORP	3,257,657	2,903,651	100 000 %
CRESTPOINT HEALTH INSURANCE COMPANY 208 SUNSET DRIVE SUITE 101 JOHNSON CITY, TN 37604 62-0381170	INSURANCE	TN	ISHN	C CORP			99 170 %

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	MSHA AUXILIARY	O	178,832	
(2)	MSHA AUXILIARY	P	197,250	
(3)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	
(4)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(5)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(6)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	
(7)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(8)	WILSON PHARMACY	N	76,462	
(9)	WILSON PHARMACY	P	1,841,888	
(10)	MEDISERVE	G	56,623	
(11)	MEDISERVE	J	138,688	
(12)	MEDISERVE	K	174,373	
(13)	MEDISERVE	P	1,101,681	
(14)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(15)	MOUNTAIN STATES PROPERTIES	K	247,351	
(16)	MOUNTAIN STATES PROPERTIES	N	86,339	
(17)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(18)	MOUNTAIN STATES FOUNDATION	B	672,450	
(19)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(20)	MOUNTAIN STATES FOUNDATION	K	1,023,012	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(21)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(22)	NORTON COMMUNITY HOSPITAL	N	531,171	
(23)	NORTON COMMUNITY HOSPITAL	P	796,930	
(24)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(25)	ISHN	B	5,661,810	
(26)	ISHN	D	1,000,000	
(27)	ISHN	L	1,989,315	
(28)	ISHN	P	691,062	
(29)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	
(30)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(31)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(32)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	
(33)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(34)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(35)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	
(36)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(37)	APP	K	850,322	
(38)	MSHA AUXILIARY	O	178,832	
(39)	MSHA AUXILIARY	P	197,250	
(40)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(41)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(42)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(43)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	
(44)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(45)	WILSON PHARMACY	N	76,462	
(46)	WILSON PHARMACY	P	1,841,888	
(47)	MEDISERVE	G	56,623	
(48)	MEDISERVE	J	138,688	
(49)	MEDISERVE	K	174,373	
(50)	MEDISERVE	P	1,101,681	
(51)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(52)	MOUNTAIN STATES PROPERTIES	K	247,351	
(53)	MOUNTAIN STATES PROPERTIES	N	86,339	
(54)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(55)	MOUNTAIN STATES FOUNDATION	B	672,450	
(56)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(57)	MOUNTAIN STATES FOUNDATION	K	1,023,012	
(58)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(59)	NORTON COMMUNITY HOSPITAL	N	531,171	
(60)	NORTON COMMUNITY HOSPITAL	P	796,930	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(61)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(62)	ISHN	B	5,661,810	
(63)	ISHN	D	1,000,000	
(64)	ISHN	L	1,989,315	
(65)	ISHN	P	691,062	
(66)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	
(67)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(68)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(69)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	
(70)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(71)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(72)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	
(73)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(74)	APP	K	850,322	
(75)	MSHA AUXILIARY	O	178,832	
(76)	MSHA AUXILIARY	P	197,250	
(77)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	
(78)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(79)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(80)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(81)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(82)	WILSON PHARMACY	N	76,462	
(83)	WILSON PHARMACY	P	1,841,888	
(84)	MEDISERVE	G	56,623	
(85)	MEDISERVE	J	138,688	
(86)	MEDISERVE	K	174,373	
(87)	MEDISERVE	P	1,101,681	
(88)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(89)	MOUNTAIN STATES PROPERTIES	K	247,351	
(90)	MOUNTAIN STATES PROPERTIES	N	86,339	
(91)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(92)	MOUNTAIN STATES FOUNDATION	B	672,450	
(93)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(94)	MOUNTAIN STATES FOUNDATION	K	1,023,012	
(95)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(96)	NORTON COMMUNITY HOSPITAL	N	531,171	
(97)	NORTON COMMUNITY HOSPITAL	P	796,930	
(98)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(99)	ISHN	B	5,661,810	
(100)	ISHN	D	1,000,000	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(101)	ISHN	L	1,989,315	
(102)	ISHN	P	691,062	
(103)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	
(104)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(105)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(106)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	
(107)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(108)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(109)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	
(110)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(111)	APP	K	850,322	
(112)	MSHA AUXILIARY	O	178,832	
(113)	MSHA AUXILIARY	P	197,250	
(114)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	
(115)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(116)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(117)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	
(118)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(119)	WILSON PHARMACY	N	76,462	
(120)	WILSON PHARMACY	P	1,841,888	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(121)	MEDISERVE	G	56,623	
(122)	MEDISERVE	J	138,688	
(123)	MEDISERVE	K	174,373	
(124)	MEDISERVE	P	1,101,681	
(125)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(126)	MOUNTAIN STATES PROPERTIES	K	247,351	
(127)	MOUNTAIN STATES PROPERTIES	N	86,339	
(128)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(129)	MOUNTAIN STATES FOUNDATION	B	672,450	
(130)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(131)	MOUNTAIN STATES FOUNDATION	K	1,023,012	
(132)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(133)	NORTON COMMUNITY HOSPITAL	N	531,171	
(134)	NORTON COMMUNITY HOSPITAL	P	796,930	
(135)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(136)	ISHN	B	5,661,810	
(137)	ISHN	D	1,000,000	
(138)	ISHN	L	1,989,315	
(139)	ISHN	P	691,062	
(140)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(141)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(142)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(143)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	
(144)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(145)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(146)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	
(147)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(148)	APP	K	850,322	
(149)	MSHA AUXILIARY	O	178,832	
(150)	MSHA AUXILIARY	P	197,250	
(151)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	
(152)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(153)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(154)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	
(155)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(156)	WILSON PHARMACY	N	76,462	
(157)	WILSON PHARMACY	P	1,841,888	
(158)	MEDISERVE	G	56,623	
(159)	MEDISERVE	J	138,688	
(160)	MEDISERVE	K	174,373	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(161)	MEDISERVE	P	1,101,681	
(162)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(163)	MOUNTAIN STATES PROPERTIES	K	247,351	
(164)	MOUNTAIN STATES PROPERTIES	N	86,339	
(165)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(166)	MOUNTAIN STATES FOUNDATION	B	672,450	
(167)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(168)	MOUNTAIN STATES FOUNDATION	K	1,023,012	
(169)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(170)	NORTON COMMUNITY HOSPITAL	N	531,171	
(171)	NORTON COMMUNITY HOSPITAL	P	796,930	
(172)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(173)	ISHN	B	5,661,810	
(174)	ISHN	D	1,000,000	
(175)	ISHN	L	1,989,315	
(176)	ISHN	P	691,062	
(177)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	
(178)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(179)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(180)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(181)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(182)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(183)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	
(184)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(185)	APP	K	850,322	
(186)	MSHA AUXILIARY	O	178,832	
(187)	MSHA AUXILIARY	P	197,250	
(188)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	
(189)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(190)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(191)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	
(192)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(193)	WILSON PHARMACY	N	76,462	
(194)	WILSON PHARMACY	P	1,841,888	
(195)	MEDISERVE	G	56,623	
(196)	MEDISERVE	J	138,688	
(197)	MEDISERVE	K	174,373	
(198)	MEDISERVE	P	1,101,681	
(199)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(200)	MOUNTAIN STATES PROPERTIES	K	247,351	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(201)	MOUNTAIN STATES PROPERTIES	N	86,339	
(202)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(203)	MOUNTAIN STATES FOUNDATION	B	672,450	
(204)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(205)	MOUNTAIN STATES FOUNDATION	K	1,023,012	
(206)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(207)	NORTON COMMUNITY HOSPITAL	N	531,171	
(208)	NORTON COMMUNITY HOSPITAL	P	796,930	
(209)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(210)	ISHN	B	5,661,810	
(211)	ISHN	D	1,000,000	
(212)	ISHN	L	1,989,315	
(213)	ISHN	P	691,062	
(214)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	
(215)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(216)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(217)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	
(218)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(219)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(220)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(221)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(222)	APP	K	850,322	
(223)	MSHA AUXILIARY	O	178,832	
(224)	MSHA AUXILIARY	P	197,250	
(225)	BLUE RIDGE MEDICAL MANAGEMENT CORP	I	105,998	
(226)	BLUE RIDGE MEDICAL MANAGMENT CORP	K	9,910,706	
(227)	BLUE RIDGE MEDICAL MANAGEMENT CORP	L	31,167,999	
(228)	BLUE RIDGE MEDICAL MANAGEMENT CORP	N	531,062	
(229)	BLUE RIDGE MEDICAL MANAGEMENT CORP	P	4,628,746	
(230)	WILSON PHARMACY	N	76,462	
(231)	WILSON PHARMACY	P	1,841,888	
(232)	MEDISERVE	G	56,623	
(233)	MEDISERVE	J	138,688	
(234)	MEDISERVE	K	174,373	
(235)	MEDISERVE	P	1,101,681	
(236)	MOUNTAIN STATES PROPERTIES	J	2,050,216	
(237)	MOUNTAIN STATES PROPERTIES	K	247,351	
(238)	MOUNTAIN STATES PROPERTIES	N	86,339	
(239)	MOUNTAIN STATES PROPERTIES	Q	523,559	
(240)	MOUNTAIN STATES FOUNDATION	B	672,450	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(241)	MOUNTAIN STATES FOUNDATION	C	1,647,435	
(242)	MOUNTAIN STATES FOUNDATION	K	1,023,012	
(243)	NORTON COMMUNITY HOSPTIAL	K	10,161,993	
(244)	NORTON COMMUNITY HOSPITAL	N	531,171	
(245)	NORTON COMMUNITY HOSPITAL	P	796,930	
(246)	DICKENSON COMMUNITY HOSPITAL	K	785,766	
(247)	ISHN	B	5,661,810	
(248)	ISHN	D	1,000,000	
(249)	ISHN	L	1,989,315	
(250)	ISHN	P	691,062	
(251)	SMYTH COUNTY COMMUNITY HOSPITAL	B	19,300,494	
(252)	SMYTH COUNTY COMMUNITY HOSPITAL	D	16,464,093	
(253)	SMYTH COUNTY COMMUNITY HOSPITAL	K	4,127,318	
(254)	SMYTH COUNTY COMMUNITY HOSPITAL	P	72,934	
(255)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	310,435	
(256)	JOHNSTON MEMORIAL HOSPITAL	K	9,554,598	
(257)	JOHNSTON MEMORIAL HOSPTIAL	L	253,600	
(258)	JOHNSTON MEMORIAL HOSPITAL	O	114,068	
(259)	APP	K	850,322	

[redacted]

MOUNTAIN STATES HEALTH ALLIANCE

Audited Consolidated Financial Statements (and Supplemental Schedules)

Years Ended June 30, 2012 and 2011

PYA

Certified Public Accountants

MOUNTAIN STATES HEALTH ALLIANCE

Audited Consolidated Financial Statements (and Supplemental Schedules)

Years Ended June 30, 2012 and 2011

PYA
Certified Public Accountants

PERSHING YOAKLEY & ASSOCIATES, P.C.
One Cherokee Mills, 2220 Sutherland Avenue
Knoxville, TN 37919
p: (865) 673-0844 | f: (865) 673-0173
www.pyapc.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mountain States Health Alliance:

We have audited the accompanying consolidated balance sheets of Mountain States Health Alliance and subsidiaries (the Alliance) as of June 30, 2012 and 2011 and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Alliance's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mountain States Health Alliance and subsidiaries as of June 30, 2012 and 2011 and the results of their operations, changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information as listed in the accompanying index is presented for purposes:of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Pershing Yoakley & Associates PC

Knoxville, Tennessee
October 26, 2012

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Balance Sheets
(Dollars in Thousands)

	June 30, 2012	June 30, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 65,107	$ 112,768
Current portion of investments - Note C	36,557	116,175
Patient accounts receivable, less estimated allowances for uncollectible accounts of $52,911 in 2012 and $53,366 in 2011	150,690	134,611
Other receivables, net	23,008	19,614
Inventories and prepaid expenses	28,810	28,965
TOTAL CURRENT ASSETS	304,172	412,133
INVESTMENTS, less amounts required to meet current obligations	560,697	581,376
PROPERTY, PLANT AND EQUIPMENT, net	865,456	797,418
OTHER ASSETS		
Goodwill	154,391	148,666
Net deferred financing, acquisition costs and other charges	28,187	29,844
Other assets	28,144	28,448
TOTAL OTHER ASSETS	210,722	206,958
	$ 1,941,047	$ 1,997,885

	June 30, 2012	June 30, 2011
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest payable	$ 18,525	$ 20,047
Current portion of long-term debt and capital lease obligations	32,477	28,162
Current portion of estimated fair value of derivatives - Note D	10,395	102,609
Accounts payable and accrued expenses	108,870	98,819
Accrued salaries, compensated absences and amounts withheld	55,589	57,800
Estimated amounts due to third-party payors, net	18,060	14,813
TOTAL CURRENT LIABILITIES	243,916	322,250
OTHER LIABILITIES		
Long-term debt and capital lease obligations, less current portion	1,048,098	1,040,923
Estimated fair value of derivatives, less current portion	8,986	8,123
Deferred revenue	3,134	19,267
Estimated professional liability self-insurance	9,344	9,692
Other long-term liabilities	16,822	14,352
TOTAL LIABILITIES	1,330,300	1,414,607
COMMITMENTS AND CONTINGENCIES - Notes D, F, G, and N		
NET ASSETS		
Unrestricted net assets		
Mountain States Health Alliance	436,388	400,395
Noncontrolling interests in subsidiaries	162,959	171,984
TOTAL UNRESTRICTED NET ASSETS	599,347	572,379
Temporarily restricted net assets		
Mountain States Health Alliance	11,223	10,715
Noncontrolling interests in subsidiaries	50	57
TOTAL TEMPORARILY RESTRICTED NET ASSETS	11,273	10,772
Permanently restricted net assets	127	127
TOTAL NET ASSETS	610,747	583,278
	$ 1,941,047	$ 1,997,885

See notes to consolidated financial statements.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Statements of Operations
(Dollars in Thousands)

	Year Ended June 30, 2012	2011
Revenue, gains and support:		
Patient service revenue, net of contractual allowances and discounts	$ 1,075,050	$ 1,062,123
Provision for bad debts	(122,917)	(116,248)
Net patient service revenue	952,133	945,875
Other operating revenue	39,407	24,868
TOTAL REVENUE, GAINS AND SUPPORT	991,540	970,743
Expenses:		
Salaries and wages	358,607	342,208
Physician salaries and wages	65,706	59,249
Contract labor	6,375	5,964
Employee benefits	69,600	67,139
Fees	97,959	85,919
Supplies	170,186	168,261
Utilities	17,289	17,300
Other	76,285	69,647
Depreciation	73,060	87,499
Amortization	2,245	2,559
Interest and taxes	45,903	44,153
TOTAL EXPENSES	983,215	949,898
OPERATING INCOME	8,325	20,845
Nonoperating gains (losses):		
Interest and dividend income	15,213	16,224
Net realized gains (losses) on the sale of securities	(2,595)	1,957
Change in net unrealized gains on securities	(2,884)	22,168
Derivative related income	7,515	5,072
Loss on early extinguishment of debt - Note F	(2,636)	-
Change in estimated fair value of derivatives	(6,198)	23,049
Other nonoperating gains (losses)	11,236	(2,653)
NET NONOPERATING GAINS	19,651	65,817
EXCESS OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES	$ 27,976	$ 86,662

See notes to consolidated financial statements.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Statements of Changes in Net Assets
(Dollars in Thousands)

Year Ended June 30, 2012

	Mountain States Health Alliance	*Noncontrolling Interests*	*Total*
UNRESTRICTED NET ASSETS:			
Excess (Deficit) of Revenue, Gains and Support over Expenses and Losses	$ 27,977	$ (1)	$ 27,976
Pension and other defined benefit plan adjustments	1,115	(1,115)	-
Net assets released from restrictions used for the purchase of property, plant and equipment	-	-	-
Distributions to noncontrolling interests	-	(324)	(324)
Repurchases of noncontrolling interests	3,860	(3,860)	-
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	32,952	(5,300)	27,652
TEMPORARILY RESTRICTED NET ASSETS:			
Restricted grants and contributions	(40)	39	(1)
Net assets released from restrictions	46	(46)	-
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	6	(7)	(1)
INCREASE (DECREASE) IN TOTAL NET ASSETS	32,958	(5,307)	27,651
NET ASSETS, BEGINNING OF YEAR	411,237	172,041	583,278
NET ASSETS, END OF YEAR	$ 444,195	$ 166,734	$ 610,929

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Statements of Changes in Net Assets - Continued
(Dollars in Thousands)

Year Ended June 30, 2011

	Mountain States Health Alliance	*Noncontrolling Interests*	*Total*
UNRESTRICTED NET ASSETS:			
Excess of Revenue, Gains and Support over Expenses and Losses	$ 83,269	$ 3,393	$ 86,662
Pension and other defined benefit plan adjustments	620	617	1,237
Cumulative effect of a change in accounting principle - Note B	(2,965)	-	(2,965)
Net assets released from restrictions used for the purchase of property, plant and equipment	1,946	-	1,946
Distributions to noncontrolling interests	-	(270)	(270)
Repurchases of noncontrolling interests and other	40	(115)	(75)
INCREASE IN UNRESTRICTED NET ASSETS	82,910	3,625	86,535
TEMPORARILY RESTRICTED NET ASSETS:			
Restricted grants and contributions	3,612	58	3,670
Net assets released from restrictions	(3,787)	(52)	(3,839)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(175)	6	(169)
INCREASE IN TOTAL NET ASSETS	82,735	3,631	86,366
NET ASSETS, BEGINNING OF YEAR	328,502	168,410	496,912
NET ASSETS, END OF YEAR	$ 411,237	$ 172,041	$ 583,278

See notes to consolidated financial statements.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Statements of Cash Flows
(Dollars in Thousands)

	Year Ended June 30,	
	2012	*2011*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	**$ 27,469**	$ 86,366
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Provision for depreciation and amortization	**75,777**	90,472
Loss on early extinguishment of debt	**2,636**	-
Cumulative effect of a change in accounting principle	**-**	2,965
Change in estimated fair value of derivatives	**6,198**	(23,049)
Equity in net income of joint ventures, net	**(979)**	(898)
Loss (gain) on disposal of assets	**446**	(367)
Amounts received on interest rate swap settlements	**(7,515)**	(5,072)
Gain on escrow restructuring - Note F	**(5,337)**	-
Income recognized through forward sale agreements	**(864)**	(864)
Gain on termination of swaption and forward sale agreements - Note D	**(7,766)**	-
Capital Appreciation Bond accretion and other	**3,159**	2,738
Restricted contributions	**(3,899)**	(3,670)
Pension and other defined benefit plan adjustments	**2,234**	(1,237)
Increase (decrease) in cash due to change in:		
Patient accounts receivable	**(16,079)**	(9,031)
Other receivables, net	**(3,501)**	(2,802)
Inventories and prepaid expenses	**155**	(643)
Trading securities	**21,646**	(123,966)
Other assets	**(2,733)**	(3,632)
Accrued interest payable	**(1,522)**	4,008
Accounts payable and accrued expenses	**4,131**	2,741
Accrued salaries, compensated absences and amounts withheld	**(2,211)**	11,361
Estimated amounts due to third-party payors, net	**3,247**	4,658
Other long-term liabilities	**236**	2,961
Estimated professional liability self-insurance	**(348)**	151
Total adjustments	**67,111**	(53,176)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**94,580**	33,190
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	**(132,890)**	(172,786)
Additions to goodwill	**(5,725)**	(279)
Net decrease in assets limited as to use	**85,947**	81,383
Purchases of held-to-maturity securities	**(9,516)**	(41,060)
Net distribution from joint ventures and unconsolidated affiliates	**882**	1,057
Proceeds from sale of property, plant and equipment	**1,881**	812
NET CASH USED IN INVESTING ACTIVITIES	**(59,421)**	(130,873)

	Year Ended June 30, 2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt and capital lease obligations, including deposits to escrow	**(71,997)**	(37,735)
Payment of acquisition and financing costs	**(2,742)**	(1,716)
Proceeds from issuance of long-term debt and other financing arrangements	**67,451**	5,954
Payment on termination of swaption	**(93,353)**	-
Gain on escrow restructuring	**5,337**	-
Net amounts received on interest rate swap settlements	**7,515**	5,072
Restricted contributions received	**4,969**	4,350
NET CASH USED IN FINANCING ACTIVITIES	**(82,820)**	(24,075)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(47,661)**	(121,758)
CASH AND CASH EQUIVALENTS, beginning of year	**112,768**	234,526
CASH AND CASH EQUIVALENTS, end of year	**$ 65,107**	$ 112,768
SUPPLEMENTAL INFORMATION AND NON-CASH TRANSACTIONS:		
Cash paid for interest	**$ 41,168**	$ 39,507
Cash paid for federal and state income taxes	**$ 336**	$ 739
Construction related payables in accounts payable and accrued expenses	**$ 6,821**	$ 11,384
Property acquired through capital lease arrangement	**$ 13,959**	$ 15,951
Payable on termination of forward sale agreements in accounts payable and accrued expenses	**$ 13,429**	$ -
Land held for expansion placed in use	**$ 1,610**	$ 4,904

During the year ended June 30, 2012, the Alliance refinanced previously issued debt of $174,547.

NOTE A--ORGANIZATION AND OPERATIONS

Mountain States Health Alliance (the Alliance) is a tax-exempt entity with operations primarily located in Washington, Sullivan, and Carter counties of Tennessee and Smyth, Wise, Dickenson, Russell and Washington counties of Virginia. The initial funds for the establishment of the Alliance in 1945 were provided by individuals and various institutions. Membership of the Alliance consists of individuals and institutions who have contributed at least $100 to the capital fund of the Alliance and are entitled to vote at the annual election of the Board of Directors.

The primary operations of the Alliance consist of ten acute and specialty care hospitals, as follows:

- Johnson City Medical Center (JCMC) - licensed for 658 beds
- Indian Path Medical Center (IPMC) - licensed for 261 beds
- Smyth County Community Hospital (SCCH) - licensed for 153 beds
- Norton Community Hospital (NCH) - licensed for 129 beds
- Sycamore Shoals Hospital (SSH) - licensed for 121 beds
- Johnston Memorial Hospital (JMH) - licensed for 116 beds
- Franklin Woods Community Hospital (FWCH) - licensed for 80 beds
- Russell County Medical Center (RCMC) - licensed for 78 beds
- Dickenson Community Hospital (DCH) - licensed for 25 beds
- Johnson County Community Hospital (JCCH) - licensed for 2 beds

The Alliance has a 50.1% interest in JMH. JMH is also the sole member of Abingdon Physician Partners (APP), a non-taxable corporation that owns and manages physician practices.

The Alliance has a 50.1% interest in NCH. NCH is also the sole member or shareholder of DCH and Norton Community Physician Services, LLC (NCPS), a taxable corporation that consists of physician practices and a pharmacy and; Community Home Care (CHC), a taxable corporation that provides home medical equipment.

The Alliance has an 80% interest in SCCH. SCCH is the sole shareholder of Southwest Community Health Services, Inc. (SWCH), a taxable entity that operates a pharmacy and provides other health services.

The activities and accounts of JMH, NCH and SCCH are included in the accompanying consolidated financial statements.

The Alliance is the sole shareholder of Blue Ridge Medical Management Corporation (BRMM), a for-profit entity that owns and manages physician practices and provides other healthcare services to patients in Tennessee and Virginia. BRMM also operates as a medical office real estate developer by

NOTE A--ORGANIZATION AND OPERATIONS - Continued

owning, selling and leasing real estate to physician practices and other entities. BRMM is either the sole shareholder, a significant shareholder, or member of the following organizations:

Mountain States Physician Group, Inc. (MSPG): A company that contracts with physicians to provide services to BRMM physician practices.

Mountain States Properties, Inc. (MSPI): An entity that owns and manages certain real estate (primarily medical office buildings) and provides rehabilitation and fitness services. In addition, MSPI is counter-party to an interest rate swap.

Mediserve Medical Equipment of Kingsport, Inc. (Mediserve): A company that provides durable medical equipment services.

Kingsport Ambulatory Surgery Center (KASC) (d.b.a. Kingsport Day Surgery): A joint venture operating as an outpatient surgery center which performs procedures primarily in otolaryngology, orthopedics, ophthalmology, and general surgery. BRMM has a 43% ownership of KASC and maintains control over KASC through a management agreement. The accounts and activities of KASC are included in the accompanying consolidated financial statements.

Piney Flats Urgent Care (PFUC): A for-profit entity that provides urgent care patient services. BRMM has a 75% ownership of PFUC. The accounts and activities of PFUC are included in the accompanying consolidated financial statements.

Wilson Pharmacy, Inc. (Wilson): In August 2012, BRMM acquired Wilson, a Company that owns and operates retail pharmacies. BRMM purchased 100% of the total issued and outstanding capital stock of Wilson for $8,114 and recognized goodwill of $5,725.

The Alliance is the primary beneficiary of the activities of Mountain States Foundation, Inc. (MSF), a not-for-profit foundation formed to coordinate fundraising and development activities of the Alliance. The Alliance is also the beneficiary of the Mountain States Health Alliance Auxiliary (Auxiliary), a not-for-profit organization formed to coordinate volunteer activities of the Alliance. The activities and accounts of MSF and the Auxiliary are included in the accompanying consolidated financial statements.

The Alliance is a majority shareholder of Integrated Solutions Health Network, LLC (ISHN). The primary function of ISHN is to establish, operate and administer a provider-sponsored health care delivery network. The accounts and activities of ISHN are included in the accompanying consolidated financial statements.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Alliance and its subsidiaries after elimination of all significant intercompany accounts and transactions. The Alliance classifies those activities directly associated with its mission of providing healthcare services, as well as other activities deemed significant to its operations, as operating activities.

Noncontrolling Interests in Subsidiaries: The Alliance's accompanying consolidated financial statements include all assets, liabilities, revenues, expenses, and changes in net assets, including amounts attributable to the noncontrolling interest. Noncontrolling interests represent the portion of equity (net assets) into a subsidiary not attributable, directly or indirectly, to the Alliance. For the years ending June 30, 2012 and 2011, the Alliance attributed an Excess (Deficit) of Revenue, Gains and Support over Expenses and Losses of ($3,726) and $3,393, respectively, to the noncontrolling interests in JMH, NCH, SCCH, KASC, PFUC and ISHN based on the noncontrolling interests' respective ownership percentage.

Use of Estimates: The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents: Cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents designated as assets limited as to use or uninvested amounts included in investment portfolios are not included as cash and cash equivalents on the Consolidated Balance Sheets.

Investments: Investments as reported in the Consolidated Balance Sheets include trading securities, held-to-maturity securities and assets limited as to use (Note C). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320, *Investments – Debt and Equity Securities*, allows not-for-profit organizations to report in a manner similar to business entities by identifying securities as available-for-sale or held-to-maturity and to exclude the unrealized gains and losses on those securities from the Performance Indicator (as defined below). Investments which the Alliance has the positive intent and ability to hold to maturity are considered as held-to-maturity. Substantially all other investments are considered as trading securities. Management annually evaluates the held-to-maturity investment portfolio and recognizes any "other-than-temporary" losses as deductions from the Performance Indicator. Management's evaluation considers the amount of decline in fair value, as well as the time period of any such decline.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

Management does not believe any investment classified as held-to-maturity is other-than-temporarily impaired at June 30, 2012.

Within the trading securities portfolio, all debt securities and marketable equity securities with readily determinable fair values are reported at fair value based on quoted market prices. Investments without readily determinable fair values are reported at estimated fair market value pursuant to FASB ASC 825, *Financial Instruments*. Guaranteed investment contracts are reported at contract value.

Realized gains and losses on trading securities and assets limited as to use are computed using the specific identification method for cost determination. Interest and dividend income is reported net of related investment fees.

Investments in joint ventures are reported under the equity method of accounting, which approximates the Alliance's equity in the underlying net book value, unless the ownership structure requires consolidation. Other assets include investments in joint ventures of $2,153 and $2,367 at June 30, 2012 and 2011, respectively.

Inventories: Inventories, consisting primarily of medical supplies, are stated at the lower of cost or market.

Property, Plant and Equipment: Property, plant and equipment is stated on the basis of cost, or if donated, at the fair value at the date of gift. Generally, depreciation is computed by the straight-line method over the estimated useful life of the asset. Equipment held under capital lease obligations is amortized under the straight-line method over the shorter of the lease term or estimated useful life. Amortization of buildings and equipment held under capital leases is shown as a part of depreciation expense and accumulated depreciation in the accompanying consolidated financial statements. Renewals and betterments are capitalized and depreciated over their useful life, whereas costs of maintenance and repairs are expensed as incurred.

Interest costs 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 amount capitalized is net of investment earnings on assets limited as to use derived from borrowings designated for capital assets.

The Alliance reviews capital assets for indications of potential impairment when there are changes in circumstances related to a specific asset. If this review indicates that the carrying value of these assets may not be recoverable, the Alliance estimates future cash flows from operations and the eventual disposition of such assets. If the sum of these undiscounted future cash flows is less than

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

the carrying amount of the asset, a write-down to estimated fair value is recorded. The Alliance did not recognize any impairment losses during 2012 and 2011.

Other assets include property held for resale and property held for expansion of $2,620 and $4,230, respectively, at June 30, 2012 and 2011. During 2012, property held for expansion totaling approximately $1,610 was transferred to property, plant and equipment in conjunction with the construction of a replacement facility for SCCH. During 2011, property held for expansion totaling approximately $4,904 was transferred to property, plant and equipment in conjunction with the construction of FWCH. Property held for resale and property held for expansion primarily represent land contributed to, or purchased by, the Alliance plus costs incurred to develop the infrastructure of such land. Management annually evaluates its investment and records non-temporary declines in value when it is determined the ultimate net realizable value is less than the recorded amount. No such declines were identified in 2012 and 2011.

Goodwill: Goodwill represents the difference between the acquisition cost of assets and the estimated fair value of net tangible and any separately identified intangible assets. Effective July 1, 2010, the Alliance adopted ASC 350, *Intangibles – Goodwill and Other*, which requires goodwill to be evaluated for impairment at least annually. Upon adoption of ASC 350, the Alliance was required to perform a transitional impairment test. As a result of this testing, management determined that as of July 1, 2010 approximately $2,965 of goodwill associated with one of its reporting units was impaired, and such impairment has been reflected as the Cumulative Effect of a Change in Accounting Principle in the 2011 Consolidated Statement of Changes in Net Assets.

In September 2011, the FASB issued Accounting Standards Update (ASU) 2011-08 which allows entities to use a qualitative approach to determine whether the fair value of a reporting unit is more likely than not impaired. The Alliance early adopted the provisions of this ASU and, based upon this qualitative analysis, management does not believe it is more likely than not that goodwill associated with any of its reporting units is impaired as of June 30, 2012. The reporting unit for evaluation of substantially all such goodwill is the Alliance's aggregate acute-care operations.

Deferred Financing, Acquisition Costs and Other Charges: Other assets, including deferred financing, acquisition costs and other charges, total $28,187 and $29,844 at June 30, 2012 and 2011, respectively. Deferred financing costs are amortized over the life of the respective bond issue principally using the average bonds outstanding method. Other intangible assets include licenses and similar assets and are being amortized over the intangible's estimated useful life under the straight-line method.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior to 2009, the Alliance routinely financed interest rate swap and other derivative transaction issuance costs through modification of future settlement terms. As such, the unamortized issuance costs of these derivatives are included as deferred financing costs in the accompanying Consolidated Balance Sheets and are being amortized over the term of the respective derivative instrument. The unpaid issuance costs are included as a part of the estimated fair value of derivatives in the accompanying Consolidated Balance Sheets. Subsequent to 2009, interest rate swap and derivative transaction issuance costs were expensed as incurred.

Derivative Financial Instruments: As further described in Note D, the Alliance is a party to interest rate swap and other derivative agreements. These financial instruments are not designated as hedges and have been presented at estimated fair market value in the accompanying Consolidated Balance Sheets as either current or long-term liabilities, based upon the remaining term of the instrument. Changes in the estimated fair value of these derivatives are included in the Consolidated Statements of Operations as part of nonoperating gains (losses). Net settlements and other related income of derivatives are also reflected as a part of the Performance Indicator (described below).

These fair values are based on the estimated amount the Alliance would receive, or be required to pay, to enter into equivalent agreements at the valuation date and include an estimated credit value adjustment. The fair value of various derivatives are netted on the Consolidated Balance Sheets based on management's evaluation of the settlement provisions in the master contract. Gross positions of these derivatives are disclosed in Note D. Due to the nature of these financial instruments, such estimates of fair value are subject to significant change in the near term.

Estimated Professional Liability Self-Insurance and Other Long-Term Liabilities: Self-insurance liabilities include estimated reserves for reported and unreported professional liability claims (Note G) and are recorded at the estimated net present value of such claims. Other long-term liabilities include contributions payable and obligations under deferred compensation arrangements, a defined benefit pension plan, a post-retirement employee benefit plan as well as other liabilities which management estimates are not payable within one year.

Net Patient Service Revenue/Receivables: Net patient service revenue is reported on the accrual basis in the period in which services are provided at the estimated net realizable amounts, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Alliance's revenue recognition policies related to self-pay and other types of payors emphasize revenue recognition only when collections are reasonably assured.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

Patient accounts receivable are reported net of both an estimated allowance for uncollectible accounts and an estimated allowance for contractual adjustments. The contractual allowance represents the difference between established billing rates and estimated reimbursement from Medicare, Medicaid, TennCare and other third-party payment programs. Current operations include a provision for bad debts in the Consolidated Statements of Operations estimated based upon the age of the patient accounts receivable, historical writeoffs and recoveries and any unusual circumstances (such as local, regional or national economic conditions) which affect the collectibility of receivables, including management's assumptions about conditions it expects to exist and courses of action it expects to take. Additions to the allowance for uncollectible accounts result from the provision for bad debts. Patient accounts written off as uncollectible are deducted from the allowance for uncollectible accounts.

For uninsured patients that do not qualify for charity care, the Alliance recognizes revenue on the basis of discounted rates under the Alliance's self-pay patient policy. Under the policy, a patient who has no insurance and is ineligible for any government assistance program has his or her bill reduced to the amount which generally would be billed to a commercially insured patient.

The Alliance's policy does not require collateral or other security for patient accounts receivable. The Alliance routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies.

Charity Care: The Alliance accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Alliance and various guidelines outlined by the Federal Government. These policies define charity as those services for which no payment is anticipated and, as such, charges at established rates are not included in net patient service revenue. The estimated direct and indirect cost of providing these services totaled approximately $24,709 and $18,158 in 2012 and 2011, respectively. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

In addition to the charity care services described above, the Alliance provides a number of other services to benefit the poor for which little or no payment is received. Medicare, Medicaid, TennCare and State indigent programs do not cover the full cost of providing care to beneficiaries of those programs. The Alliance also provides services to the community at large for which it receives little or no payment.

Excess (Deficit) of Revenue, Gains and Support Over Expenses and Losses: The Consolidated Statements of Operations and the Consolidated Statements of Changes in Net Assets includes the

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

caption *Excess (Deficit) of Revenue, Gains and Support Over Expenses and Losses* (the Performance Indicator). Changes in unrestricted net assets which are excluded from the Performance Indicator, consistent with industry practice, include contributions of long-lived assets or amounts restricted to the purchase of long-lived assets, pension and related adjustments, and distributions to, or contributions from, owners and transactions with noncontrolling interests.

Income Taxes: The Alliance is classified as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, no provision for income taxes has been made in the accompanying consolidated financial statements for the Alliance and its tax-exempt subsidiaries. Taxable entities account for income taxes in accordance with FASB ASC 740, *Income Taxes* (Note L). The Alliance has no significant uncertain tax positions at June 30, 2012 and 2011.

Temporarily and Permanently Restricted Net Assets: Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor or time restriction expires; that is, when a stipulated time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Consolidated Statements of Operations and Consolidated Statements of Changes in Net Assets as net assets released from restrictions. The Alliance's policy is to net contribution and grant revenues against related expenses and present such amounts as a part of other nonoperating gains (losses) in the Consolidated Statements of Operations. Permanently restricted net assets have been restricted by donors to be maintained by the Alliance in perpetuity.

Fair Value Measurement: The Alliance had previously adopted FASB ASC 820, *Fair Value Measurements and Disclosures,* which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements.

Subsequent Events: The Alliance evaluated all events or transactions that occurred after June 30, 2012, through October 26, 2012, the date the consolidated financial statements were available to be issued. During this period management did not note any material recognizable subsequent events that required recognition or disclosure in the June 30, 2012 consolidated financial statements, other than as discussed in Notes D and S.

New Accounting Pronouncements: In July 2011, the FASB issued ASU 2011-07, *Healthcare Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Healthcare Entities,* which requires certain healthcare entities reclassify the provision for bad debts associated with providing patient care from an operating expense to a deduction from net patient service revenue in the Consolidated

(Dollars in Thousands)

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

Statements of Operations. Additionally, ASU 2011-07 requires enhanced disclosures about an entity's policies for recognizing revenue and assessing bad debts and qualitative and quantitative information about changes in the allowance for doubtful accounts. The Alliance retroactively adopted ASU 2011-07 in fiscal year 2012. The adoption of ASU 2011-07 did not have a material impact on the 2012 or 2011 consolidated financial statements.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities – Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24). The amendments in ASU 2010-24 clarify that a healthcare entity may not net insurance recoveries against related claim liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. The Alliance adopted ASU 2010-24 prospectively during 2012. The adoption of ASU 2010-24 did not have a material impact on the consolidated financial statements.

In August 2010, the FASB issued ASU 2010-23, *Health Care Entities – Measuring Charity Care for Disclosure.* ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. ASU 2010-23 requires that cost, identified as the direct and indirect costs of providing the charity care, be used as the measurement basis for disclosure purposes. ASU 2010-23 also requires disclosure of the method used to identify or determine such costs. The Alliance adopted ASU 2010-23 in 2012. The adoption of ASU 2010-23 did not have a material impact on the consolidated financial statements.

Reclassifications: Certain 2011 amounts have been reclassified to conform with the 2012 presentation in the accompanying consolidated financial statements.

NOTE C--INVESTMENTS

Assets limited as to use are summarized by designation or restriction as follows at June 30:

	2012	*2011*
Designated or restricted:		
Under safekeeping agreements and other	$ 24,026	$ 28,349
Under guarantee agreements	-	92,720
By Board for capital improvements	4	4

(Dollars in Thousands)

NOTE C--INVESTMENTS - Continued

	2012	2011
Under bond indenture agreements:		
For debt service and interest payments	77,602	67,874
For capital acquisitions	29,578	28,835
	131,210	217,782
Less: amount required to meet current obligations	(36,557)	(116,175)
	$ 94,653	$ 101,607

Assets limited as to use consist of the following at June 30:

	2012	2011
Cash, cash equivalents and money market funds	$ 80,304	$ 115,579
U.S. Government securities	8,582	1,795
U.S. Agency securities	40,398	7,688
Municipal obligations	1,926	-
Guaranteed investment contract	-	92,720
	$ 131,210	$ 217,782

Trading securities consist of the following at June 30:

	2012	2011
Cash, cash equivalents and money market funds	$ 5,186	$ 29,159
U.S. Government securities	10,697	9,409
U.S. Agency securities	26,165	31,551
Corporate and foreign bonds	52,581	32,895
Municipal obligations	961	451
Preferred and asset backed securities	11,183	8,945
U.S. equity securities	28,344	21,774
Mutual funds	141,968	166,708
Other	34,880	32,718
	$ 311,965	$ 333,610

Held-to-maturity securities (other than assets limited as to use) are carried at amortized cost and consist of the following at June 30:

(Dollars in Thousands)

NOTE C--INVESTMENTS - Continued

	2012	2011
Cash, cash equivalents and money market funds	$ 298	$ 753
Corporate and foreign bonds	138,232	135,745
Municipal obligations	15,549	9,661
	$ 154,079	$ 146,159

Held-to-maturity securities had gross unrealized gains and losses of $11,432 and $33, respectively, at June 30, 2012 and $6,838 and $276, respectively at June 30, 2011. At June 30, 2012, the Alliance held no securities within the held-to-maturity portfolio which had been at an unrealized loss position for over one year. At June 30, 2011, the Alliance held nine securities within the held-to-maturity portfolio with a fair value and unrealized loss of $549 and $44, respectively, which had been at an unrealized loss position for over one year. At June 30, 2012, the contractual maturities of held-to-maturity securities were $11,225 due in one year or less, $67,532 due from one to five years and $75,322 due after five years. At June 30, 2011, the contractual maturities of held-to-maturity securities were $13,816 due in one year or less, $55,563 due from one to five years and $76,780 due after five years.

At June 30, 2012 and 2011, the Alliance held investments in certain limited partnerships and hedge funds of $34,880 and $32,718, respectively, that have a wide range of investment strategies with various levels of risk. These funds are included within trading securities and do not have readily determinable fair values. The funds are reported at estimated fair market value pursuant to FASB ASC 825, *Financial Instruments*.

NOTE D--DERIVATIVE TRANSACTIONS

The Alliance is a party to a number of derivative transactions. These derivatives have not been designated as hedges and are valued at estimated fair value in the accompanying Consolidated Balance Sheets. Management's primary objective in holding such derivatives is to introduce a variable rate component into its fixed rate debt structure. Under the terms of these agreements, changes in the interest rate environment could have a significant effect on the Alliance.

These derivative agreements require that the Alliance post additional collateral for the derivatives' fair market value deficits above specified levels. Such investments are included as assets limited as to use. As of June 30, 2012, management believes the Alliance was fully collateralized with respect to the derivative agreements and management does not believe such collateral is exposed to third-party credit risk.

(Dollars in Thousands)

NOTE D--DERIVATIVE TRANSACTIONS - Continued

Interest Rate Swaps: The Alliance is a party to six interest rate swap agreements with Bank of America, Merrill Lynch as the counterparty. The terms of five of these agreements were modified without settlement during 2011. No gain or loss was realized as a result of the modifications although such modifications did impact the estimated fair value of the interest rate swaps. A liability, representing the estimated net fair value of these swaps, of $8,765 and $8,123 was recognized by the Alliance as of June 30, 2012 and 2011, respectively.

The following is a summary of five of these interest rate swap agreements at June 30, 2012:

			Payments by:		
Swap	*Notional Amount*	*Term*	*Counterparty*	*Alliance*	*Estimated Fair Value*
A	$ 170,000	4/2008-4/2026	1.265% through April 2013; 1.07% through April 2014; then 71.10% of USD-ISDA Swap Rate	0.00% through April 2014, then USD-SIFMA	$ 3,500
B	95,000	4/2008-4/2026	1.265% through April 2013; 1.08% through April 2014; then 71.18% of USD-ISDA Swap Rate	0.00% through April 2014, then USD-SIFMA	1,983
C	173,030	4/2008-4/2034	1.315% through April 2013; 1.12% through April 2014; then 72.35% of USD-ISDA Swap Rate	0.00% through April 2014, then USD-SIFMA	(513)
D	82,055	12/2007-7/2033	3.493% through July 2012; then 0% USD-LIBOR-BBA through July 2012, then 67% USD-LIBOR-BBA	4.41% through July 2012; then .312% USD-SIFMA	(9,520)
E	50,000	2/2008-7/2038	67.00% of USD-LIBOR-BBA plus .145%	USD-SIFMA	(3,895)

Deferred financing and acquisition costs, net of amortization, include $6,135 and $6,480 at June 30, 2012 and 2011, respectively, related to these swaps.

In addition to the interest rate swaps described above, the Alliance and Bank of America, Merrill Lynch are also parties to a total return swap. The notional amount of the total return swap is equal to the outstanding 2001A Hospital Revenue and Improvement Bonds which was $22,300 at June 30, 2012. The estimated fair value of the total return swap was $(320) and $(340) at June 30, 2012 and 2011, respectively. The terms of the swap were modified without settlement during 2012. No gain or loss was realized as a result of the modifications although such modifications did impact the swap's estimated fair value. The payment terms, as amended consist of the following:

NOTE D--DERIVATIVE TRANSACTIONS - Continued

- Beginning July 1, 2012, the Alliance will pay a variable rate of USD-SIFMA plus basis points ranging from 65 to 400, depending on the Alliance's bond rating as set forth by Standard and Poor's Ratings Service and Moody's Investors Service. The Alliance will receive a fixed rate of 4.50% and settlements will be made semi-annually through July 1, 2015.

- A "total return provision" under which the Alliance will pay (or receive) an amount equal to the product of the outstanding 2001A Reference Bonds multiplied by the difference between the outstanding 2001A Reference Bonds and the 2001A Reference Bonds' market price at termination, as defined in the agreement.

In addition to the six interest rate swaps discussed above, the Alliance is also a party to an interest rate swap with Regions Bank (the Regions swap) and an interest rate swap with First Tennessee Bank National Association (the FTB swap). The Regions swap was entered into in July 2011 and terminates in August 2012. The FTB swap was entered into in June 2010 and terminates in July 2015. The notional amounts of the Regions swap and FTB swap were $13,727 and $5,524, respectively, at June 30, 2012. A liability, representing the estimated net fair value of these swaps, of $221 was recognized by the Alliance as of June 30, 2012. The estimated fair value of the FTB swap was not significant at June 30, 2011.

The Alliance was previously a party to a total return swap with Lehman Brothers as the counterparty. Lehman Brothers filed for bankruptcy in September 2008. The Alliance subsequently received notification from Lehman Brothers Special Financing, Inc. indicating the intent of the counterparty to terminate this agreement effective January 1, 2009. The Alliance and Lehman Brothers Special Financing, Inc. were unable to reach a settlement agreement at the time the swap was terminated.

An estimated liability related to the agreement of $10,395 and $10,565 was recognized by the Alliance at June 30, 2012 and 2011. In addition, a third party holds investments with a fair market value of approximately $13,809 and $13,381, respectively, at June 30, 2012 and 2011 as collateral. The collateral and estimated liability related to this agreement are classified as current in the accompanying Consolidated Balance Sheets.

At June 30, 2012, the parties were undergoing alternate dispute resolution, including non-binding arbitration. Subsequent to year end, the parties reached a tentative settlement agreement. In full settlement of the liability, the Alliance will pay the counterparty $7,375 from the funds held as collateral and the remaining collateral will be returned to the Alliance.

NOTE D--DERIVATIVE TRANSACTIONS - Continued

Interest Rate Swap Option: In June 2004, the Alliance entered into an agreement with Bear Stearns (acquired by JP Morgan) whereby Bear Stearns purchased from the Alliance an option to enter into an interest rate swap agreement (swaption) with the Alliance beginning July 1, 2011, which is an optional redemption date related to the Alliance's early extinguished 2000A and 2000B Bonds (Note F). The purpose of this agreement was to effectively sell the call features related to the early extinguished Series 2000A and 2000B Bonds. As consideration under this agreement, the Alliance received a total of $42,500 in upfront payments as the swaption premium. Such amounts were initially recorded as estimated fair value of derivatives in the Consolidated Balance Sheets.

During 2012, the counterparty expressed their intent to exercise the swaption on January 1, 2012 and the Alliance exercised its right to terminate the swaption at its fair market value. The swaption was terminated on October 13, 2011. To effectuate the termination, the Alliance transferred $93,353 of a Guaranteed Investment Contract (GIC), described below, to the third party as a termination payment. A gain of $3,058 was recognized on the termination, which is included within other nonoperating gains (losses) in the accompanying 2012 Consolidated Statement of Operations.

A liability of $92,044, representing the estimated fair value of the swaption at June 30, 2011, respectively, is included in estimated fair value of derivatives in the accompanying 2011 Consolidated Balance Sheet. The change in estimated fair value of derivatives in the accompanying Consolidated Statements of Operations for 2012 and 2011 includes an unrealized loss of $4,676 and $2,394, respectively, related to this derivative, prior to termination.

Forward Sale Agreements: In June 2004, the Alliance entered into two related forward sale agreements with the counterparty to the swaption agreements and the Master Trustee of the Series 2000 Bonds. The forward sale agreements originally related to the Debt Service Reserve Fund and to the Debt Service Fund, respectively, (collectively, the "Funds"), as established under provisions of the Master Trust Indenture related to the issuance of the Series 2000 Bonds. In consideration of the future earnings on the Funds, the counterparty paid the Master Trustee a total of $30,000 during 2005, to be held on behalf of the Alliance. As the original intent of these Funds was to secure debt service payments under the above referenced Bonds, the agreement requires these funds to be held under a guaranty agreement as further described below.

In June 2006, one of these agreements was amended to also relate to the Series 2000C, 2000D, 2006A and 2006B Bonds, and to remove the Series 2000A Bonds from consideration under the agreement. In connection with the issuance of the Series 2007 Bonds and the derecognition of a portion of the Series 2000A Bonds, all of the outstanding Series 2000B Bonds, and all of the outstanding 2006B Bonds (Note F), one of these agreements as it relates to the Series 2000A and 2000B Bonds was partially terminated. As such, during 2008 the Alliance reduced its liability with respect to the portion related to the Series 2000A and 2000B Bonds, and paid the counterparty

(Dollars in Thousands)

NOTE D--DERIVATIVE TRANSACTIONS - Continued

$6,186 under the terms of the agreement. The agreement was amended in fiscal year 2011 to include the Series 2010A Bonds and to remove the Series 2000B and 2006B Bonds.

Amounts were being recognized as investment income over the life of the agreements. A liability of $19,001 representing the unamortized payments from the counterparty at June 30, 2011 is included as part of deferred revenue in the accompanying 2011 Consolidated Balance Sheet.

In June 2012, the Alliance and the counterparty terminated the two forward sale agreements. To effectuate the termination, the Alliance agreed to pay $13,429 to the counterparty. At June 30, 2012, the termination payable was included in accounts payable and accrued expenses in the accompanying 2012 Consolidated Balance Sheet. The Alliance recognized a gain of $4,708 on the termination of these agreements, which is included within other nonoperating gains (losses) in the accompanying 2012 Consolidated Statement of Operations.

Pursuant to these agreements, the counterparty required that the Alliance's obligations under the swaption and forward sale agreements be collateralized under a guarantee agreement in favor of the counterparty. Due to various requirements of the Master Trust Indenture, the Alliance had previously transferred to MSF a total of $42,500 that was in turn deposited with the counterparty as collateral in a GIC. Amounts received under the forward sale agreements were also deposited into the GIC. All GIC deposits earn interest compounded at 4.14% for the first year, and at 3.5% thereafter through July 1, 2011. The GIC deposits as of June 30, 2011 totaled $92,720. The GIC was substantially utilized on October 13, 2011 to terminate the swaption discussed above and, as such, is included in the current portion of assets whose use is limited in the 2011 Consolidated Balance Sheet.

NOTE E--PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at June 30:

	2012	*2011*
Land	$ 69,356	$ 63,749
Buildings and leasehold improvements	661,146	454,852
Property and improvements held for leasing	74,914	80,568
Equipment	571,774	532,767
Buildings and equipment held under capital lease	20,540	42,720
	1,397,730	1,174,656

(Dollars in Thousands)

NOTE E--PROPERTY, PLANT AND EQUIPMENT - Continued

	2012	2011
Less: Allowances for depreciation and amortization	(626,552)	(586,471)
	771,178	588,185
Construction in progress (Note N)	94,278	209,233
	$ 865,456	$ 797,418

Accumulated depreciation and amortization on property and improvements held for leasing purposes is $22,951 and $23,348 at June 30, 2012 and 2011, respectively. Net interest capitalized was $3,110 and $10,640 for the years ended June 30, 2012 and 2011, respectively.

During 2012, the Alliance executed an Amendment and Mutual Release Agreement with a vendor whereby the Alliance waived its right to take any action with respect to prior contracts in exchange for professional services in future periods, primarily related to accelerated deployment of information systems. The Alliance recognized approximately $3,200 in 2012 as additions to property, plant and equipment with an offsetting gain related to the agreed-upon value of such professional services. The Alliance anticipates recognition of additional amounts in future periods as such services are provided.

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

Long-term debt and capital lease obligations consist of the following at June 30:

Description	Maturities	Rates	Outstanding Balance 2012	Outstanding Balance 2011
2011A Hospital Revenue Bonds	$65,260 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 0 19% at June 30, 2012	$ 65,260	$ -
2011B Hospital Revenue Bonds	$20,000 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 0.19% at June 30, 2012	20,000	-
2011C Hospital Revenue Bonds	$49,875 uninsured term bonds, due July 1, 2031, subject to early redemption or tender	Variable, 0.16% at June 30, 2012	49,875	-
2011D Hospital Revenue Bonds	$60,705 uninsured term bonds, due July 1, 2031, subject to early redemption or tender	Variable, 0.19% at June 30, 2012	60,705	-
2011E Taxable Bonds	$15,960 uninsured term bonds, due July 1, 2026, subject to early redemption or tender	Variable, 0.24% at June 30, 2012	15,960	-
2011 Hospital Facility Revenue Refunding and Improvement Bonds (JMH)	$24,870 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 1 2% at June 30, 2012	24,870	
2010A Hospital Revenue Bonds, net of unamortized premium of $1,017 and $1,056 at June 30, 2012 and 2011, respectively	$32,515 uninsured serially, through 2020 $14,985 uninsured term bonds, due July 1, 2025 $19,385 uninsured term bonds, due July 1, 2030 $39,570 uninsured term bonds, due July 1, 2038 $55,480 uninsured term bonds, due July 1, 2038	3.00% to 5.00% 5.38% 5.63% 6.50% 6.00%	162,952	169,137

(Dollars in Thousands)

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS - Continued

Description	*Maturities*	*Rates*	*Outstanding Balance*	
			2012	*2011*
2010B Hospital Revenue Bonds, net of unamortized premium of $669 and $711 at June 30, 2012 and 2011, respectively	$23,855 uninsured serially, through 2020 $4,355 uninsured term bonds, due July 1, 2023 $4,250 uninsured term bonds, due July 1, 2028	2 50% to 5.00% 5.00% 5.50%	33,129	36,646
2009A Hospital Revenue Bonds, net of unamortized discount of $117 and $121 at June 30, 2012 and 2011, respectively	$725 uninsured term bonds, due July 1, 2019 $1,730 uninsured term bonds, due July 1, 2029 $3,105 uninsured term bonds, due July 1, 2038	7.25% 7.50% 7.75%	5,443	5,439
2009B Hospital Revenue Bonds	$5,535 uninsured term bonds, due July 1, 2038	8.00%	5,535	5,535
2009C Hospital Revenue Bonds, net of unamortized discount of $2,334 and $2,421 at June 30, 2012 and 2011, respectively	$21,100 uninsured term bonds, due July 1, 2019 $20,000 uninsured term bonds, due July 1, 2029 $74,855 uninsured term bonds, due July 1, 2038	7.25% 7.50% 7.75%	113,621	113,534
2008A Hospital Revenue Bonds	$13,245 uninsured term bonds, due July 1, 2038, subject to early redemption or tender	Variable, 0.19% at June 30, 2012	13,245	13,245
2008B Hospital Revenue Bonds	$52,930 uninsured term bonds, due July 1, 2038, subject to early redemption or tender	Variable, 0 19% at June 30, 2012	52,930	53,855
2007B Taxable Hospital Revenue Bonds, bifurcated into sub-series B-1, B-2 and B-3 during 2011	$156,760 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 0.20% to 0.23% at June 30, 2012	156,760	307,900
2006A Hospital First Mortgage Revenue Bonds, net of unamortized premium of $141 and $147 at June 30, 2012 and 2011, respectively	$5,940 uninsured serially, through 2019 $7,375 uninsured term bonds, due July 1, 2026 $20,505 uninsured term bonds, due July 1, 2031 $135,175 uninsured term bonds, due July 1, 2036	5.00% 5.25% 5.50% 5.50%	169,136	169,782
2001A Hospital First Mortgage Revenue Bonds, re-issued in 2012	$22,300 term bonds, due July 1, 2026, subject to early redemption or tender	4.50% as re-issued	22,300	23,100
2001 Hospital Refunding and Improvement Revenue Bonds (NCH), net of unamortized discount of $34 June 30, 2011	Redeemed in 2012	N/A	-	11,876
2000A Hospital First Mortgage Revenue Refunding Bonds	$32,431 insured Capital Appreciation Bonds, interest and principal due July 1, 2026 through 2030	6.63%	32,431	30,358
2000C Hospital First Mortgage Revenue Bonds	$33,230 insured term bonds, due July 1, 2026	8.50%	33,230	34,325
2000D First Mortgage Taxable Bonds	$14,315 insured term bonds, due July 1, 2026	8 50%	14,315	14,790
1998 Hospital Refunding and Improvement Revenue Bonds (JMH)	Redeemed in 2012	N/A	-	14,115
Capitalized lease obligation	Lease paid-off in 2012	N/A	-	13,656
$7,500 promissory note	Note paid-off in 2012	N/A	-	5,473
Capitalized lease obligations secured by equipment	Various monthly payments of monthly principal and interest	Various	1,645	2,518
$1,065 note payable	Note paid-off in 2012	N/A	-	572
$6,332 promissory note	Promissory note paid-off in 2012	N/A	-	5,945
$3,955 note payable	Note paid-off in 2012	N/A	-	3,743
Notes payable under Master Financing Agreement	Notes paid-off in 2012	N/A	-	14,011
$1,885 line of credit	Line of credit paid-off in 2012	N/A	-	1,873
$1,593 note payable, secured by equipment	Various annual principal payments through July 2014	Unspecified	1,343	1,593
Capitalized lease obligation secured by medical office building (JMH)	Maturing through 2026 - Note S	9.72%	15,498	15,952
Master installment payment agreement	Various quarterly payments through May 2014	Unspecified	4,438	112

(Dollars in Thousands)

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS - Continued

Description	*Maturities*	*Rates*	*Outstanding Balance* 2012	2011
Master installment payment agreement, secured by equipment	Various quarterly payments through May 2014	Unspecified	3,032	-
$1,870 note payable, secured by land	Monthly principal payments of $10 through maturity in July 2015	Unspecified	1,870	-
$1,052 in promissory notes secured by assets of Emmaus Community Healthcare, LLC	Various monthly principal and interest payments through 2019	3.00% - 3.75%	1,052	
			1,080,575	1,069,085
	Less current portion		(32,477)	(28,162)
			$ 1,048,098	$ 1,040,923

Series 2011 Bonds: In October 2011, the Alliance issued $65,260 (Series 2011A) and $20,000 (Series 2011B) variable rate tax-exempt Hospital Revenue Bonds through The Health and Educational Facilities Board of the City of Johnson City, Tennessee, $49,875 (Series 2011C) and $60,705 (Series 2011D) variable rate tax-exempt Hospital Revenue Bonds through the Industrial Development Authority of Smyth, Virginia and $15,960 (Series 2011E) variable rate Taxable Bonds (collectively, the Series 2011 Bonds). The Series 2011 Bonds bear interest at a variable rate determined by a remarketing agent based upon a weekly rate period. The proceeds from the Series 2011A and Series 2011B Bonds were used to finance certain capital acquisitions in the State of Tennessee and pay issuance costs related to these Bonds. The proceeds from the Series 2011C and 2011D Bonds were used to refinance the 2001 NCH Hospital Refunding and Improvement Revenue Bonds, finance capital acquisitions for NCH, JMH and SCCH and to pay issuance costs associated with these Bonds. The Series 2011E Bond proceeds were used to refinance certain capital acquisitions of SCCH and BRMMC and pay issuance costs. The timely payment of the Series 2011 Bonds is secured by a letter of credit which expires October 19, 2014.

In November 2011, JMH issued $24,870 (JMH Series 2011) variable rate tax-exempt Hospital Facility Revenue Refunding and Improvement Bonds through the Industrial Development Authority of Smyth County. The JMH Series 2011 Bonds bear interest at a variable rate determined by a remarketing agent based upon a weekly rate period. The proceeds from the JMH Series 2011 Bonds were used to refinance the 1998 Hospital Refunding and Improvement Revenue Bonds, refinance existing indebtedness incurred to finance capital acquisitions and to pay issuance costs associated with the Bonds.

Series 2010 Bonds: In April 2010, the Alliance issued $168,080 (Series 2010A) and $35,935 (Series 2010B) fixed rate Hospital Refunding Revenue Bonds (collectively, the Series 2010 Bonds). Proceeds of the Series 2010A and the Series 2010B Bonds were used to refinance outstanding indebtedness, specifically related to the Alliance's facilities in Tennessee and in Virginia, respectively, fund debt service reserve funds and pay costs of issuance.

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS - Continued

Series 2009 Bonds: In March 2009, the Alliance issued $5,560 (Series 2009A), $5,535 (Series 2009B) and $115,955 (Series 2009C) fixed rate Hospital Revenue Bonds (collectively, the Series 2009 Bonds). The proceeds of Series 2009 Bonds were used to refinance a portion of the outstanding Series 2006C Taxable Notes, which were originally issued to finance a capital commitment to SCCH and purchase certain leased assets, finance the acquisition of a majority ownership in JMH, fund a debt service reserve fund and pay costs of issuance. The portion of the 2006C taxable notes which were not refinanced with the Series 2009 Bonds were repaid with cash on hand.

Series 2008 Bonds: In February 2008, the Alliance issued $72,770 (Series 2008A) and $54,230 (Series 2008B) variable rate Hospital Revenue Bonds (collectively, the Series 2008 Bonds). The proceeds of Series 2008 Bonds were primarily used to finance certain future capital projects for the Alliance's hospital facilities and for the repayment of previously issued 2008 Taxable Notes used for the acquisition of RCMC. The payment of principal and interest on the Series 2008 Bonds and the purchase price of any tendered bonds on each series are secured by a separate, irrevocable, transferable, direct-pay letter of credit. A portion ($59,525) of the Series 2008A Bonds were repaid from proceeds of the Series 2010 Bonds.

Series 2007 Bonds: In December 2007, the Alliance issued $104,355 (Series 2007A), $327,170 (Series 2007B taxable) and $36,575 (Series 2007C) variable rate Hospital Revenue Bonds (collectively, the Series 2007 Bonds). The proceeds of Series 2007 Bonds were primarily used to early extinguish a portion of the outstanding Series 2000A Bonds, all of the outstanding 2000B Bonds, all of the outstanding Series 1994 Bonds, and all of the outstanding Series 2006B Bonds; to finance the acquisition of a majority ownership in NCH, and to finance certain capital improvements and equipment acquisitions for the Alliance's hospital facilities. A portion of the outstanding Series 2007A ($91,685) and Series 2007C ($32,840) Bonds were repaid from proceeds of the Series 2010 Bonds.

During 2011, the remaining outstanding Series 2007A and Series 2007C Bonds were redeemed and the existing 2007B Bonds were repaid through a remarketing of Sub-Series 2007B-1, 2007B-2 and 2007B-3 (collectively, the Sub-Series 2007B Bonds), created per the mandatory tender and letter of credit substitution provisions. The payment of principal and interest on the Sub-Series 2007B Bonds and the purchase price of any tendered bonds on each series are secured by a separate, irrevocable, transferable, direct-pay letter of credit.

During 2012, the Alliance redeemed $115,135 of the Series 2007B-1 Bonds and $29,405 of the Series 2007B-3 Bonds.

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS - Continued

Series 2006 Bonds: During 2006, the Alliance issued $173,030 Hospital First Mortgage Revenue Bonds (Series 2006A) and $66,500 Hospital First Mortgage Variable Rate Revenue Bonds (Series 2006B). The proceeds from the sale of the Series 2006A Bonds were used to finance certain future and prior capital projects for the Alliance's hospital facilities and to refund certain existing indebtedness, specifically the Series 2001B Bonds (discussed below) and certain existing short and intermediate term loans and leases, as well as fund a debt service reserve fund. The Series 2006B Bond proceeds were substantially used to refund the remaining outstanding principal of the Series 2001B Bonds and establish a debt service reserve fund.

Series 2001 Bonds: During 2001, the Alliance issued $26,000 Hospital First Mortgage Revenue Bonds (Series 2001A) and $60,175 Hospital First Mortgage Revenue Bonds (Series 2001B). The Series 2001A Bonds were subject to optional tender by Bond holders. The Series 2001B Bonds were refunded and redeemed in 2006. The Alliance redeemed the 2001A Bonds and released a new Series 2001A to Bank of America Merrill Lynch during 2012.

Series 2000 Bonds: The Hospital First Mortgage Revenue Refunding (Series 2000A Bonds) and First Mortgage Revenue Refunding Bonds (Series 2000B Bonds), were used to advance refund previously existing indebtedness as well as fund a required debt service reserve fund. The Hospital First Mortgage Revenue Bonds (Series 2000C Taxable Bonds) were used to refinance certain mortgage indebtedness of BRMM, and to refund other previously existing indebtedness. The proceeds from the sale of the First Mortgage Bonds (Series 2000D Taxable Bonds) were used primarily to fund working capital for the Alliance.

The Series 2000A Bonds included at issue date $14,680 of insured Capital Appreciation Bonds. Such bonds bear a 0% coupon rate and have a yield of 6.625% annually. The Alliance recognizes interest expense and increases the amount of outstanding debt each year based upon this yield. Total principal and interest due at maturity (2026 through 2030) is $93,675.

Derecognized Bonds: The advance refunding of previously issued debt requires funds to be placed in irrevocable trusts in order to satisfy remaining scheduled principal and interest payments. Management, upon advice of legal counsel, believes the amounts deposited in such irrevocable trust accounts have contractually relieved the Alliance of any future obligations with respect to this debt, and the debt and escrowed securities are not considered liabilities or assets of the Alliance. Therefore, such debt has been derecognized.

Debt outstanding and not recognized in the Consolidated Balance Sheet at June 30, 2012 due to previous advance refundings of the Series 2000A Bonds, Series 2000B Bonds, Series 1998C Bonds, and Series 1991 Bonds, totaled approximately $483,625.

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS - Continued

The assets placed in the irrevocable trust accounts are also not recognized as assets of the Alliance. These assets consist primarily of various investments, as permitted by bond indentures and other documents, including United States Treasury obligations, an investment contract with MBIA Insurance Corporation (MBIA) in the original amount of $54,300, as well as the Series 2000C and 2000D Bonds which were purchased with the proceeds of the 2000A and 2000B Bonds specifically for the purpose of utilizing the Series 2000C and 2000D Bonds in the irrevocable trust. Therefore, certain of the assets held in the irrevocable trust accounts have future income streams contingent upon payments by the Alliance.

During 2012, the Alliance instructed the trustee of the 1998C Bonds to liquidate certain investments held in the related irrevocable trust account and to redeem a portion of the 1998C Bonds with the proceeds from the liquidation. The fair value of the liquidated assets exceeded the payment necessary to redeem the 1998C Bonds and the excess was paid to the Alliance. As a result of this transaction, the Alliance recognized a gain of $5,337, net of fees, which is included in other nonoperating gains (losses) in the accompanying 2012 Consolidated Statement of Operations.

Variable Rate Issuances: The variable rate of interest on the Series 2011, Series 2008 and Series 2007 Bonds is determined weekly by the Remarketing Agent, as the rate equal to the lowest rate which, in regard to general financial conditions and other special conditions bearing on the rate, would produce as nearly as possible a par bid for the Bonds in the secondary market. In no event shall the variable rate on the Bonds during any period where interest is calculated weekly exceed the lesser of 12% annually or the maximum contract rate of interest permitted by the applicable State of issue. The Alliance has the option, upon written approval of the holder of the letters of credit, the Remarketing Agent and others, to convert to a medium-term rate period or to a fixed rate.

Early Redemption: Essentially all of the Alliance's bonds are subject to redemption prior to maturity, including optional, mandatory sinking fund and extraordinary redemption, at various dates and prices as described in the respective Bond indentures and other documents.

Other Bonds, Notes Payable and Financing Arrangements: The Alliance has granted a deed of trust on JCMC and SSH to secure the payment of the outstanding Bonds. The Bonds are also secured by the Alliance's receivables, inventories and other assets as well as certain funds held under the documents pursuant to which the bonds were issued. The JMH Series 2011 Hospital Refunding and Improvement Revenue Bonds are secured by pledged revenues of JMH, as defined in the Credit Agreement.

(Dollars in Thousands)

NOTE F--LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS - Continued

The scheduled maturities and mandatory sinking fund payments of the long-term debt and capital lease obligations (excluding interest), exclusive of net unamortized original issue discount and premium, at June 30, 2012 are as follows:

Year Ending June 30,		
2013	$	32,477
2014		33,414
2015		29,932
2016		31,315
2017		31,006
Thereafter		923,055
		1,081,199
Net discount		(624)
	$	1,080,575

The Alliance and JMH are each members of separate Obligated Groups. The bond indentures, master trust indentures, letter of credit agreements and loan agreements related to the various bond issues and notes payable contain covenants with which the respective Obligated Groups must comply. These requirements include maintenance of certain financial and liquidity ratios, deposits to trustee funds, permitted indebtedness, use of facilities and disposals of property. These covenants also require that failure to meet certain debt service coverage tests will require the deposit of all daily cash receipts of the Alliance into a trust fund. Management has represented the Alliance and JMH are in compliance with all such covenants at June 30, 2012.

In connection with the tax-exempt bonds, the Alliance is required every five years, and at maturity, to remit to the Internal Revenue Service amounts which are due related to positive arbitrage on the borrowed funds. The Alliance performs such computations when required and recognizes any liability at that time. Management does not believe there are any significant arbitrage liabilities at June 30, 2012 or 2011.

During 2012, the Alliance recognized a $2,636 loss on early extinguishment of debt representing the write off of previously deferred and unamortized financing costs generally related to the refinanced or otherwise redeemed portion of the Series 2007B Bonds, Series 1998 JMH Bonds and the Series 2001 NCH Bonds.

(Dollars in Thousands)

NOTE G--SELF-INSURANCE PROGRAMS

The Alliance is substantially self-insured for professional and general liability claims and related expenses. The Alliance maintains a $25,000 umbrella liability policy that attaches over the self-insurance limits of $10,000 per claim and a $15,000 annual aggregate retention. The Alliance's insurance program also provides professional liability coverage for certain affiliates and joint ventures.

The Alliance is also substantially self-insured for workers' compensation claims in the State of Tennessee and has established estimated liabilities for both reported and unreported claims. The Alliance maintains a stop-loss policy that attaches over the self-insurance limits of $1,000 per occurrence and $1,000 annual aggregate retention. In the State of Virginia, the Alliance is not self-insured and maintains workers' compensation insurance through commercial carriers.

At June 30, 2012, the Alliance is involved in litigation relating to medical malpractice and workers' compensation and other claims arising in the ordinary course of business. There are also known incidents occurring through June 30, 2012 that may result in the assertion of additional claims, and other unreported claims may be asserted arising from services provided in the past. Alliance management has estimated and accrued for the cost of these unreported claims based on historical data and actuarial projections. The estimated net present value of malpractice and workers' compensation claims, both reported and unreported, as of June 30, 2012 and 2011 was $12,896 and $13,531, respectively. The discount rate utilized was 5% at June 30, 2012 and 2011.

Additionally, the Alliance is self-insured for employee health claims and recognizes expense each year based upon actual claims paid and an estimate of claims incurred but not yet paid, including a catastrophic claims reserve based on historical claims in excess of $75.

NOTE H--NET PATIENT SERVICE REVENUE

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue as presented in the accompanying Consolidated Statements of Operations is as follows for the years ended June 30:

	2012	*2011*
Inpatient service charges	$ 2,095,036	$ 1,983,340
Outpatient service charges	1,982,154	1,791,858
Gross patient service charges	4,077,190	3,775,198

(Dollars in Thousands)

NOTE H--NET PATIENT SERVICE REVENUE - Continued

	2012	2011
Less:		
Estimated contractual adjustments and other discounts	115,330	2,640,909
Charity care	4,123	72,166
Provision for bad debts	7,057	116,248
	126,510	2,829,323
Net patient service revenue	$ 38,989	$ 945,875

Net patient service revenue by major payor source for the years ended June 30, 2012 and 2011, net of contractual allowances and self-pay discounts (before the provision for bad debts), is as follows:

	2012	2011
Third-party payors	$ 968,101	$ 957,828
Self-pay	106,949	104,295
Patient service revenue	$ 1,075,050	$ 1,062,123

Deductibles and copayments under third-party payment programs, which are included within the third-party payor amounts above, are the patient's responsibility and the Alliance considers these amounts in its determination of the provision for bad debts based on prior collection experience. Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Alliance analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Alliance analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary, for expected uncollectible deductibles and copayments or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Alliance records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

NOTE H--NET PATIENT SERVICE REVENUE - Continued

The Alliance's allowance for doubtful accounts totaled $52,911 and $53,366 at June 30, 2012 and 2011, respectively. The allowance for doubtful accounts decreased from 28% of patient accounts receivable, net of contractual allowances, at June 30, 2011 to 26% of patient accounts receivable, net of contractual allowances, as of June 30, 2012. Write-offs, net of recoveries, for the years ending June 30, 2012 and 2011 were $123,373 and $108,823, respectively, and relate primarily to self-pay patients. Write-offs of third-party payor accounts were not significant in the years ending June 30, 2012 and 2011. The Alliance has not experienced significant changes in write-off trends and has not changed its charity care policy for the year ended June 30, 2012. The provision for bad debts associated with the Alliance's ancillary service lines are not significant.

NOTE I--THIRD-PARTY REIMBURSEMENT

The Alliance renders services to patients under contractual arrangements with Medicare, Medicaid, TennCare, Blue Cross and various other commercial payors. The Medicare program pays for inpatient services on a prospective basis. Payments are based upon diagnosis related group assignments, which are determined by the patient's clinical diagnosis and medical procedures utilized. The Alliance also receives additional payments from Medicare based on the provision of services to a disproportionate share of Medicaid and other low income patients. Most Medicare outpatient services are reimbursed on a prospectively determined payment methodology. The Medicare program also reimburses certain other services on the basis of reasonable cost, subject to various prescribed limitations and reductions.

Reimbursement under the State of Tennessee's Medicaid waiver program (TennCare) for inpatient and outpatient services is administered by various managed care organizations (MCOs) and is based on diagnosis related group assignments, a negotiated per diem or fee schedule basis. The Alliance also receives additional supplemental payments from the State of Tennessee. The amount recognized totaled $11,300 and $11,480 for the years ended June 30, 2012 and 2011, respectively. In addition, during 2012 the Alliance recognized $4,894 from TennCare related to the implementation and meaningful use of electronic medical records as provided by the Health Information Technology for Economics and Clinical Health (HITECH) Act. Such payments are included within other operating revenue in the accompanying 2012 Consolidated Statement of Operations and are not guaranteed in future periods.

The Virginia Medicaid program reimbursement for inpatient hospital services is based on a prospective payment system using both a per case and per diem methodology. Additional payments are made for the allowable costs of capital. Payments for outpatient services are based on Medicare cost reimbursement principles and settled through the filing of an annual Medicaid cost report.

NOTE I--THIRD-PARTY REIMBURSEMENT - Continued

Amounts earned under the contractual agreements with the Medicare and Medicaid programs are subject to review and final determination by fiscal intermediaries and other appropriate governmental authorities or their agents. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Activity with respect to audits and reviews of the governmental programs in the healthcare industry has increased and is expected to increase in the future. No additional specific reserves or allowances have been established with regard to these increased audits and reviews as management is not able to estimate such amounts. Management believes that any adjustments from these increased audits and reviews will not have a material adverse impact on the consolidated financial statements. However, due to uncertainties in the estimation, it is at least reasonably possible that management's estimate will change in 2013, although the amount of any change cannot be estimated. The impact of final settlements of cost reports or changes in estimates decreased net patient service revenue by $1,556 and $4,570 in 2012 and 2011, respectively.

Participation in the Medicare program subjects the Alliance to significant rules and regulations; failure to adhere to such could result in fines, penalties or expulsion from the program. Management believes that adequate provision has been made for any adjustments, fines or penalties which may result from final settlements or violations of other rules or regulations. Management has represented that the Alliance is in substantial compliance with these rules and regulations as of June 30, 2012.

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

NOTE J--EMPLOYEE BENEFIT PLANS

The Alliance sponsors a retirement plan (the Plan) which covers substantially all employees. The Plan is a defined contribution plan which consists mainly of employer-funded contributions. During 2012 and 2011, the Alliance made contributions to the Plan under a stratified system, whereby the Alliance's contribution percentage is based on each employee's years of service. Employees of certain other subsidiaries are covered by other plans, although such plans are not significant. The total expense related to defined contribution plans for the years ended June 30, 2012 and 2011 was $15,072 and $12,682, respectively.

NCH maintains a defined benefit pension plan and a post-retirement employee benefit plan. The accrued unfunded pension liability was $2,560 and $1,313, and the accrued unfunded post-retirement liability was $4,554 and $3,761 at June 30, 2012 and 2011, respectively.

(Dollars in Thousands)

NOTE J--EMPLOYEE BENEFIT PLANS - Continued

The Alliance sponsors a secured executive benefit program (SEBP) for certain key executives. Contributions to the plan by the Alliance are based on an annual amount of funding necessary to produce a target benefit for the participants at their retirement date, although the Alliance does not guarantee any level of benefit will be achieved. The Alliance contributed $1,734 and $929 to the plan during 2012 and 2011, respectively. Other assets at June 30, 2012 and 2011 include $9,675 and $7,888, respectively, related to the Alliance's portion of the benefits which are recoverable upon the death of the participant. In addition, the Alliance sponsors a Section 457(f) plan for certain key executives.

NOTE K--CONCENTRATIONS OF RISK

The Alliance has locations primarily in upper East Tennessee and Southwest Virginia which is considered a geographic concentration. The Alliance grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. Net patient service revenue from Washington County, Tennessee operations were approximately 53% and 53% of total net patient service revenue for 2012 and 2011, respectively.

The mix of receivables from patients and third-party payors based on charges at established rates is as follows as of June 30:

	2012	*2011*
Medicare	36%	40%
Tenncare/Medicaid	14%	12%
Commercial	26%	27%
Other third-party payors	13%	9%
Patients	11%	12%
	100%	100%

Approximately 96% and 96% of the consolidated total revenue, gains and support were related to the provision of healthcare services during 2012 and 2011, respectively. Admitting physicians are primarily practitioners in the regional area.

Two of the Alliance's Virginia hospitals' employees are covered under collective bargaining agreements which extend through February 2014 and January 2015, respectively.

The Alliance routinely invests in investment vehicles as listed in Note C. The Alliance's investment portfolio is managed by outside investment management companies. Investments in corporate and

NOTE K--CONCENTRATIONS OF RISK - Continued

foreign bonds, municipal obligations, money market funds, equities and other vehicles that are held by safekeeping agents are not insured or guaranteed by the U.S. government. At June 30, 2012, the Alliance also had deposits in financial institutions significantly in excess of the Federal Deposit Insurance Corporation's limits.

NOTE L--INCOME TAXES

BRMM and its subsidiaries file a consolidated federal tax return and separate state tax returns. As of June 30, 2012 and 2011, BRMM and its subsidiaries had net operating loss carryforwards for consolidated federal purposes of $38,888 and $34,822, respectively, related to operating loss carryforwards which expire through 2031. At June 30, 2012 and 2011, BRMM had state net operating loss carryforwards of $69,999 and $65,979, respectively, which expire through 2026. The net operating loss carryforwards may be offset against future taxable income to the extent permitted by the Internal Revenue Code and Tennessee Code Annotated.

At June 30, 2012 and 2011, SWCH had federal and state net operating loss carryforwards of $5,614 and $4,875, respectively, which expire through 2031. The net operating loss carryforwards may be off-set against future taxable income to the extent permitted by the Internal Revenue Code and tax codes of the Commonwealth of Virginia.

Net deferred tax assets related to these carryforwards and other deferred tax assets have been substantially offset through valuation allowances equal to these amounts. Income taxes paid relate primarily to state taxes for certain subsidiaries and federal alternative minimum tax.

NOTE M--RELATED PARTY TRANSACTIONS

The Alliance enters into transactions with entities affiliated with certain members of the Board of Directors including transactions to construct Alliance facilities and provide professional services to the Alliance. Board members refrain from discussion and abstain from voting on transactions with entities with which they are related.

NOTE N--OTHER COMMITMENTS AND CONTINGENCIES

Construction in Progress: Construction in progress at June 30, 2012 represents costs incurred related to various hospital and medical office building facility renovations and additions. The Alliance has outstanding contracts and other commitments related to the completion of these

NOTE N--OTHER COMMITMENTS AND CONTINGENCIES - Continued

projects, and the cost to complete these projects is estimated to be approximately $100,312 at June 30, 2012. The Alliance does not expect any significant costs to be incurred for infrastructure improvements to assets held for resale.

Physician Contracts: BRMM employs physicians to provide services to BRMM's physician practices through employment agreements which provide annual compensation, plus incentives based upon specified productivity levels. These contracts have various terms.

In addition, the Alliance has entered into contractual relationships with non-employed physicians to provide services in Upper East Tennessee and Southwest Virginia. These contracts guarantee certain base payments and allowable expenses and have terms of varying lengths. Amounts drawn and outstanding under each agreement are treated as a loan bearing interest at various rates and are subject to repayment over a specified period. The physician notes may also be amortized by virtue of the physician's continued practice in the specified community during the repayment period. A net receivable of $1,436 and $1,407 related to these agreements is included in the accompanying Consolidated Balance Sheets at June 30, 2012 and 2011, respectively.

Employee Scholarships: The Alliance offers scholarships to certain individuals which require that the recipients return to the Alliance to work for a specified period of time after they complete their degree. Amounts due are then forgiven over a specific period of time as provided in the individual contracts. If the recipient does not return and work the required period of time, the funds disbursed on their behalf become due immediately and interest is charged until the funds are repaid. Other receivables at June 30, 2012 and 2011 include $8,005 and $7,250, respectively, related to students in school, graduates working at the Alliance and amounts due from others who are no longer in the scholarship program, net of allowance.

Promises to Give: The Alliance has recorded certain unconditional promises to give to unrelated organizations. At June 30, 2012, $1,354 is due within one year, and an additional $100 is due within five years and is included in other long-term liabilities.

Operating Leases and Maintenance Contracts: Total lease expense for the years ended June 30, 2012 and 2011 was $8,823 and $9,362, respectively. Future minimum lease payments for each of the next five years and in the aggregate for the Alliance's noncancellable operating leases with remaining lease terms in excess of one year are as follows:

(Dollars in Thousands)

NOTE N--OTHER COMMITMENTS AND CONTINGENCIES - Continued

Year Ending June 30,		
2013	$	4,661
2014		4,476
2015		4,253
2016		3,997
2017		2,332
Thereafter		8,008
	$	27,727

Asset Retirement Obligation: The Alliance has identified asbestos in certain facilities and is required by law to dispose of it in a special manner if the facility undergoes major renovations or is demolished; otherwise, the Alliance is not required to remove the asbestos from the facility. The Alliance has complied with regulations by treating the asbestos so that it presents no known immediate or future safety concerns. An asset retirement obligation has been established to the extent that sufficient information exists upon which to estimate the liability.

Other: The Alliance is a party to various transactions and agreements in the normal course of business, which include purchase and re-purchase agreements, put arrangements and other commitments, which may bind the Alliance to undertake additional transactions or activities in the future. In addition, the Alliance has agreed to guarantee a portion of the outstanding indebtedness of a joint venture. Management estimates that the fair value of the guarantee of this debt is immaterial as of June 30, 2012.

Healthcare Industry: Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

In March 2010, Congress adopted comprehensive health care insurance legislation, *Patient Care Protection and Affordable Care Act* and *Health Care and Education Reconciliation Act.* The legislation, among other matters, is designated to expand access to coverage to substantively all citizens by 2019 through a combination of public program expansion and private industry health insurance. Changes to existing TennCare and Medicaid coverage and payments are also expected to occur as a result of this legislation. Implementing regulations are generally required for these legislative acts, which are to be adopted over a period of years and, accordingly, the specific impact of any future regulations is not determinable.

(Dollars in Thousands)

NOTE O--RENTAL INCOME UNDER OPERATING LEASES

The Alliance leases rental properties to third parties, most of whom are physician practices, for various terms, generally five years. The following is a schedule by year and in the aggregate of minimum future rental income due under noncancellable operating leases at June 30, 2012:

Year Ending June 30,		
2013	$	1,574
2014		1,454
2015		1,339
2016		762
2017		405
Thereafter		116
Total minimum future rentals	$	5,650

NOTE P--FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments has been estimated by the Alliance using available market information as of June 30, 2012 and 2011, and valuation methodologies considered appropriate. The estimates presented are not necessarily indicative of amounts the Alliance could realize in a current market exchange. The carrying value of substantially all financial instruments approximates fair value due to the nature or term of the instruments, except as described below.

Investment in Joint Ventures: It is not practical to estimate the fair market value of the investments in joint ventures.

Other Long-Term Liabilities: Estimates of reported and unreported professional liability claims, pension and post-retirement liabilities are discounted to approximate their estimated fair value. It is not practical to estimate the fair market value of other long-term liabilities due to uncertainty of when these amounts may be paid. Other long-term liabilities are not discounted.

Long-Term Debt and Capital Leases: The fair value of long-term debt is estimated based upon quotes obtained from brokers for bonds and discounted future cash flows using current market rates for other debt. For long-term debt with variable interest rates, the carrying value approximates fair value.

The Alliance's significant capital leases and vendor contracts were negotiated with various entities and are considered unique. It is not practicable to estimate the fair value of these obligations under current conditions. Other capital lease obligations are not significant.

(Dollars in Thousands)

NOTE P--FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The estimated fair value of the Alliance's financial instruments that have carrying values different from fair value is as follows at June 30:

	2012		2011	
	Carrying Value	*Estimated Fair Value*	*Carrying Value*	*Estimated Fair Value*
FINANCIAL LIABILITIES:				
Long-term debt	$ 1,080,575	$ 1,150,201	$ 1,069,085	$ 1,046,675

NOTE Q--FAIR VALUE MEASUREMENT

FASB ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 - Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.

  Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. The Alliance's Level 2 investments are valued primarily using the market valuation approach.

- Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the Alliance's own assumptions.

In instances where the determination of the fair value hierarchy measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Alliance's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following table sets forth, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis as of June 30, 2012 and 2011:

(Dollars in Thousands)

NOTE Q--FAIR VALUE MEASUREMENT - Continued

	Total	*Level 1*	*Level 2*	*Level 3*
June 30, 2012				
Cash, cash equivalents and money market funds	$ 85,017	$ 85,017	$ -	$ -
U.S. Government securities	15,693	15,693	-	-
U.S. Agency securities	62,437	62,437	-	-
Corporate and foreign bonds	52,581	-	52,581	-
Municipal obligations	961	-	961	-
Preferred and asset backed securities	11,183	-	11,183	-
U.S. equity securities	28,344	28,344	-	-
Mutual funds	141,968	97,600	44,368	
Other	34,880	-	-	34,880
Total assets	$ 433,064	$ 289,091	$ 109,093	$ 34,880
Fair value of derivative agreements - Note D	$ (19,381)	$ -	$ -	$ (19,381)
June 30, 2011				
Cash, cash equivalents and money market funds	$ 142,031	$ 142,031	$ -	$ -
U.S. Government securities	11,204	11,204	-	-
U.S. Agency securities	34,054	34,054	-	-
Corporate and foreign bonds	32,895	-	32,895	-
Municipal obligations	451	-	451	-
Preferred and asset backed securities	8,945	-	8,945	-
U.S. equity securities	21,774	21,774	-	-
Mutual funds	166,708	73,060	93,648	-
Other	32,718	-	-	32,718
Total assets	$ 450,780	$ 282,123	$ 135,939	$ 32,718
Fair value of derivative agreements - Note D	$ (110,732)	$ -	$ -	$ (110,732)

The valuation of the Alliance's derivative agreements is determined using market valuation techniques, including discounted cash flow analysis on the expected cash flows of each agreement. This analysis reflects the contractual terms of the agreement, including the period to maturity, and uses certain observable market-based inputs. The fair values of interest rate agreements are determined by netting the discounted future fixed cash payments (or receipts) and the discounted expected variable cash receipts (or payments). The variable cash receipts (or payments) are based on the expectation of future interest rates and the underlying notional amount. The Alliance also incorporates credit valuation adjustments (CVAs) to appropriately reflect both its own nonperformance or credit risk and the respective counterparty's nonperformance or credit risk in the fair value measurements. The CVA on the Alliance's interest rate swap agreements at June 30, 2012 and 2011 resulted in a decrease in the fair value of the related liability of $5,726 and $7,940, respectively.

(Dollars in Thousands)

NOTE Q--FAIR VALUE MEASUREMENT - Continued

A certain portion of the inputs used to value its interest rate swap agreements, including the forward interest rate curves and market perceptions of the Alliance's credit risk used in the CVAs, are unobservable inputs available to a market participant. As a result, the Alliance has determined that the interest rate swap valuations are classified in Level 3 of the fair value hierarchy.

The following tables provide a summary of changes in the fair value of the Alliance's Level 3 financial assets and liabilities during the fiscal years ended June 30, 2012 and 2011:

	Trading Securities	*Derivatives, Net*
July 1, 2010	$ 28,608	$ (134,300)
Total unrealized/realized gains in the Performance Indicator, net	2,847	23,049
Net investment income	1,263	519
June 30, 2011	32,718	(110,732)
Total unrealized/realized gains in the Performance Indicator, net	1,466	(6,198)
Net investment income	1,221	515
Purchases	5,107	-
Settlements	-	97,034
Distributions	(5,632)	-
June 30, 2012	$ 34,880	$ (19,381)

There were no changes in valuation techniques in 2012 or 2011. During 2011, as part of the transitional test of goodwill impairment, the Alliance recognized goodwill impairment of $2,965 based primarily on the fair value of the reporting unit, utilizing the income approach. Remaining goodwill determined not to be impaired, for this specific reporting unit, is included in the Consolidated Balance Sheets at $2,900.

NOTE R--OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

The Alliance does not present expense information by functional classification because its resources and activities are primarily related to providing healthcare services. Further, since the Alliance receives substantially all of its resources from providing healthcare services in a manner similar to business enterprise, other indicators contained in these consolidated financial statements are considered important in evaluating how well management has discharged their stewardship responsibilities.

NOTE S--SUBSEQUENT EVENTS

In September 2012, the Alliance issued $55,000 (Series 2012A) fixed rate and $28,095 (Series 2012B) variable rate tax-exempt Hospital Revenue Bonds through The Health and Educational Facilities Board of the City of Johnson City, Tennessee, and $9,785 (Series 2012C) variable rate tax-exempt Hospital Revenue Bonds through the Industrial Development Authority of Wise, Virginia (collectively, the Series 2012 Bonds). The proceeds from the Series 2012A Bonds will be used to finance a surgery center project at JCMC and pay issuance costs related to these Bonds. The proceeds from the Series 2012B and 2012C Bonds will be used to finance or refinance capital improvements and equipment acquisitions and to pay issuance costs associated with these Bonds. The timely payment of the Series 2012B and Series 2012C Bonds is secured by irrevocable transferable direct-pay letters of credit.

In July 2012, the Trustee of the previously derecognized 1998C Bonds liquidated certain investments held in the related irrevocable trust account and redeemed a portion of the 1998C Bonds with the proceeds from the liquidation. The fair value of the liquidated assets exceeded the payment necessary to redeem the 1998C Bonds and the excess was paid to the Alliance. As a result of this transaction, the Alliance recognized a gain of $13,847, net of fees.

Subsequent to June 30, 2012, JMH exercised their purchase option related to a medical office building previously held under a capital lease. The purchase price was $17,529 which was financed through a taxable private placement bond issuance.

Supplemental Schedules

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Balance Sheet
(Dollars in Thousands)

June 30, 2012

	Blue Ridge Medical Management *	*Other Obligated Group Members*	*Eliminations*	*Total Obligated Group*	*Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$ 1,482	$ 36,881	$ -	$ 38,363	$ 22,006	$ 4,738	$ -	$ 65,107
Current portion of investments	-	22,745	-	22,745	3	13,809	-	36,557
Patient accounts receivable, less estimated allowances for uncollectible accounts	5,051	116,629	-	121,680	29,010	-	-	150,690
Other receivables, net	1,624	18,852	-	20,476	3,120	412	(1,000)	23,008
Inventories and prepaid expenses	832	20,951	-	21,783	6,924	103	-	28,810
TOTAL CURRENT ASSETS	8,989	216,058	-	225,047	61,063	19,062	(1,000)	304,172
INVESTMENTS, less amounts required to meet current obligations	19,348	395,778	-	415,126	100,811	44,760	-	560,697
EQUITY IN AFFILIATES	143,050	318,231	(157,099)	304,182	-	-	(304,182)	-
PROPERTY, PLANT AND EQUIPMENT, net	13,559	598,415	-	611,974	199,990	53,492	-	865,456
OTHER ASSETS								
Goodwill	9,007	143,276	-	152,283	2,108	-	-	154,391
Net deferred financing, acquisition costs and other charges	302	26,776	-	27,078	602	507	-	28,187
Other assets	8,887	12,145	-	21,032	4,550	2,562	-	28,144
TOTAL OTHER ASSETS	18,196	182,197	-	200,393	7,260	3,069	-	210,722
	$ 203,142	$ 1,710,679	$ (157,099)	$ 1,756,722	$ 369,124	$ 120,383	$ (305,182)	$ 1,941,047

* Management Services Organization only

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Balance Sheet - Continued
(Dollars in Thousands)

June 30, 2012

	*Blue Ridge Medical Management **	*Other Obligated Group Members*	*Eliminations*	*Total Obligated Group*	*Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accrued interest payable	$ 46	$ 18,455	$ -	$ 18,501	$ 24	$ -	$ -	$ 18,525
Current portion of long-term debt and capital lease obligations	-	29,824	-	29,824	2,653	-	-	32,477
Current portion of estimated fair value of derivatives	-	-	-	-	-	10,395	-	10,395
Accounts payable and accrued expenses	4,191	94,352	-	98,543	9,297	1,030	-	108,870
Accrued salaries, compensated absences and amounts withheld	3,704	40,121	-	43,825	11,764	-	-	55,589
Payables to (receivables from) affiliates, net	15,321	3,118	-	18,439	8,365	(26,804)	-	-
Estimated amounts due to third-party payors, net	-	16,607	-	16,607	1,453	-	-	18,060
TOTAL CURRENT LIABILITIES	23,262	202,477	-	225,739	33,556	(15,379)	-	243,916
OTHER LIABILITIES								
Long-term debt and capital lease obligations, less current portion	13,676	994,014	-	1,007,690	41,408	-	(1,000)	1,048,098
Estimated fair value of derivatives, less current portion	-	8,534	-	8,534	133	319	-	8,986
Deferred revenue	-	2,929	-	2,929	205	-	-	3,134
Estimated professional liability self-insurance	2,268	5,975	-	8,243	1,101	-	-	9,344
Other long-term liabilities	6,837	9,839	-	16,676	146	-	-	16,822
TOTAL LIABILITIES	46,043	1,223,768	-	1,269,811	76,549	(15,060)	(1,000)	1,330,300
NET ASSETS								
Unrestricted net assets								
Mountain States Health Alliance	157,099	436,388	(157,099)	436,388	164,117	135,443	(299,560)	436,388
Noncontrolling interests in subsidiaries	-	39,123	-	39,123	117,377	-	6,459	162,959
TOTAL UNRESTRICTED NET ASSETS	157,099	475,511	(157,099)	475,511	281,494	135,443	(293,101)	599,347
Temporarily restricted net assets								
Mountain States Health Alliance	-	11,223	-	11,223	10,955	-	(10,955)	11,223
Noncontrolling interests in subsidiaries	-	50	-	50	(1)	-	1	50
TOTAL TEMPORARILY RESTRICTED NET ASSETS	-	11,273	-	11,273	10,954	-	(10,954)	11,273
Permanently restricted net assets	-	127	-	127	127		(127)	127
TOTAL NET ASSETS	157,099	486,911	(157,099)	486,911	292,575	135,443	(304,182)	610,747
	$ 203,142	$ 1,710,679	$ (157,099)	$ 1,756,722	$ 369,124	$ 120,383	$ (305,182)	$ 1,941,047

*Management Services Organization only.

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Statement of Operations
(Dollars in Thousands)

Year Ended June 30, 2012

	*Blue Ridge Medical Management **	*Other Obligated Group Members*	*Eliminations*	*Total Obligated Group*	*Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
Revenue, gains and support:								
Patient service revenue, net of contractual allowances and discounts	$ 50,213	$ 824,899	$ (2,165)	$ 872,947	$ 202,108	$ -	$ (5)	$ 1,075,050
Provision for bad debts	(4,397)	(95,440)	-	(99,837)	(23,080)	-	-	(122,917)
Net patient service revenue	45,816	729,459	(2,165)	773,110	179,028	-	(5)	952,133
Other operating revenue	39,451	15,163	(29,595)	25,019	67,543	8,398	(61,553)	39,407
Equity in net gain (loss) of affiliates	3,332	(17,848)	(1,488)	(16,004)	-	-	16,004	-
TOTAL REVENUE, GAINS AND SUPPORT	88,599	726,774	(33,248)	782,125	246,571	8,398	(45,554)	991,540
Expenses:								
Salaries and wages	21,613	268,799	-	290,412	72,358	451	(4,614)	358,607
Physician salaries and wages	43,468	1,162	-	44,630	62,704	-	(41,628)	65,706
Contract labor	777	3,864	-	4,641	2,382	9	(657)	6,375
Employee benefits	7,416	51,007	(2,236)	56,187	17,510	85	(4,182)	69,600
Fees	4,025	100,938	(29,034)	75,929	25,946	517	(4,433)	97,959
Supplies	2,454	135,733	-	138,187	32,124	40	(165)	170,186
Utilities	626	12,222	-	12,848	3,476	965	-	17,289
Other	7,538	47,568	(490)	54,616	23,471	4,077	(5,879)	76,285
Depreciation	1,395	49,959	-	51,354	19,458	2,248	-	73,060
Amortization	30	2,161	-	2,191	54	-	-	2,245
Interest and taxes	(1,169)	42,976	-	41,807	3,018	1,112	(34)	45,903
TOTAL EXPENSES	88,173	716,389	(31,760)	772,802	262,501	9,504	(61,592)	983,215
OPERATING INCOME (LOSS)	426	10,385	(1,488)	9,323	(15,930)	(1,106)	16,038	8,325
Nonoperating gains (losses):								
Interest and dividend income	673	10,841	-	11,514	2,401	1,332	(34)	15,213
Net realized gains (losses) on the sale of securities	21	611	-	632	(3,227)	-	-	(2,595)
Change in net unrealized gains on securities	(455)	(3,758)	-	(4,213)	133	1,196	-	(2,884)
Derivative related income	-	6,051	-	6,051	-	1,464	-	7,515
Loss on early extinguishment of debt	-	(2,553)	-	(2,553)	(83)	-	-	(2,636)
Change in estimated fair value of derivatives	-	(6,086)	-	(6,086)	(133)	21	-	(6,198)
Other nonoperating gains (losses)	823	12,485	-	13,308	(1,977)	(95)	-	11,236
NET NONOPERATING GAINS	1,062	17,591	-	18,653	(2,886)	3,918	(34)	19,651
EXCESS (DEFICIT) OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES	$ 1,488	$ 27,976	$ (1,488)	$ 27,976	$ (18,816)	$ 2,812	$ 16,004	$ 27,976

*Management Services Organization only.

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Statement of Changes in Net Assets
(Dollars in Thousands)

Year Ended June 30, 2012

	*Blue Ridge Medical Management **	*Other Obligated Group Members*		*Eliminations*	*Total Obligated Group*	*Other Entities*		*Total Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
		Mountain States Health Alliance	*Noncontrolling Interests*			*Mountain States Health Alliance*	*Noncontrolling Interests*				
UNRESTRICTED NET ASSETS:											
Excess (deficit) of revenue, gains and support over expenses and losses	$ 1,488	$ 31,702	$ (3,726)	$ (1,488)	$ 27,976	$ (12,729)	$ (6,087)	$ (18,816)	$ 2,812	$ 16,004	$ 27,976
Pension and other defined benefit plan adjustments	-	(1,119)	(1,115)	-	(2,234)	(9)	(9)	(18)	-	18	(2,234)
Net assets released from restrictions used for the purchase of property, plant and equipment	-	1,550	-	-	1,550	1,550	-	1,550	-	(1,550)	1,550
Distributions to noncontrolling interests	-	-	(324)	-	(324)	-	(324)	(324)	-	324	(324)
Repurchases of noncontrolling interests	-	3,860	(3,860)	-	-	-	-	-	-	-	-
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	1,488	35,993	(9,025)	(1,488)	26,968	(11,188)	(6,420)	(17,608)	2,812	14,796	26,968
TEMPORARILY RESTRICTED NET ASSETS:											
Restricted grants and contributions	-	3,860	39	-	3,899	3,036	12	3,048	-	(3,048)	3,899
Net assets released from restrictions	-	(3,352)	(46)	-	(3,398)	(3,255)	(22)	(3,277)	-	3,277	(3,398)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	-	508	(7)		501	(219)	(10)	(229)	-	229	501
INCREASE (DECREASE) IN TOTAL NET ASSETS	1,488	36,501	(9,032)	(1,488)	27,469	(11,407)	(6,430)	(17,837)	2,812	15,025	27,469
NET ASSETS, BEGINNING OF YEAR	155,611	411,237	-	(155,611)	411,237	239,164	172,041	411,205	132,631	(371,795)	583,278
ADDITION OF OBLIGATED MEMBERS	-	-	54,025	-	54,025	(52,559)	(54,054)	(106,613)	-	52,588	-
NET ASSET TRANSFER	-	-	(5,820)	-	(5,820)	-	5,820	5,820	-	-	-
NET ASSETS, END OF YEAR	$ 157,099	$ 447,738	$ 39,173	$ (157,099)	$ 486,911	$ 175,198	$ 117,377	$ 292,575	$ 135,443	$ (304,182)	$ 610,747

*Management Services Organization only.

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

Note to Supplemental Schedules

Year Ended June 30, 2012

NOTE A--OBLIGATED GROUP MEMBERS

As described in Note F to the consolidated financial statements, the Alliance has granted a deed of trust on JCMC and SSH to secure the payment of the outstanding bonds. The bonds are also secured by the Alliance's receivables, inventories and other assets as well as certain funds held under the documents pursuant to which the bonds were issued. In accordance with Article Six, Section 6.6 of the Amended and Restated Master Trust Indenture between Mountain States Health Alliance and the Bank of New York Mellon Trust Company, NA as Master Trustee, those members pledged in 2011 include Johnson City Medical Center Hospital, Indian Path Medical Center, Franklin Woods Community Hospital, Sycamore Shoals Hospital, Johnson County Community Hospital, Russell County Medical Center and Blue Ridge Medical Management Corporation (parent company only), collectively defined as the Obligated Group (Obligated Group). In 2012, NCH and SCCH (hospitals only) were admitted into the Obligated Group. These entities' operations since admission (including noncontrolling interests) are included as part of the Obligated Group results for 2012 in the accompanying consolidated statements of operations and changes in net assets.

The supplemental consolidating schedules include the accounts of the members of the Obligated Group after elimination of all significant intergroup accounts and transactions. Certain other subsidiaries of the Alliance, Mountain States Properties, Inc. (MSP) and all other affiliates (Other Entities), are not pledged to secure the payment of the outstanding bonds as they are not part of the Obligated Group. These affiliates have been accounted for within the Obligated Group based upon the Alliance's original and subsequent investments, as adjusted for the Alliance's pro rata share of income or losses and any distributions, and are included as a part of equity in affiliates in the supplemental consolidating balance sheet.

MOUNTAIN STATES HEALTH ALLIANCE **62-0476282**
JUNE 30, 2012

FORM 990, PART III, LINE 1: STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

MOUNTAIN STATES HEALTH ALLIANCE (MSHA) WAS CREATED IN SEPTEMBER 1998 AS A PRIVATE, LOCALLY OWNED, TAX-EXEMPT, REGIONAL HEALTHCARE SYSTEM. MSHA IS A 1,200 BED TERTIARY-CARE AND REFERRAL HOSPITAL SYSTEM, THE REGION'S LARGEST BY BED COUNT AND VOLUMES. FOR THE YEAR ENDING JUNE 30, 2012, MSHA RECORDED 47,958 INPATIENT ADMISSIONS, AND PROVIDED FOR 733,059 OUTPATIENT VISITS. THERE WERE 160,564 EMERGENCY VISITS AND 128,905 HOME HEALTH VISITS.

THE ALLIANCE IS COMPOSED OF 9 HOSPITALS, AN OUTPATIENT SURGERY CENTER, AN OUTPATIENT RADIATION ONCOLOGY CENTER, AN OUTPATIENT DIAGNOSTIC CENTER AND TWO OUTPATIENT REHABILITATION THERAPY CENTERS. IT ALSO HAS SERVICES FOR HOME HEALTH, DURABLE MEDICAL EQUIPMENT, INFUSION THERAPY, HOSPICE AND PARISH NURSING.

MSHA ENTITIES, IN CONCERT WITH THE MOUNTAIN STATES HEALTHCARE NETWORK OF 54 AFFILIATED HOSPITALS AND NURSING HOMES, PROVIDE AN INTEGRATED, COMPREHENSIVE CONTINUUM OF CARE TO RESIDENTS ACROSS A WIDESPREAD, PREDOMINANTLY RURAL 29-COUNTY AREA OF APPALACHIA. THE SERVICE AREA INCLUDES PARTS OF NORTHEAST TENNESSEE, SOUTHWEST VIRGINIA, SOUTHEAST KENTUCKY AND WESTERN NORTH CAROLINA. ALL 9 MSHA HOSPITALS ARE LOCATED IN NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA. JOHNSON CITY MEDICAL CENTER, THE COMPANY'S FLAGSHIP FACILITY, IS HOME TO MANY OF THE REGION'S CRITICALLY NEEDED PROGRAMS.

MSHA ALSO HAS A MAJORITY OWNERSHIP IN SMYTH COUNTY COMMUNITY HOSPITAL (SCCH) LOCATED IN MARION, VA,

NORTON COMMUNITY HOSPITAL, LOCATED IN NORTON, VA, DICKENSON COMMUNITY HOSPITAL (DCH), LOCATED IN CLINTWOOD, VA, AND JOHNSTON MEMORIAL HOSPITAL (JMH), LOCATED IN ABINGDON, VA. BECAUSE JMH, NCH, DCH AND SCCH ARE PARTIALLY OWNED ENTITIES, THEIR DATA ARE EXCLUDED FROM THIS DOCUMENT AND EACH OF THESE HOSPITALS FILE A SEPARATE FORM 990.

WASHINGTON COUNTY, TN JOHNSON CITY MEDICAL CENTER (JCMC) FLAGSHIP FACILITY:

- TEACHING HOSPITAL AFFILIATED WITH QUILLEN COLLEGE OF MEDICINE AT EAST TENNESSEE STATE UNIVERSITY (ETSU)
- THE SECOND HOSPITAL BUILT IN TENNESSEE
- LEVEL I TRAUMA CENTER – ONE OF ONLY SIX IN TENNESSEE
- HOME OF THE REGIONAL CANCER CENTER
- HOME TO NISWONGER CHILDREN'S HOSPITAL (NSCH), WHICH ALSO OFFERS THE ST. JUDE TRI-CITIES AFFILIATE CLINIC, ONE OF ONLY FIVE SUCH CLINICS IN THE COUNTRY, WORKING WITH THE MEMPHIS FACILITY TO TREAT PEDIATRIC PATIENTS IN OUR REGION; AND, THE REGION'S ONLY NACHRI-AFFILIATED CHILDREN'S HOSPITAL. NSCH PROVIDES COMPREHENSIVE PEDIATRIC SERVICES WITH ACCESS TO MORE THAN 20 PEDIATRIC SPECIALTIES.
- THE CHILDREN'S EMERGENCY DEPARTMENT AT JCMC IS THE ONLY PEDIATRIC-SPECIFIC EMERGENCY DEPARTMENT IN THE REGION OFFERING 24-HOUR EMERGENCY CARE BY SPECIALLY TRAINED PERSONNEL FOCUSED ON PROVIDING CARE TO PATIENTS FROM BIRTH TO 18 YEARS OF AGE.
- THE NE TN REGIONAL PERINATAL CENTER LOCATED AT JCMC IS ONE OF FIVE STATE DESIGNATED TERTIARY CENTERS FOR HIGH-RISK MATERNAL FETAL CARE. STATE DESIGNATION IS BASED ON GUIDELINES FOR THE SERVICE PROVISIONS AND

DESIGNATIONS OF LEVELS OF CARE GOVERNED AND REVIEWED BY A STATE APPOINTED COMMITTEE THROUGH TN DEPARTMENT OF HEALTH.

- HOME OF THE REGION'S LARGEST AIR AMBULANCE FLEET, WINGS AIR RESCUE
- FIRST HOSPITAL IN TENNESSEE AWARDED MAGNET STATUS FOR NURSING EXCELLENCE BY AMERICAN NURSES CREDENTIALING CENTER. ONE OF 6 MAGNET HOSPITALS IN TENNESSEE AND THE ONLY MAGNET HOSPITAL IN OUR GEOGRAPHIC AREA.
- 2001-2012 CONSUMER'S CHOICE AWARD FOR THE REGION THROUGH AN INDEPENDENT SURVEY CONDUCTED BY THE NATIONAL RESEARCH COUNCIL: BEST OVERALL QUALITY, BEST DOCTORS, BEST NURSES, MOST PERSONALIZED CARE AND HAVING THE BEST REPUTATION

OTHER JCMC HOSPITALS; **JAMES H. & CECILE C. QUILLEN REHABILITATION HOSPITAL** (CARF-ACCREDITED) AND **WOODRIDGE HOSPITAL FOR BEHAVIORAL HEALTH SERVICES**.

FRANKLIN WOODS COMMUNITY HOSPITAL (FWCH) OPENED ITS DOORS IN THE SUMMER OF 2010 AS A REPLACEMENT HOSPITAL FOR 2 AGING WASHINGTON COUNTY FACILITIES. FWCH WAS THE FIRST "LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN" (LEED) CERTIFIED HOSPITAL IN TENNESSEE AND HAS SET THE PRECEDENT FOR ENVIRONMENTALLY FRIENDLY DESIGNS.

SULLIVAN COUNTY, TN	**INDIAN PATH MEDICAL CENTER**
CARTER COUNTY, TN	**SYCAMORE SHOALS HOSPITAL**
JOHNSON COUNTY, TN	**JOHNSON COUNTY COMMUNITY HOSPITAL**, A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL LOCATED IN ONE OF TENNESSEE'S POOREST COUNTIES, A MEDICALLY UNDERSERVED AREA

RUSSELL COUNTY, VA RUSSELL COUNTY MEDICAL CENTER

MSHAWAS NAMED THE WINNER OF THE NATIONAL QUALITY FORUM'S 2012 NATIONAL QUALITY HEALTHCARE AWARD. NATIONAL QUALITY FORUM (NQF) PRESENTS THE AWARD ANNUALLY TO AN EXEMPLARY HEALTHCARE ORGANIZATION THAT HAS ACHIEVED A NUMBER OF QUALITY FOCUSED GOALS AND ACHIEVEMENTS. MSHA IS THE FIRST HEALTHCARE ORGANIZATION IN TENNESSEE TO RECEIVE THE AWARD. THE AWARD RECIPIENT IS SELECTED THROUGH A BLINDED REVIEW BY A PANEL OF JURORS COMPOSED OF NATIONAL HEALTHCARE EXPERTS WHO REPRESENT PURCHASERS, GOVERNMENT, HEALTH SYSTEMS, CLINICIANS, AND CONSUMERS. ACCORDING TO NQF, THE 2012 AWARD FOCUS WAS THE EXTENT TO WHICH AN ORGANIZATION IS PROVIDING PATIENT-CENTERED CARE AND ACHIEVING BETTER HEALTH OUTCOMES AT LOWER PER-CAPITA COSTS.

MSHA WAS THE RECIPIENT OF THE 2012 U.S. SENATE PRODUCTIVITY AND QUALITY AWARD FOR VIRGINIA (VA SPQA). MSHA RECEIVED THE MEDALLION PERFORMANCE EXCELLENCE AWARD, VA SPQA'S HIGHEST AWARD. RECEIVING THE SPQA MEDALLION IS RECOGNITION OF BEING AMONG THE BEST PERFORMING ORGANIZATIONS IN THE COMMONWEALTH OF VIRGINIA AND THE DISTRICT OF COLUMBIA. THE AWARD RECIPIENT OF THE COVETED MEDALLION AWARD IS BELIEVED TO BE THE BEST IN THEIR CLASS WHEN COMPARED TO THE NATION'S STANDARD FOR EXCELLENCE – THE BALDRIGE CRITERIA FOR PERFORMANCE EXCELLENCE.

THE AMERICAN HOSPITAL ASSOCIATION RECOGNIZED MSHA AS A 2012 MOST WIRED HEALTH SYSTEM. THE HONOR ACKNOWLEDGES A HIGH LEVEL OF SOPHISTICATION THROUGHOUT THE SYSTEM IN CREATING AND USING ELECTRONIC MEDICAL RECORDS. IN ORDER TO QUALIFY AS ONE OF THE AHA'S MOST WIRED HOSPITALS AND HEALTH SYSTEMS, AN ORGANIZATION MUST MEET EVERY ITEM ON A LIST OF CRITERIA IN FOUR KEY AREAS: INFRASTRUCTURE, BUSINESS AND ADMINISTRATIVE MANAGEMENT, CLINICAL

QUALITY AND SAFETY, AND CLINICAL INTEGRATION. A TOTAL OF 215 HOSPITALS AND HEALTH SYSTEMS ACROSS THE NATION MET THE CRITERIA THIS YEAR. MSHA WAS ONE OF THREE ORGANIZATIONS IN TENNESSEE TO BE RECOGNIZED; THE TWO OTHERS WERE LOCATED IN NASHVILLE.

FOUR MSHA HOSPTIALS WERE RECOGNIZED BY U.S. NEWS AND WORLD REPORT IN THE BEST HOSPITALS 2011 RANKING, WHICH FALLS WITHIN OUR FY12 REPORTING PERIOD. THE RECOGNITION IS BROKEN DOWN BY SPECIALTIES AND RECOGNIZES HIGH PERFORMERS IN EACH CATEGORY. AMONG OTHER SPECIALTIES, JCMC WAS RECOGNIZED AS A HIGH PERFORMER IN CARDIOLOGY AND HEART SURGERY. JCMC HAS BEEN THE AREA'S VOLUME LEADER FOR HEART SERVICES FOR THE PAST 10 YEARS. JCMC WAS RECOGNIZED BY U.S. NEWS AS A HIGH PERFORMER IN THE FOLLOWING SPECIALTIES: CARDIOLOGY & SURGERY; EAR, NOSE & THROAT; GASTROENTEROLOGY; GERIATRICS; CANCER; NEPHROLOGY; PULMONOLOGY; NEUROLOGY AND NEUROSURGERY; ORTHOPEDICS; DIABETES AND ENDOCRINOLOGY; AND, UROLOGY.

IPMC WAS RECOGNIZED AS A HIGH PERFORMER IN THE FOLLOWING SPECIALTIES: GASTROENTEROLOGY; GYNECOLOGY; NEPHROLOGY; NEUROLOGY & NEUROSURGERY; ORTHOPEDICS; PULMONOLOGY; AND UROLOGY.

NORTON COMMUNITY HOSPITAL AND JOHNSTON MEMORIAL HOSPITAL, MAJORITY OWNED BY MSHA, BUT NOT REPORTED IN THIS FORM 990, WERE ALSO RECOGNIZED BY U.S. NEWS & WORLD REPORT AS HIGH PERFORMERS.

A STUDY CONDUCTED BY NATIONAL RESEARCH CORPORATION COMPARED MSHA TO ITS NEAREST COMPETITOR IN THE REGION, WELLMONT HEALTH SYSTEM. THE SURVEY RESULT SHOWS THAT MSHA IS RANKED NO. 1 IN ALL CATEGORIES SURVEYED. THE FY12 SURVEY COVERED A 16-COUNTY AREA AND ASKED PEOPLE WHICH OF THE TWO HEALTH SYSTEMS THEY PREFERRED AND WHICH ONE THEY MOST RECENTLY USED. AMONG THE CATEGORIES SURVEYED WERE: BEST

OVERALL QUALITY, BEST DOCTORS, BEST NURSES, MOST PREFERRED FOR ALL HEALTH NEEDS, MOST PERSONALIZED CARE, CANCER TREATMENT PREFERENCE, HEART CARE PREFERENCE, HOME HEALTH CARE PREFERENCE, HOSPITAL INPATIENT STAY PREFERENCE, MATERNITY/OB PREFERENCE, AND MANY MORE CLINICAL QUALITY OF CARE AREAS. THE NATIONAL RESEARCH CORPORATION'S TICKER SERVICE IS THE LARGEST ONLINE HEALTHCARE SURVEY IN THE U.S. EACH MONTH, TICKER TRACKS THE HEALTHCARE OPINIONS AND BEHAVIORS OF CONSUMERS TO ASSIST HOSPITAL LEADERS IN BETTER UNDERSTANDING CONSUMER PREFERENCE.

QUEST, THE MOST COMPREHENSIVE HOSPITAL COLLABORATIVE IN THE NATION, NAMED FOUR OF MSHA'S HOSPITALS AS TOP PERFORMERS. QUEST CONDUCTS A BROAD-BASED MULTI-DIMENSIONAL EXAMINATION OF HOSPITAL QUALITY DESIGNED TO DELIVER THE MOST EFFICIENT, EFFECTIVE AND CARING HOSPITAL EXPERIENCE TO EVERY PATIENT, EVERY TIME. MHSA'S FRANKLIN WOODS COMMUNITY HOSPITAL, SYCAMORE SHOALS HOSPITAL, JOHNSON CITY MEDICAL CENTER, AND SMYTH COUNTY COMMUNITY HOSPITAL WERE ALL NAMED TOP PERFORMERS DURING THE YEAR.

MSHA ESTABLISHED "MOUNTAIN STATES EARTH CARE" TO INCREASE TEAM MEMBER AWARENESS AND INVOLVEMENT ACROSS THE ORGANIZATION OF INITIATIVES DEVELOPED TO PROTECT THE ENVIRONMENT. CONSISTENT WITH THE MSHA PATIENT CENTERED CARE PRINCIPLE THAT CARE IS PROVIDED IN A HEALING ENVIRONMENT OF COMFORT, PEACE AND SUPPORT, OUR GREEN PRINCIPLES DEMONSTRATE OUR COMMITMENT TO PROTECT AND PRESERVE THE ENVIRONMENT. MSHA PROTECTS THE ENVIRONMENT BY PROMOTING COST-EFFECTIVE BUSINESS PRACTICES CONSISTENT WITH MSHA'S 11 "GREEN GUIDING PRINCIPLES".

INDIAN PATH MEDICAL CENTER (IPMC) WAS HONORED FOR ITS EFFORTS TO REMANUFACTURE AND REPROCESS MEDICAL DEVICES – A PRACTICE THAT REDUCED SUPPLY COSTS BY $775,387 AND AVOIDED SENDING 23,155 POUNDS OF WASTE TO

LANDFILLS IN FY12. IPMC WAS PRESENTED THE HEALTHY HOSPITAL SILVER AWARD BY STRYKER SUSTAINABILITY SOLUTIONS, THE COMPANY MSHA EMPLOYS TO HANDLE REPROCESSING.

FRANKLIN WOODS COMMUNITY HOSPITAL REVITALIZED A PORTION OF A WALKING TRAIL NEAR THE HOSPITAL AND WILL CONTINUE TO ADOPT A PORTION OF THE TRAIL EACH YEAR TO CREATE A HEALING, "GREEN" ENVIRONMENT FOR AREA RESIDENTS TO ENJOY. JOHNSON CITY MEDICAL CENTER AND JOHNSTON MEMORIAL HOSPITAL BEGAN A PARTNERSHIP WITH STERICYCLE DURING THE YEAR TO EXPAND THE RECYCLING PROGRAM AT EACH FACILITY. IN ONE MONTH, THE HOSPITALS WERE ABLE TO RECYCLE 55,580 POUNDS OF MATERIAL. IN FACT, THE TWO FACILITIES HAVE INCREASED RECYCLING BY MORE THAN 80%. IN ADDITION, THE REUSABLE SHARPS PROGRAM HAS DIVERTED 72, 450 POUNDS OF MATERIALS FROM AREA LANDFILLS.

THE AMERICAN HEART ASSOCIATION AND AMERICAN STROKE ASSOCIATION RECOGNIZED IPMC, SSH AND JCMC AS GOLD PLUS ACHIEVEMENT AWARD HOSPITALS. THIS AWARD IS GIVEN TO HOSPITALS FOR ACHIEVING 85% OR HIGHER ADHERENCE TO ALL "GET WITH THE GUIDELINES®" HEART FAILURE ACHIEVEMENT INDICATORS FOR TWO OR MORE CONSECUTIVE 12-MONTH INTERVALS AND AT LEAST 12 CONSECUTIVE MONTHS OF 75% OR HIGHER COMPLIANCE WITH 4 OF 10 "GET WITH THE GUIDELINES®" HEART FAILURE QUALITY MEASURES TO IMPROVE QUALITY OF PATIENT CARE AND OUTCOMES. IN ADDITION TO THE GOLD AWARD, JCMC RECEIVED THE BRONZE AWARD FROM THE AMERICAN HEART ASSOCIATION FOR ACHIEVING ADHERENCE TO "MISSION: LIFELINE STEMI RECEIVING CENTER PERFORMANCE ACHIEVEMENT INDICATORS".

A DOCUMENTARY ON THE HISTORY OF JOHNSON CITY MEDICAL CENTER WON GOLD IN THE MARCOM AWARDS, AN INTERNATIONAL COMPETITION FOR INDIVIDUALS AND COMPANIES INVOLVED IN THE CONCEPT, WRITING AND DESIGN OF PRINT, VISUAL, AUDIO AND WEB MATERIALS THROUGHOUT

THE UNITED STATES, CANADA AND OTHER COUNTRIES IN THE 2011 COMPETITION. THE DOCUMENTARY FOCUSED ON 100 YEARS OF HEALTH CARE AT JCMC.

THE TENNESSEE CENTER FOR PERFORMANCE EXCELLENCE (TNCPE) ANNOUNCED THAT MSHA'S PRESIDENT AND CEO, DENNIS VONDERFECHT, WAS NAMED THE 2012 NED R. MCWHERTER LEADERSHIP AWARD WINNER. THE NED R. MCWHERTER LEADERSHIP AWARD ANNUALLY RECOGNIZES AN INDIVIDUAL WHO EXEMPLIFIES OUTSTANDING LEADERSHIP IN THE PURSUIT OF PERFORMANCE EXCELLENCE AND HAS FURTHERED PERFORMANCE IMPROVEMENT BEYOND THE BOUNDARIES OF HIS OR HER ORGANIZATION. MCWHERTER LEADERSHIP AWARD WINNERS CAN COME FROM ANY INDUSTRY SECTOR. THE AWARD IS NAMED AFTER FORMER TENNESSEE GOVERNOR NED R. MCWHERTER, WHO WAS GOVERNOR WHEN TNCPE WAS FOUNDED IN 1993.

DURING FY12, MSHA DEVELOPED A LEADERSHIP SYSTEM CALLED THE VALUE OPTIMIZATION SYSTEM (VOS) TO TRAIN AND PROVIDE TOOLS TO REDUCE WASTE, PROVIDE A "WOW" CUSTOMER EXPERIENCE WHILE ACHIEVING WORLD CLASS OUTCOMES. THIS SYSTEM WILL ALSO ALLOW MSHA TO CONTINUOUSLY IMPROVE AND PROVIDE MORE VALUE TO TEAM MEMBERS, PHYSICIANS, AND COMMUNITIES. VOS IDENTIFIES WHICH PARTS OF THE SYSTEM DELIVER VALUE AND WHICH PARTS ARE WASTE SO THAT THE SYSTEM MAY BE REDESIGNED TO REDUCE WASTE AND TO DELIVER THE BEST VALUE TO MEET CUSTOMER DEMAND.

AUDIT AND COMPLIANCE PRACTICES: MSHA IS GOVERNED BY A BOARD OF DIRECTORS, WHOSE MEMBERS ARE FROM THE COMMUNITIES MSHA SERVES. THE CORPORATE BOARD INCLUDES A LONGSTANDING AUDIT AND COMPLIANCE COMMITTEE. ALL AUDITORS AND COMPLIANCE SPECIALISTS, INTERNAL AND EXTERNAL, REPORT DIRECTLY TO THE AUDIT AND COMPLIANCE COMMITTEE AS A WAY TO ENSURE THE AUDIT AND COMPLIANCE PROCESS IS INDEPENDENT.

- MSHA'S COMPLIANCE PLAN ENSURES THE ORGANIZATION CONDUCTS BUSINESS IN AN APPROPRIATE MANNER AND IN ACCORDANCE WITH LOCAL, STATE AND FEDERAL LAWS AND REGULATIONS. THE PLAN ADDRESSES FISCAL ACCOUNTABILITY AND TRANSPARENCY OF OPERATIONS THROUGH THE REVIEW AND USE OF INDEPENDENT AUDITS BY EXTERNAL AUDITORS AND RATING AGENCIES.
- UPON EMPLOYMENT, MSHA TEAM MEMBERS RECEIVE A COPY OF THE BOOKLET *CODE OF ETHICS AND BUSINESS CONDUCT*, DETAILING REQUIRED STANDARDS OF BEHAVIOR. YEARLY, TEAM MEMBERS RECEIVE REFRESHER EDUCATION ON THEIR OBLIGATIONS UNDER THE CODE OF ETHICS AND BUSINESS CONDUCT.
- ANNUALLY, DEPARTMENT DIRECTORS, EXECUTIVE OFFICERS AND BOARD MEMBERS ARE REQUIRED TO SIGN MSHA'S **CONFLICT OF INTEREST** POLICY. BY SIGNING THIS POLICY, THEY AFFIRM THEIR KNOWLEDGE AND UNDERSTANDING OF THE POLICY AND ALSO HAVE THE OPPORTUNITY TO DISCLOSE ANY CONFLICT OF INTEREST THEY MAY HAVE. ALL TEAM MEMBERS ARE REQUIRED BY POLICY TO IMMEDIATELY DISCLOSE SITUATIONS THAT MAY CONSTITUTE CONFLICTS OF INTEREST WHEN THEY ARISE.
- MSHA IS FULLY COMPLIANT WITH REGULATORY AND LEGAL REQUIREMENTS, AND ITS HOSPITALS ARE ACCREDITED BY THE JOINT COMMISSION.
- MSHA HAS A NO-RETALIATION AND NO-RETRIBUTION POLICY FOR THE PROTECTION OF INDIVIDUALS WHO, IN GOOD FAITH, REPORT LEGAL OR ETHICAL CONCERNS. TEAM MEMBERS ARE REQUIRED TO REPORT CONCERNS TO APPROPRIATE PERSONS FOR INVESTIGATION OR FOLLOW-UP. ***ALERTLINE*** IS A CONFIDENTIAL, RISK-FREE HOTLINE FOR REPORTING SUSPECTED ILLEGAL BEHAVIOR, ETHICAL VIOLATIONS OR SAFETY RISKS AND IS AVAILABLE TO ALL TEAM MEMBERS VIA A TOLL-FREE NUMBER.

MEDICAL EDUCATION AND RESEARCH

MSHA PROVIDES CLINICAL EXPERIENCE TO MEDICAL STUDENTS AND RESIDENTS OF THE JAMES H. QUILLEN COLLEGE OF MEDICINE AT ETSU. MSHA CONTRIBUTED AN UNREIMBURSED COST AMOUNT OF $2,430,043 TO THE RESIDENCY PROGRAM IN FY12.

MSHA FACILITIES SERVE AS CLINICAL TRAINING AREAS FOR HEALTH PROFESSIONAL EDUCATION STUDENTS. MSHA HAS DEDICATED STAFF TO WORK WITH REGIONAL COLLEGES AND UNIVERSITIES TO COORDINATE THE PLACEMENT OF HEALTHCARE PROFESSIONAL STUDENTS AS PART OF THEIR EDUCATIONAL CURRICULUM. MANY OF THE HEALTH CARE STUDENTS ENTERING OUR SYSTEM ARE REQUIRED TO HAVE ORIENTATION AND COMPUTER TRAINING.

PARTICIPANTS RECEIVING CLINICAL EXPERIENCE AT MSHA WERE 1,583 NURSING STUDENTS FROM VARIOUS COLLEGES, UNIVERSITIES AND PROGRAMS. THIS NURSING CLINICAL EXPERIENCE REQUIRED EXTENSIVE MSHA NURSING STAFF INVOLVEMENT AT FIVE MSHA FACILITIES. THE CLINICAL SETTING AND HANDS-ON INSTRUCTION COST MSHA $3,266,790.

MSHA PROVIDED A CLINICAL SETTING FOR ANOTHER 917 STUDENTS TRAINING IN HEALTH-RELATED PROGRAMS SUCH AS RADIOLOGY, PHARMACY, LABORATORY, PHYSICAL THERAPY AND OTHER ALLIED-HEALTH DISCIPLINES. THESE ADDITIONAL CLINICAL STUDENTS COST MSHA $825,705.

MSHA PROVIDED ASSISTANCE TO 188 HIGH SCHOOL AND COLLEGE STUDENTS WHO WERE CONSIDERING A HEALTHCARE CAREER PATH BY ALLOWING THEM TO OBSERVE LICENSED MSHA CLINICAL PROFESSIONALS. THE SHADOWING OF CLINICAL STAFF BY THESE STUDENTS COST MSHA $4,264.

MSHA'S LEARNING RESOURCE CENTER (LRC) IS A MEDICAL LIBRARY THAT PROVIDES ACCESS TO MEDICAL DATABASES, VARIOUS PAPER PUBLICATIONS AND FACILITATES INTER-LIBRARY JOURNAL LOANS TO INCREASE LIBRARY RESOURCES. THE LRC SUBSCRIBES TO SEVERAL ONLINE MEDICAL DATABASES AS WELL AS PRINTED MEDICAL EDUCATION

MATERIALS. THE LRC IS PRIMARILY UTILIZED BY MEDICAL RESIDENTS, PHARMACY AND NURSING STUDENTS. THIS SERVICE IS ALSO USED BY OTHER HEALTH PROFESSION EDUCATION STUDENTS, PHYSICIANS AND STAFF, AND IS OPEN TO THE COMMUNITY. THE FY12 COST OF PROVIDING THIS SERVICE WAS $291,136.

CLINICAL RESEARCH IS A VITAL COMPONENT OF MODERN MEDICINE. THE DEVELOPMENT OF SAFE AND EFFECTIVE PHARMACEUTICALS, BIOLOGICS AND MEDICAL DEVICES EMERGES FROM CONTROLLED CLINICAL TRIALS. MSHA SUPPORTS MSHA PHYSCIANS AND NURSES, AS WELL AS ETSU FACULTY, RESIDENTS AND FELLOWS IN CONDUCTING RESEARCH TRIALS AND BRINGING INNOVATIVE CARE TO OUR PATIENTS. ON AVERAGE, MSHA'S RESEARCH DEPARTMENT PROVIDES DIFFERENT LEVELS OF SUPPORT TO 100 TRIALS ANNUALLY, INCLUDING, BUT NOT LIMITED TO, ADMINISTRATIVE, LEGAL, AND EDUCATIONAL SUPPORT, BUDGETARY EVALUATION, AND OBTAINING AND MAINTAINING IRB APPROVALS. MSHA REPORTED $490,139 IN RESEARCH EXPENSE (NET OF FUNDING RECEIVED BY CORPORATE SPONSORS).

MSHA ALSO PROVIDES ACCESS TO SEVERAL ONLINE HEALTH INFORMATION SERVICES. "MY HEALTH NEWS" ALLOWS ACCESS TO HEALTH INFORMATION TOPICS AND SERVICES THAT MATTER TO THE USER. THIS SERVICE SENDS UP-TO-DATE INFORMATION FROM NATIONAL HEALTH RESOURCES TAILORED TO THE INDIVIDUAL'S NEEDS AND IS FREE OF CHARGE. MSHA PAYS $24,000 YEARLY FOR MY HEALTH NEWS. MSHA PROVIDES ACCESS TO "KIDSHEALTH", A SERVICE THAT PROVIDES PRACTICAL PARENTING INFORMATION AND NEWS. THIS SERVICE ALSO PROVIDES HOMEWORK HELP FOR KIDS AND STRAIGHT TALK ANSWERS FOR TEENS. MSHA PAYS $15,750 ANNUALLY TO PROVIDE KIDSHEALTH. OTHER HEALTH INFORMATION LINKS ARE PROVIDED TO THE PUBLIC ON OUR WEBSITE, INCLUDING "VIRTUAL WOMEN'S CENTER" AND MANY OTHERS.

IN ADDITION, WE PROVIDE "YOUR HEALTH MATTERS" TELEVISION HEALTH NEWS FOR A COST OF APPROXIMATELY $18,000.

PATIENT CARE SERVICES

DATA SHOWS THAT THE HEALTH STATUS OF MSHA'S SERVICE AREA IS GENERALLY POOR. MSHA'S SERVICE AREA CONSISTS OF COUNTIES IN TENNESSEE AND SOUTHWEST VIRGINIA. AMONG THE 50 STATES, TENNESSEE RANKED 39TH AND VIRGINIA RANKED 20TH IN TERMS OF HEALTH STATUS. SOME OF THE OVERWHELMING HEALTH ISSUES IN OUR SERVICE AREA INCLUDE:

1. HIGH PREVALENCE OF OBESITY
2. POOR CARDIOVASCULAR HEALTH
3. HIGH RATE OF CIGARETTE SMOKING
4. POOR AIR QUALITY
5. LOW RATE OF DIABETIC CARE
6. HIGH RATE OF UNINSURED
7. LOW LEVEL OF EDUCATION
8. HIGH RATE OF DEATHS DUE TO CARDIOVASCULAR CONDITIONS, CANCER AND DIABETES

GIVEN THIS HEALTH PROFILE, MSHA EXISTS TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF ALL INDIVIDUALS AND COMMUNITIES IN THE REGION AND TO ASSIST THEM IN ATTAINING THEIR HIGHEST POSSIBLE LEVEL OF HEALTH. MSHA LIVES ITS MISSION TO BRING LOVING CARE TO HEALTH CARE IN OUR REGION. MSHA OPERATES ON A NON-DISCRIMINATORY BASIS, PROVIDING QUALITY HEALTH CARE TO ALL PATIENTS REGARDLESS OF RACE, RELIGION, GENDER, ETHNICITY, DISABILITY, AGE OR ABILITY TO PAY.

DURING THE YEAR, MSHA ADDED A HOSPITAL-BASED PHARMACY PROGRAM TO DISPENSE MEDICATIONS TO OUR PATIENTS FOR USE AT HOME AFTER HOSPITAL DISCHARGE. THE MAIN REASON FOR ADDING THIS SERVICE IS TO PROVIDE SAFER AND MORE EFFICIENT PATIENT CARE AS PATIENTS TRANSITION FROM HOSPITAL TO HOME. ONE OF THE PRIMARY

REASONS FOR HOSPITAL READMISSION IS MEDICATION MISMANAGEMENT ONCE A PATIENT GOES HOME. PATIENTS CAN NOW LEAVE THE HOSPITAL WITH MEDICATIONS IN HAND AND AFTER RECEIVING CLEAR INSTRUCTION FROM A TRANSITION SPECIALIST THROUGHOUT THEIR HOSPITAL STAY. OF COURSE, PATIENTS MAY CHOOSE TO USE ANOTHER PHARMACY. THE MSHA PHARMACY OFFERS AN OPTION FOR PATIENTS LEAVING LATE IN THE DAY, PATIENTS THAT ARE TIRED AND WANT TO GO STRAIGHT HOME; OR, THE PATIENT'S PHARMACY DOESN'T HAVE A NEEDED MEDICATION IN STOCK CAUSING A DELAY IN STARTING THE DRUG.

TOWARD THE END OF FY12, JCMC OPENED A CONGESTIVE HEART FAILURE CLINIC TO HELP PATIENTS MANAGE THEIR DISEASE. THE CLINIC IS STAFFED BY A NURSE PRACTITIONER AND IS PROVIDED FREE OF CHARGE. THE CLINIC'S PRIMARY FOCUS IS ON EVALUATION AND EDUCATION, TO PREVENT THE LIKELIHOOD OF ACUTE EPISODES OF HEART FAILURE AND TO HELP PEOPLE MANAGE HEART FAILURE AND IMPROVE THEIR CARDIAC FUNCTION. PATIENTS DISCHARGED FROM A MSHA HOSPITAL WILL HAVE A SCHEDULED APPOINTMENT WITH THE CLINIC AND CONTINUED FOLLOW-UP CARE WILL CONTINUE AS LONG AS THE INDIVIDUAL NEEDS IT.

CHARITY AND UNREIMBURSED COSTS

CHARITY CARE: WHILE REIMBURSEMENT FOR HEALTHCARE SERVICES RENDERED IS CRITICAL TO THE OPERATION AND SUSTAINABILITY OF THE ORGANIZATION, MSHA RECOGNIZES ITS OBLIGATION TO PROVIDE CARE TO INDIVIDUALS WHO CANNOT AFFORD ESSENTIAL MEDICAL SERVICES, INCLUDING EMERGENCY CARE. A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BY REFERENCE TO ESTABLISHED POLICIES OF MSHA AND GUIDELINES OUTLINED BY THE FEDERAL GOVERNMENT. HOWEVER, FINANCIAL ASSISTANCE DECISIONS ARE NOT SOLELY BASED ON INCOME. UNIQUE FINANCIAL CIRCUMSTANCES ARE WEIGHED WITH VERIFIED PATIENT ASSETS WHICH CAN DETERMINE FINANCIAL ASSISTANCE ELIGIBILITY. IT IS NOT UNTIL AFTER VERIFICATION OF INCOME AND ASSETS THAT A DECISION AS TO THE AMOUNT OF WRITE-OFF WILL BE MADE. IN FISCAL YEAR 2012, MSHA INCURRED A

LOSS OF $17,797,660 ATTRIBUTABLE TO THE PROVISION OF FREE CARE TO INDIGENT PATIENTS.

GOVERNMENTAL PROGRAM ENROLLEES: MSHA PROVIDES INCLUDING MEDICARE AND MEDICAID AND STATE-FUNDED TENNCARE. IN FY12, THE UNREIMBURSED COST OF SERVICES PROVIDED TO THIS PATIENT POPULATION WAS $19,543,727 (MEDICARE, BASED ON MEDICARE ALLOWABLE COSTS), $5,506,687 (MEDICAID) AND $23,227,648 (TENNCARE).

BAD DEBT: MSHA PROVIDES AN INCREASING LEVEL OF SERVICE TO SELF-PAY PATIENTS FOR WHICH IT RECEIVES LITTLE OR NO PAYMENT. DURING FY12, BAD DEBTS RESULTED IN UNREIMBURSED COSTS OF $18,684,338.

PROMOTE COMMUNITY HEALTH

MSHA OFFERS MANY REDUCED PRICE OR FREE SERVICES AND PROGRAMS YEAR-ROUND IN CARE SETTINGS THAT IT ESTABLISHED TO ACCOMMODATE THE WIDELY SCATTERED, AGING AND SOCIOECONOMICALLY DISADVANTAGED POPULATION. SUCH PROGRAMS SERVE BONA FIDE COMMUNITY HEALTH NEEDS AND RESULT IN FINANCIAL LOSSES TO THE ORGANIZATION.

WINGS AIR RESCUE (WINGS), THE REGION'S ONLY EMERGENCY MEDICAL HELICOPTER SERVICE, IS CONSIDERED BY MSHA TO BE A REGIONAL ASSET. LICENSED IN THE STATE OF TENNESSEE AND THE COMMONWEALTHS OF KENTUCKY AND VIRGINIA, WINGS PROVIDED AIR TRANSPORT OF CRITICALLY ILL AND INJURED PATIENTS TO THE CLOSEST TERTIARY FACILITIES, INCLUDING NON-MSHA FACILITIES. 44% OF THEIR PATIENTS ARE TRAUMA PATIENTS FROM SCENES OR EMERGENCY DEPARTMENTS TO TERTIARY CARE CENTERS, WITH OTHERS BEING CARDIAC, OB, PEDIATRIC AND MEDICAL. DURING FY12, WINGS TRANSPORTED 1,651 PATIENTS AND MADE 7 SEARCH AND RESCUE FLIGHTS AT A NET OPERATING LOSS OF $1,070,067. IN ADDITION TO AIR TRANSPORT SERVICE, WINGS DISPATCH SERVES AS THE STATE DESIGNATED REGIONAL MEDICAL COMMUNIATIONS CENTER FOR TENNESSEE REGION 1. THE

COMMUNICATION CENTER IS OPERATIONAL 24 HOURS DAILY AND PROVIDES COMMUNICATION SERVICES TO BOTH AIR AND GROUND EMERGENCY TRANSPORT SYSTEMS IN THE REGION.

OUTLYING FACILITIES CALL MSHA FOR NEONATAL/PEDIATRIC PATIENT TRANSFERS. MSHA RESPONDS WITH NO-CHARGE GROUND AMBULANCE SERVICE TO PICK UP THE BABY/CHILD. IN ADDITION TO THE EMT DRIVER, MSHA PROVIDES A REGISTERED NURSE AND RESPIRATORY THERAPIST FOR EACH TRANSPORT. THERE WERE 158 FREE NEONATAL/PEDIATRIC TRANSPORTS PROVIDED BY MSHA DURING FY12. THE COST FOR THIS SERVICE TO MSHA WAS $72,019.

NURSE LINK MEDICAL CALL CENTER IS A 24-HOUR TOLL-FREE MEDICAL INFORMATION LINE. EXPERIENCED REGISTERED NURSES ANSWER CALLS AND PROVIDE INVALUABLE CONFIDENTIAL HEALTH INFORMATION. THEY MANAGE PHYSICIAN-APPROVED PATIENT TRIAGE SERVICES; MAKE INDIVIDUAL CALLBACKS FOR PEDIATRIC AND ADULT PATIENTS WITH SERIOUS SYMPTOMS; AND COORDINATE PATIENT TRANSPORTS AND EMERGENCY DEPARTMENT ACCESS. IN FY12, NURSE LINK HANDLED 50,923 CALLS. MSHA INCURRED AN EXPENSE OF $519,415 TO PROVIDE THIS SERVICE AT NO COST TO THE COMMUNITY.

THE HEALTH RESOURCES CENTER (HRC) IS A COMMUNITY OUTREACH SERVICE PROVIDED BY MSHA. THE HRC LOCATED IN JOHNSON CITY IS CONVENIENTLY LOCATED IN THE REGION'S LARGEST SHOPPING MALL AND THE NEW HRC IN KINGSPORT IS LOCATED IN THE KINGSPORT TOWN CENTER. THE HRC OFFERS FREE CLASSES, BLOOD PRESSURE CHECKS, INFORMATIONAL MATERIALS AND RESOURCES AS WELL AS A NUMBER OF OTHER SERVICES IN AN EFFORT TO MEET COMMUNITY MEMBERS' HEALTH AND HEALTH EDUCATION NEEDS. THE JOHNSON CITY HRC HAD 27,552 VISITS TO THEIR OFFICE AND PERFORMED 1,710 HEALTH SCREENINGS. THIS HRC ALSO HOSTED MORE THAN 8,250 ATTENDEES WHO PARTICIPATED IN MONTHLY HEALTH EDUCATION PROGRAMS. THE HRC ALSO PROVIDES OUTREACH SERVICES WHERE THEY REACHED AN ADDITIONAL 5,489 COMMUNITY MEMBERS. THE

UNCOMPENSATED COST OF THE JOHNSON CITY HRC WAS $384,752. THE HRC IN KINGSPORT OPENED IN NOVEMBER 2011. THIS LOCATION HAD 8,629 VISITS TO THE OFFICE AND PERFORMED 348 HEALTH SCREENINGS.THIS HRC HOSTED 1,892 ATTENDEES AT MONTHLY HEALTH EDUCATION PROGRAMS AND PROVIDED OUTREACH SERVICES TO ANOTHER 1,293 COMMUNITY MEMBERS. THE KINGSPORT HRC UNCOMPENSATED COST FOR FY12 WAS $206,153.

MSHA HEART COACH IS A MOBILE CARDIOVASCULAR SCREENING CENTER WHICH IS OFFERED IN EAST TENNESSEE AND SOUTHWEST VIRGINIA. DURING FY12, THE HEART COACH PROVIDED 2,539 CARDIOVASCULAR SCREENINGS. 248 OF THESE SCREENINGS HAD ABNORMAL RESULTS FOR CARDIOVASCULAR ISSUES. ABNORMAL RESULTS FOR OTHER ISSUES (SUCH AS GLUCOSE AND BLOOD PRESSURE) WERE ALSO DETECTED. THE STAFF OF THE HEART COACH WAS ABLE TO PROVIDE REFERRALS FOR APPROPRIATE FOLLOW UP REGARDING PARTICIPANTS' CONDITIONS. IN FY12, THE HEART COACH HAD UNREIMBURSED EXPENSES OF $372,464. THE HEART COACH PROVIDED OVER 200 FREE SCREENINGS AT A REMOTE AREA MEDICAL (RAM) CLINIC IN WISE COUNTY VIRGINIA. RAM, A KNOXVILLE, TN BASED CHARITABLE ORGANIZATION, PROVIDES FREE MEDICAL CARE TO PEOPLE IN REMOTE AREAS AND MSHA WAS PLEASED TO OFFER THE SERVICES OF OUR HEART COACH TO THE RAM CLINIC.

BASED ON COMMUNITY NEEDS, MSHA INCURRED AN EXPENSE OF $127,777 TO RECRUIT PHYSICIANS INTO CLINICAL/GEOGRAPHICAL AREAS THAT WERE FEDERALLY DESIGNATED AS MEDICALLY UNDERSERVED. MSHA INCURRED AN ADDITIONAL EXPENSE OF $1,842,185 TO RECRUIT PHYSICIANS INTO OTHER AREAS SERVICED BY MSHA.

JOHNSON COUNTY COMMUNITY HOSPITAL (JCCH) IS A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL. THIS FACILITY IS LOCATED IN ONE OF TENNESSEE'S POOREST COUNTIES AND PROVIDES EMERGENCY, INPATIENT AND OUTPATIENT CARE TO THE COUNTY'S RESIDENTS, MANY OF WHOM ARE OVER 65 YEARS OLD. JCCH CONTINUES TO BE

DESIGNATED AS A PHYSICIAN SHORTAGE AREA FOR MANY SPECIALTIES. JCCH OPERATES A PHYSICIAN SPECIALTY CLINIC, WHICH INCURRED AN OPERATING LOSS OF $50,869 IN FY12. THE SPECIALTY CLINIC INCLUDES GENERAL SURGERY, PODIATRY, CARDIOLOGY AND OTHER SPECIALTY SERVICES. THIS CONTINUES TO BE A VALUABLE RESOURCE TO THE RESIDENTS OF THE AREA BY AIDING WITH TRANSPORTATION ISSUES (OTHER PHYSICIAN OFFICES ARE LOCATED MORE THAN AN HOUR AWAY), RESOLVING ACCESS LIMITATIONS FOR SPECIALTY SERVICES, AND PROVIDING RELIEF TO THE SPECIAL HEALTH PROBLEMS OF A LARGELY ELDERLY POPULATION. RURAL LIFE OFTEN INCLUDES HAZARDOUS OCCUPATIONS SUCH AS FARMING, WHICH INCREASES THE RISK FOR CHRONIC RESPIRATORY DISEASES AND CANCER-RELATED ILLNESSES CAUSED BY FERTILIZATION AND OTHER CHEMICALS. THIS RURAL POPULATION HAS A HIGHER INCIDENCE OF CARDIOVASCULAR DISEASE DUE TO DIET AND GENETIC PREDISPOSITION. GIVEN THESE FACTORS, RURAL HOSPITALS MUST REMAIN FLEXIBLE AND DIVERSE IN THEIR FACILITIES AND THE SERVICES THEY OFFER THE COMMUNITY. MSHA REMAINS FIRM IN THE BELIEF THAT FINANCIALLY SUPPORTING THE SERVICES OF JCCH AND THE SPECIALTY CLINIC TO ASSIST RESIDENTS IN ATTAINING A HIGH LEVEL OF HEALTH CONTINUES TO BE A CORE VALUE OF OUR BUSINESS AND COMMUNITY SUPPORT.

MSHA OPERATES A RURAL HEALTH CLINIC LOCATED IN ST. PAUL, VA ON THE BORDER OF WISE AND RUSSELL COUNTIES. RIVERSIDE CLINIC FIRST OPENED IN 1991 TO PROVIDE PRIMARY CARE SERVICES TO THIS ELDERLY, UNDERSERVED POPULATION. THE CLINIC HAD 5,463 OUTPATIENT VISITS DURING THE YEAR. THE LARGEST PAYOR IS MEDICARE, WHICH ACCOUNTS FOR 45% OF THE CLINIC'S REVENUE. RCMC PROVIDED A $492,682 SUBSIDY TO SUPPORT THE CLINIC'S OPERATIONS.

MSHA ALSO GIFTS THE LAND LEASE TO THE RONALD MCDONALD HOUSE AT A FAIR MARKET VALUE OF $60,000. THE RONALD MCDONALD HOUSE IS LOCATED ON THE CAMPUS OF

NISWONGER CHILDREN'S HOSPITAL AND JOHNSON CITY MEDICAL CENTER.

COMMUNITY CONTRIBUTIONS

AS THE SECOND LARGEST EMPLOYER IN THE REGION, MSHA IS ONE OF THE AREA'S PRINCIPAL BENEFACTORS AND HAS MADE CORPORATE CITIZENSHIP AN INTEGRAL PART OF ITS CULTURE. FROM SYSTEM-WIDE INITIATIVES TO INDIVIDUAL EFFORTS OF CARING TEAM MEMBERS, ITS AIM IS TO ENRICH THE COMMUNITIES THAT THE ORGANIZATION SERVES. MSHA'S COMMITMENT INCLUDES FINANCIAL CONTRIBUTIONS, IN-KIND (NON-CASH) CONTRIBUTIONS AND LEADERSHIP RESOURCES WITHIN THREE BROAD CATEGORIES OF GIVING:

1) DIRECT CONTRIBUTIONS THAT SUPPORT COMMUNITY HEALTHCARE NEEDS AND THOSE NONPROFIT AGENCIES THAT ADVOCATE THE HEALTH AND WELL-BEING OF COMMUNITY MEMBERS;
2) MSHA-RUN AND MSHA-SUPPORTED PROGRAMS THAT CONTRIBUTE TO THE HEALTH AND WELL-BEING OF AREA RESIDENTS; AND
3) EDUCATION/TRAINING; BOTH AS A COMMUNITY CITIZEN AND AS AN EMPLOYER.

1.) DIRECT CONTRIBUTIONS – IN-KIND AND CASH

MSHA LEADERS SUPPORT AND ENCOURAGE ALL TEAM MEMBERS TO VOLUNTEER TIME, MONEY AND SKILLS TO COMMUNITY SERVICE PROJECTS AND CHARITABLE ORGANIZATIONS. SENIOR LEADERS AND BOARD MEMBERS SET A POSITIVE EXAMPLE FOR MSHA TEAM MEMBERS, SERVING VOLUNTARILY ON COMMITTEES AND MANAGING BOARDS OF LOCAL SERVICE AND NONPROFIT ORGANIZATIONS. MANY ALSO SERVE AS MEMBERS AND CONSULTANTS ON PROFESSIONAL COMMITTEES AND TASK FORCES THAT AFFECT REGIONAL DEVELOPMENT IN HEALTH CARE AND EDUCATION. SOME OF THESE TEAM MEMBERS DEVOTED TWO WEEKS OF NORMAL WORK TIME TO OUTSIDE CHARITABLE ACTIVITIES.

SUMMARY LIST OF CHARITABLE GIVING:

IN FY12, MSHA PROVIDED CASH AND IN-KIND SUPPORT TO NUMEROUS HEALTH AND HUMAN SERVICE ORGANIZATIONS, SOCIAL AND WELL-BEING NON-PROFITS, AND OTHERS.

- ETSU FOUNDATION – $10,000
- JOHNSON CITY PARKS & RECREATION FOUNDATION - $15,000
- VARIOUS COLLEGE/UNIVERSITY SCHOLARSHIP FUNDS - $8,300
- CITY OF JOHNSON CITY - $1,053
- JONESBOROUGH REPERTORY THEATRE - $3,729
- LOCAL CHURCHES - $1,300
- EAST TENNESSEE STATE UNIVERSITY - $5,000
- VARIOUS ORGANIZATIONS FOR THE POOR - $6,732
- SECOND HARVEST FOOD BANK - $1,265
- BRISTOL FAMILY YMCA - $5,000
- TENNESSEE CENTER FOR PERFORMANCE EXCELLENCE - $4,150
- UMOJA UNITY FESTIVAL - $2,000
- DONATIONS TO ARTS PROGRAMS - $2,142

MSHA, IN COLLABORATION WITH AREA HEALTH AGENCIES AND PROVIDERS, MAY OFFER ASSISTANCE WITH COORDINATION, ADVOCACY AND PUBLICITY; PROVIDE SPACE; OR CONTRIBUTE SUPPLIES TO SUPPORT GROUPS FOR THEIR PROGRAM ACTIVITIES.

MSHA VALUES SOCIAL RESPONSIBILITY AND IS COMMITTED TO COMMUNITY HEALTH AND HEALTH EDUCATION. ANNUALLY, MSHA MAKES GENEROUS MONETARY DONATIONS TO AREA HEALTH AND HUMAN SERVICE AGENCIES WHOSE PROGRAMS ARE SPECIFICALLY DESIGNED TO PROVIDE FOR THE HEALTHCARE NEEDS OF THE HOMELESS, INDIGENT AND UNDERSERVED POPULATIONS.

THROUGHOUT THE YEAR, MSHA MAKES CONTRIBUTIONS TO LOCAL SCHOOLS AND ORGANIZATIONS THAT PROVIDE

EDUCATIONAL, HEALTH, AND SOCIAL SUPPORT FOR YOUNG PEOPLE. SOME OF THE CONTRIBUTIONS TO YOUTH PROGRAMS INCLUDE:

- ETSU FIT KIDS PROGRAM - $20,500
- ORGANIZATIONS FOCUSED ON CHILDHOOD OBESITY - $33,000
- CARTER COUNTY IMAGINATION LIBRARY - $1,000
- COALITION FOR KIDS - $10,795
- BOYS AND GIRLS CLUB OF KINGSPORT - $10,000
- KINGSPORT CITY SCHOOLS - $2,000
- ROGERSVILLE CITY SCHOOLS - $2,000
- UNAKA ELEMENTARY SCHOOL - $2,000
- WASHINGTON COUNTY BOARD OF EDUCATION - $4,000
- GIRLS ON THE RUN OF NE TN - $2,000
- BELFAST – ELK GARDEN ELEMENTARY SCHOOL - $2,500
- ELIZABETHTON CITY SCHOOLS - $2,000
- BLUFF CITY MIDDLE SCHOOL - $2,000
- VARIOUS OTHER CITY SCHOOLS - $2,500
- JASON WITTEN SCORE FOUNDATION - $3,750
- BRISTOL, VA PUBLIC SCHOOLS - $2,000
- DICKENSON COUNTY PUBLIC SCHOOLS - $2,000
- CASTLEWOOD HIGH SCHOOL - $1,000
- LEBANON HIGH SCHOOL - $1,000
- HONAKER HIGH SCHOOL - $1,000
- RUSSELL COUNTY PUBLIC SCHOOLS - $1,250
- KERMIT TIPTON SCHOLARSHIP FOUNDATION - $2,200
- VARIOUS OTHER YOUTH PROGRAMS - $3,279
- BOYS & GIRLS CLUB OF GREENEVILLE - $2,000

MSHA CONTRIBUTES ANNUALLY TO LOCAL CHAPTERS OF SEVERAL NATIONAL NONPROFIT ORGANIZATIONS WHOSE RESEARCH FOCUSES ON THOSE DISEASES AND CONDITIONS MOST PREVALENT IN THE REGION.

FY12:

- SUSAN G. KOMEN BREAST CANCER FOUNDATION - $6,122
- AMERICAN DIABETES ASSOCIATION - $10,000

- UNITED WAY - $12,039
- JOHNSTON MEMORIAL HOSPITAL CANCER CENTER- $1,000
- ALZHEIMER'S ASSOCIATION - $3,000
- DONATIONS TO RESCUE SQUADS - $28,776
- VARIOUS OTHERS – $9,152

2.) **COMMUNITY PROGRAMS**

DEMOGRAPHIC STUDIES AND A CUSTOMER MARKET NEEDS ANALYSIS, PERFORMED ANNUALLY DURING STRATEGIC PLANNING, INDICATE THE NECESSITY OF HAVING A WIDE ARRAY OF FREE AND PRICE-REDUCED SERVICES THAT ARE WELL-SITUATED FOR EASY ACCESS FROM RURAL, MOUNTAINOUS AREAS. MSHA HAS GIVEN HIGH PRIORITY TO INVESTMENTS IN COMMUNITY OUTREACH, AND AS A RESULT, HAS ESTABLISHED COUNCILS AND DEPARTMENTS WHOSE FOCUS IS TO TRANSLATE FINDINGS INTO VIABLE HEALTHCARE PROGRAMS BOTH FOR THE COMMUNITY AT LARGE AND FOR POPULATIONS WITH SPECIAL NEEDS.

AMONG INITIATIVES AND ONGOING SERVICES THAT PROMOTE COMMUNITY HEALTH AND SOCIAL WELLBEING ARE DISEASE MANAGEMENT, WELLNESS PROGRAMS, HEALTH-RELATED EDUCATION SESSIONS BY MSHA NURSES, STAFF PHYSICIANS, NUTRITIONISTS, AND OTHER SPECIALISTS, HEALTH SCREENINGS AND SUPPORT. MSHA ALSO OFFERS SPECIAL PROGRAMS FOR YOUTH, THE ELDERLY, THE DISABLED AND THE MEDICALLY UNDERSERVED.

MSHA CONTINUED THE LARGEST COMMUNITY HEALTH NEEDS ASSESSMENT IN ITS HISTORY IN AN EFFORT TO PROFILE THE HEALTH OF THE RESIDENTS WITHIN THE LOCAL REGION. THIS ASSESSMENT SPECIFICALLY FOCUSED ON MSHA'S 13-COUNTY CORE SERVICE AREA, WHICH INCLUDES, BUT IS NOT LIMITED TO, ALL THE COUNTIES IN WHICH MSHA HAS A FACILITY. THE SEVEN TENNESSEE COUNTIES INCLUDED IN THIS NEEDS ASSESSMENT WERE: CARTER COUNTY; GREENE COUNTY; HAWKINS COUNTY; JOHNSON COUNTY; SULLIVAN COUNTY; UNICOI COUNTY; AND, WASHINGTON COUNTY. THE SIX

VIRGINIA COUNTIES ARE LOCATED IN SOUTHWEST VIRGINIA AND INCLUDE DICKENSON COUNTY; RUSSELL COUNTY; SMYTH COUNTY; BRISTOL CITY/WASHINGTON COUNTY; SCOTT COUNTY; AND, NORTON/WISE COUNTY. AFTER ANALYZING THE MANY HEALTH DISPARITIES IN THE REGION, MSHA CHOSE CHILDHOOD OBESITY AS ITS HEALTH PRIORITY.

MSHA COLLABORATED WITH EAST TENNESSEE STATE UNIVERSITY'S COLLEGE OF PUBLIC HEALTH TO DEVELOP THE MSHA-ETSU OBESITY COLLABORATIVE. THE FOCUS OF THIS COLLABORATIVE IS TO PULL TOGETHER MANY PARTNERS AND ORGANIZATIONS TO REDUCE THE LEVEL OF CHILDHOOD OBESITY THROUGHOUT NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA. MSHA AND ETSU NAMED THE OBESITY COLLABORATIVE "HEAL APPALACHIA" - HEAL, STANDING FOR "HEALTHY EATING ACTIVE LIVING".

MSHA PROVIDED THE FUNDING AND COORDINATION, WHILE ETSU WORKED ON RESEARCH EFFORTS. DURING THE YEAR, MSHA PROVIDED FUNDING FOR 19 MICRO-GRANTS OF $2,000 AND $5,000 EACH TO LOCAL COMMUNITY ORGANIZATIONS SUCH AS CHURCHES, COMMUNITY GROUPS, SCHOOLS AND EMPLOYERS THAT WANT TO EXPLORE CHILDHOOD OBESITY REDUCTION EFFORTS.

IN FY12, MSHA RECEIVED OVER 100 APPLICATIONS FOR THE MICRO-GRANTS. THE APPLICANTS AWARDED THE GRANTS WERE ANNOUNCED AT A REGIONAL HEALTH SYMPOSIUM FOCUSING ON OBESITY. THE HEAL APPALACHIA OBESITY SYMPOSIUM HELD DURING FY12 BROUGHT TOGETHER NEARLY 300 PEOPLE FROM NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA TO HEAR NATIONAL EXPERTS SPEAK AND TO EXCHANGE IDEAS ABOUT HOW TO BATTLE CHILDHOOD OBESITY. MSHA'S COST TO ORGANIZE AND PRODUCE THE SYMPOSIUM AND TO COORDINATE THE HEAL PROGRAM WAS $36,032.

THE HEAL APPALACHIA COMMITTEE EVALUATES LOCAL PROGRAM GRANT RECIPIENTS AS TO THEIR ABILITY TO MAKE A MEASURABLE IMPACT ON THE LEVEL OF CHILDHOOD

OBESITY THROUGHOUT THE REGION. THIS COMMITTEE THEN MAKES RECOMMENDATIONS TO EXECUTIVE LEADERSHIP AS TO HOW MSHA SHOULD DIRECT FINANCIAL SUPPORT FOR SUCCESSFUL PROGRAMS.

IN ADDITION TO THE HEAL APPALACHIA GRANTS AND SYMPOSIUM, MSHA DONATED $20,500 TO ETSU'S FIT KIDS PROGRAM, ANOTHER PROGRAM WITH A FOCUS ON REDUCING CHILDHOOD OBESITY AND IMPROVING THE HEALTH OF CHILDREN.

PROGRAMS FOR THE COMMUNITY AT LARGE

IN ADDITION TO THE HEALTH SCREENINGS AND SUPPORT GROUPS OFFERED THROUGH THE HEALTH RESOURCES CENTER, DESCRIBED ABOVE, A VARIETY OF SCREENINGS, SUPPORT GROUPS, HEALTH EDUCATION, AND HEALTH FAIRS WERE PROVIDED ON AN ONGOING BASIS THROUGHOUT THE YEAR. MOST OF THESE WERE FREE OF CHARGE. THE FEW THAT IMPOSED A CHARGE SET A LOW FEE OF $5 - $10. SOME OF THE FREE CLASSES AND SUPPORT GROUPS OFFERED TO THE PUBLIC BY MSHA INCLUDE: SMOKING CESSATION PROGRAMS; A VARIETY OF CLASSES FOR DIABETES EDUCATION AND MANAGEMENT; NUTRITION AND COOKING CLASSES; CPR CLASSES; CANCER EDUCATION CLASSES AND SUPPORT GROUPS; HEART HEALTH CLASSES; RELAXATION TRAINING; SAFE BABYSITTING TRAINING; BREASTFEEDING; BALANCE AND FALLS PREVENTION; MANY PROGRAMS AND CLASSES FOR CHILD ILLNESSES AND SPECIAL NEEDS; WEIGHT LOSS AND SUPPORT GROUPS; CLASSES TO EXPLAIN MEDICARE FOR SENIORS TURNING 65; SENIOR CAREGIVER SUPPORT GROUP; MANY OTHER DISEASE SPECIFIC CLASSES AND SUPPORT GROUPS; AND, MANY GENERAL HEALTH CLASSES.

THE HOSPICE PROGRAM OFFERS EXTENDED 13-MONTH BEREAVEMENT SUPPORT RATHER THAN THE REQUIRED 12-MONTH PERIOD, THUS SUPPORTING FAMILIES DURING THE ANNIVERSARY MONTH OF THE PATIENT'S DEATH, WHICH CAN BE A CHALLENGING TIME. ALSO PROVIDED IS A CELEBRATION

OF LIFE PROGRAM FOR FAMILIES OF FORMER HOSPICE PATIENTS AND THE COMMUNITY AT LARGE.

THE PARISH NURSE PROGRAM IS SPONSORED BY MSHA'S HOME HEALTH ORGANIZATION, WITH GOALS OF RECRUITING AREA CHURCHES AND REGISTERED NURSES TO THE PROGRAM AND PROVIDING PARTICIPANTS WITH EDUCATION ABOUT PARISH NURSING. PARISH NURSING IS AN AMALGAM OF SOCIAL WORK, GOOD NEIGHBORING AND NURSING. THE PARISH NURSE PROVIDES SUPPORT, HEALTH EDUCATION AND COUNSELING TO THOSE WITH HEALTHCARE NEEDS WITHIN THEIR PLACE OF WORSHIP. OTHER SERVICES PROVIDED BY THE PARISH NURSE INCLUDE BLOOD DRIVES, HEALTH SCREENINGS, HEALTH FAIRS AND MONTHLY BLOOD PRESSURE CLINICS. THE NURSE ALSO MAINTAINS AN ACTIVE VISITATION TO PARISHIONERS WHO ARE HOMEBOUND, HOSPITALIZED, OR IN LONG TERM CARE FACILITIES. SEVERAL OF THE NURSES ARE CERTIFIED TO TEACH CPR AND FIRST AID AT NO COST TO PARISHIONERS. MSHA PROVIDES THE PARISH NURSE PROGRAM WITH A COORDINATOR, SPONSORED ORIENTATION, MONTHLY EDUCATIONAL PROGRAMS AND OTHER SUPPORT FUNCTIONS. CURRENTLY, THERE ARE 24 CHURCHES IN TENNESSEE AND FIVE IN SOUTHWEST VIRGINIA WITH PARISH NURSES ON STAFF. MSHA'S FY12 COST FOR THE PARISH NURSE PROGRAM WAS $58,514.

THE RESPOND DEPARTMENT AT WOODRIDGE HOSPITAL OFFERS ASSESSMENTS AND REFERRALS FOR INDIVIDUALS DEALING WITH MENTAL HEALTH ISSUES AND SUBSTANCE ABUSE. PROFESSIONAL STAFF INCLUDES BEHAVIORAL HEALTH COUNSELORS AND RNS WHO ARE AVAILABLE 24 HOURS A DAY, SEVEN DAYS A WEEK TO ANSWER CALLS FROM THE COMMUNITY CONCERNING TREATMENT. THROUGHOUT THE ASSESSMENT PROCESS, RESPOND COLLABORATES WITH A PSYCHIATRIST TO DETERMINE THE MOST APPROPRIATE LEVEL OF CARE. THE RESPOND DEPARTMENT INCURRED UNREIMBURSED COSTS OF **$667,514** DURING FY12.

PROGRAMS FOR SPECIAL POPULATIONS

DUE TO THE USE OF EMERGENCY DEPARTMENTS AS WALK-IN CLINICS BY THE POOR AND UNDERSERVED, MSHA HAS HELPED ESTABLISH AND FINANCE ALTERNATIVE CARE SETTINGS SUCH AS THE ETSU COLLEGE OF NURSING'S DOWNTOWN CLINIC IN JOHNSON CITY, TN. THE DOWNTOWN CLINIC IS DEDICATED TO SERVING THE PRIMARY NEEDS OF THE HOMELESS, INDIGENT AND UNINSURED POPULATIONS, PROVIDING THEM WITH FREE LABORATORY TESTING AND ASSISTANCE WITH THEIR DIAGNOSIS AND TREATMENTS. MSHA GIFTS THE CLINIC RENT, WHICH IS VALUED AT A DISCOUNTED $35,000 ANNUALLY. MSHA PROCESSED THE CLINIC'S LAB SPECIMENS AS WELL AS PROVIDED SOME DIAGNOSTIC IMAGING SERVICES WITH AN UNREIMBURSED COST TO MSHA OF $47,237.

IN ADDITION TO CLINICAL WORK FOR THE DOWNTOWN CLINIC, JCMC PROVIDED LAB SERVICES TO OTHER ORGANIZATIONS THAT PROVIDE HEALTH SERVICES TO THE POOR. MSHA INCURRED UNREIMBURSED COSTS OF $2,847 FOR THESE LAB TESTS.

DURING FY12, MSHA OPERATED A SATELLITE DISPENSARY OF HOPE. THE DISPENSARY OF HOPE PROVIDES PRESCRIPTION DRUGS TO THOSE WHO MAY NOT HAVE OTHERWISE BEEN ABLE TO AFFORD NEEDED MEDICATIONS. DURING FY12, THE DISPENSARY FILLED 15,354 PRESCRIPTIONS FOR 4,319 PATIENT ENCOUNTERS FOR INDIVIDUALS WHO OTHERWISE COULD NOT HAVE AFFORDED THEIR MEDICATIONS. THE SITE HAS ITS OWN PHARMACY, A FULL-TIME PHARMACIST AND A FULL-TIME PHARMACY TECH. THE LOCAL DISPENSARY OF HOPE IS STAFFED, IN PART, BY VOLUNTEER PHARMACISTS FROM THE COMMUNITY AND SERVES AS A TRAINING SITE FOR THE BILL GATTON COLLEGE OF PHARMACY AT EAST TENNESSEE STATE UNIVERSITY. DURING FY12, MSHA INCURRED UNREIMBURSED EXPENSES OF $206,005 FOR THIS PROGRAM.

MSHA HAS PARTNERED WITH THE COMPANY, FIRSTSOURCE SOLUTIONS USA, TO WORK WITH SELF-PAYING PATIENTS WHO HAVE LIMITED FINANCIAL RESOURCES. DURING FY12, FIRSTSOURCE REPRESENTATIVES WERE AVAILABLE AT ALL MSHA FACILITIES. FIRST SOURCE REPRESENTATIVES WERE

ABLE TO DETERMINE GOVERNMENTAL MEDICAL ASSISTANCE (TENNCARE OR MEDICAID) ELIGIBILITY, AND TO HELP WITH THE APPLICATION PROCESS AND FOLLOW-UP. DURING FY12, 2,843 PATIENTS WERE APPROVED FOR COVERAGE. ONCE A PERSON IS APPROVED FOR TENNCARE OR MEDICAID THROUGH THIS PROGRAM OFFERED THROUGH MSHA, THEY RETAIN COVERAGE FOR FUTURE MEDICAL CARE. FIRSTSOURCE IS COMPENSATED BY MSHA. DURING FY12, MSHA'S COST FOR THIS PROGRAM WAS $1,059,753.

MSHA'S SERVICE AREA COMPRISES A STABLE, AGING POPULATION, SO THE ORGANIZATION HAS ESTABLISHED A NUMBER OF PROGRAMS TO SERVE THE NEEDS OF SENIOR CITIZENS. AN EXAMPLE OF A SENIOR PROGRAM IS THE PINNACLE CLUB – A COMMUNITY OUTREACH PROGRAM FOR SERVICE-AREA SENIORS THAT OFFERS MONTHLY HEALTH-RELATED EVENTS AND FELLOWSHIP OPPORTUNITIES AT JOHNSON CITY MEDICAL CENTER, INDIAN PATH MEDICAL CENTER, RUSSELL COUNTY MEDICAL CENTER AND SYCAMORE SHOALS HOSPITAL. BENEFITS INCLUDE HEALTH SCREENINGS, FREE ANNUAL LAB SCREENINGS, AND DISCOUNTED FIRST-TIME ENROLLMENT FEES AT OUR WELLNESS CENTER AND FRANKLIN FITNESS CENTER. THE CLUB SPONSORS HEALTH FAIRS, THE SENIOR EXPO, AND MONTHLY EDUCATIONAL LUNCHEONS IN KINGSPORT, JOHNSON CITY, AND ELIZABETHTON, TN AND IN LEBANON, VA. THE CLUB ALSO PROVIDES FREE NOTARY SERVICES, SOCIALS, TRAVEL OPPORTUNITIES AND DISCOUNTS THROUGH NUMEROUS VENDORS. DURING FY12, MSHA INCURRED A NET OPERATING LOSS OF $57,946 ATTRIBUTABLE TO ITS SUPPORT OF THE PROGRAM.

3) **EDUCATION AND TRAINING**

COMMUNITY HEALTH EDUCATIONAL PROGRAMS

MSHA PROVIDED A VARIETY OF WELLNESS AND HEALTH INFORMATION TO HELP EDUCATE AREA RESIDENTS ABOUT COMMUNITY-SPECIFIC HEALTH ISSUES. INFORMATION WAS PROVIDED THROUGH PRINTED MATERIALS, SPEAKING

ENGAGEMENTS, RADIO AND TELEVISION INTERVIEWS, AND HEALTH FAIRS AND EXPOS.

MSHA PRESENTED A WOUND CARE SYMPOSIUM TITLED "MANAGING ACUTE AND CHRONIC WOUNDS" FOR PHYSICIANS, MID LEVEL PROVIDERS, NURSES, PHYSICAL AND OCCUPATIONAL THERAPISTS, AND OTHER CLINICAL HEALTHCARE PROVIDERS. ATTENDEES WERE INVITED FROM AREA HOSPITALS, NURSING HOMES AND CLINICS. SPEAKERS FROM ACROSS THE COUNTRY COVERED A VARIETY OF TOPICS RELATIVE TO WOUND CARE. MSHA DID NOT CHARGE A FEE FOR THIS CONFERENCE AND INCURRED EXPENSES OF $23,211 TO PRESENT THE CONFERENCE TO 86 ATTENDEES.

MSHA PRESENTED THE 18TH ANNUAL PULMONARY CRITICAL CARE HEALTH SYMPOSIUM WITH A NET UNREIMBURSED COST OF $20,390. THIS TWO DAY SYMPOSIUM IS DESIGNED TO ENHANCE THE EDUCATION OF PHYSICIANS, RESPIRATORY THERAPISTS, NURSES, SLEEP TECHNOLOGISTS AND OTHER ALLIED HEALTH CARE PROFESSIONALS IN THE MOST RECENT SCIENTIFIC ADVANCEMENTS INVOLVING MANAGEMENT OF PULMONARY PATIENTS AND FUTURISTIC TRENDS.

OUR NISWONGER CHILDREN'S HOSPITAL PRESENTED A SCHOOL HEALTH CONFERENCE CALLED "WHEN BEHAVIORS ARE A BARRIER TO LEARNING; UNDERSTANDING WHEN HEALTH & PSHYCHOSOCIAL ISSUES AFFECT A STUDENT'S ABILITY TO LEARN". AN ESTIMATED ONE-THIRD OF STUDENTS FAIL TO LEARN BECAUSE OF PSYCHOSOCIAL PROBLEMS THAT PREVENT THEM FROM ATTENDING AND ENGAGING INLEARNING ACTIVITIES. SINCE CHILDREN SPEND MORE AWAKE HOURS WITH SCHOOL STAFF THAN WITH THEIR OWN PARENTS, IT HAS BECOME INCREASINGLY IMPORTANT FOR SCHOOLS TO CREATE AND MAINTAIN AN ENVIRNONMENT THAT NOT ONLY PROMOTES LEARNING, BUT THAT ALSO PROMOTES GOOD HEALTH. NISWONGER CHILDREN'S HOSPITAL AND THE ETSU COLEGE OF NURSING PRODUCED THIS CONFERENCE FOR ALL PROFESSIONALS WHO WORK WITH CHILDREN IN A LEARNING CAPACITY. THE CONFERENCE WAS HELD AT NISWONGER CHILDREN'S HOSPITAL.

MSHA PRESENTED THE 3RD ANNUAL TRAUMA CONFERENCE, WHICH IS OPEN TO ANYONE IN THE PUBLIC INVOLVED IN TREATING TRAUMA, FROM EMERGENCY PERSONNEL ALL THE WAY THROUGH HOSPITAL STAFF TO REHAB SPECIALISTS AND OTHERS. THE CONFERENCE PRESENTED BEST PRACTICES AND NATIONAL GUIDELINES FOR TREATING TRAUMATIC INJURIES, WITH A FOCUS ON DEALING WITH TRAUMA IN RURAL AREAS. MSHA SERVES PATIENTS IN A PREDOMINANTLY RURAL AREA, WHICH OFTEN INVOLVES EXTENDED TIME FOR RESCUE, PLUS PHYSICAL AND GEOGRAPHICAL CHALLENGES. THE GOAL OF THE ANNUAL CONFERENCE IS TO IMPROVE THE OUTCOMES FOR TRAUMA PATIENTS IN THE REGION. MSHA INCURRED EXPENSES OF $28,748 TO HOST THE FY12 CONFERENCE.

MSHA'S AMERICAN HEART ASSOCIATION (AHA) TRAINING CENTER OFFERED SEVERAL COURSES TO HEALTHCARE PROVIDERS AND TO THE PUBLIC IN AN EFFORT TO EXPAND THE OUTREACH OF THE AMERICAN HEART ASSOCIATION AND MSHA IN PROMOTING WELLNESS AND SAVING LIVES. PROGRAMS INCLUDE: ADVANCED CARDIAC LIFE SUPPORT, BASIC CARDIAC LIFE SUPPORT, PEDIATRIC ADVANCED LIFE SUPPORT, FIRST AID AND LIFE SUPPORT INSTRUCTOR TRAINING. THE FY12 UNREIMBURSED COST TO PROVIDE THE EDUCATIONAL COURSES TO THE PUBLIC WAS $354,174.

IMPORTANT TO THE EFFICIENT AND SAFE OPERATION OF THE AIR AMBULANCE IS A CLEAR UNDERSTANDING OF HOW TO CLEAR AND PREPARE LANDING ZONES AND APPROPRIATE METHODS FOR COMMUNICATING WITH AIR HELICOPTER PILOTS AT ACCIDENT SCENES AND TRANSPORT SITES. DURING FY12, WINGS AIR RESCUE MADE 194 TRAINING RUNS TO AREA EMERGENCY MEDICAL SERVICE FACILITIES AND EMERGENCY DEPARTMENTS TO PERFORM TRAINING OF EMS AND EMERGENCY DEPARTMENT PERSONNEL.

HAND WASHING HAS ALWAS BEEN A FOCUS AT MSHA, AS IT IS THROUGHOUT THE HEALTH CARE INDUSTRY. IT'S THE NO. 1 WAY TO PREVENT THE SPREAD OF INFECTION. NOW MSHA HAS PUT A NEW EMPHASIS ON HAND HYGIENE WITH THE "BUMMER"

CAMPAIGN, WHICH STARTED LATE FY12. BUMMER REQUIRES TEAM MEMBERS TO DO TWO KEY THINGS: TAKE AN EDUCATION PROGRAM AND THEN BE DILIGENT ABOUT WASHING THEIR HANDS. MSHA TAKES HAND WASHING VERY SERIOUSLY AND NON-COMPLIANCE CAN LEAD TO DISCIPLINARY ACTION. BUMMER STANDS FOR BUGS UNDER MEDICAL MANAGEMENT TO ELIMINATE RESISTANCE. IT'S A CAMPAIGN TO PROMOTE PROPER HAND HYGIENE AND USE OF PERSONAL PROTECTIVE EQUIPMENT. IN THE EARLY STAGES, MSHA HAS SEEN A SIGNIFICANT INCREASE IN HAND HYGIENE COMPLIANCE RATES WITH TEAM MEMBERS RESPONDING VERY WELL TO THE BUMMER CAMPAIGN.