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Form **990**

Department of the Treasury
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

**2011**

**Open to Public Inspection**

**A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012**

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

**C** Name of organization
MAINE MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
22 BRAMHALL STREET

City or town, state or country, and ZIP + 4
PORTLAND, ME 04102

**D Employer identification number**
01-0238552

**E Telephone number**
(207)662-2576

**G** Gross receipts $ 1,605,220,640

**F** Name and address of principal officer
RICHARD W PETERSEN
22 BRAMHALL STREET
PORTLAND, ME 04102

**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 MMC ORG

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

**L** Year of formation 1951

**M** State of legal domicile ME

## Part I Summary

**1** Briefly describe the organization's mission or most significant activities
THE MAINE MEDICAL CENTER (THE MEDICAL CENTER) IS A VOLUNTARY, NOT-FOR-PROFIT COMMUNITY AND REFERRAL HOSPITAL, DEDICATED TO PROVIDING HIGH QUALITY HEALTH CARE SERVICES TO ALL PERSONS WHO SEEK CARE REGARDLESS OF THEIR SEX, RACE, RELIGION, AGE, COLOR, SEXUAL ORIENTATION, NATIONAL ORIGIN, PHYSICAL OR EMOTIONAL DISABILITY OR SOCIAL OR ECONOMIC STATUS MAINE MEDICAL CENTER IS ALSO COMMITTED TO EDUCATION AT THE UNDERGRADUATE, GRADUATE, POST-GRADUATE AND CONTINUING EDUCATION LEVELS FOR PHYSICIANS, NURSES AND ALLIED HEALTH PERSONNEL, AND IN-SERVICE TRAINING FOR SUPPORT STAFF ALL OF WHICH ARE ESSENTIAL TO THE DELIVERY OF QUALITY PATIENT CARE OUTREACH EDUCATION TO OTHER INSTITUTIONS AND AGENCIES IS ALSO VITAL TO THE FULFILLMENT OF THE MAINE MEDICAL CENTER'S MISSION THE MEDICAL CENTER ALSO SUPPORTS BASIC AND CLINICAL RESEARCH AS ESSENTIAL TO THE ADVANCEMENT OF HEALTH CARE

**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** | 20 |
| **4** | Number of independent voting members of the governing body (Part VI, line 1b) | **4** | 16 |
| **5** | Total number of individuals employed in calendar year 2011 (Part V, line 2a) | **5** | 7,169 |
| **6** | Total number of volunteers (estimate if necessary) | **6** | 853 |
| **7a** | Total unrelated business revenue from Part VIII, column (C), line 12 | **7a** | 1,868,141 |
| **b** | Net unrelated business taxable income from Form 990-T, line 34 | **7b** | |

| | | Prior Year | Current Year |
|---|---|---|---|
| **Revenue** | | | |
| **8** | Contributions and grants (Part VIII, line 1h) | 32,312,015 | 29,095,717 |
| **9** | Program service revenue (Part VIII, line 2g) | 789,964,187 | 818,119,733 |
| **10** | Investment income (Part VIII, column (A), lines 3, 4, and 7d ) | 19,555,421 | 16,462,038 |
| **11** | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 52,325,357 | 82,497,237 |
| **12** | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 894,156,980 | 946,174,725 |
| **Expenses** | | | |
| **13** | Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) | 1,585,350 | 1,570,050 |
| **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) | 430,028,268 | 456,757,401 |
| **16a** | Professional fundraising fees (Part IX, column (A), line 11e) | 63,348 | 66,515 |
| **b** | Total fundraising expenses (Part IX, column (D), line 25) ▶1,760,642 | | |
| **17** | Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | 390,873,819 | 409,397,617 |
| **18** | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | 822,550,785 | 867,791,583 |
| **19** | Revenue less expenses Subtract line 18 from line 12 | 71,606,195 | 78,383,142 |
| **Net Assets or Fund Balances** | | **Beginning of Current Year** | **End of Year** |
| **20** | Total assets (Part X, line 16) | 1,098,704,079 | 1,121,281,037 |
| **21** | Total liabilities (Part X, line 26) | 515,082,782 | 530,631,360 |
| **22** | Net assets or fund balances Subtract line 21 from line 20 | 583,621,297 | 590,649,677 |

## Part II Signature Block

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

**Sign Here**

Signature of officer — Date: 2013-08-12

JOHN E HEYE CHIEF FINANCIAL OFFICER
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) |
|---|---|---|---|
| | 2013-08-13 | | |

Firm's name (or yours if self-employed), address, and ZIP + 4
MAINEHEALTH
110 FREE ST
PORTLAND, ME 041013908

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

THE MAINE MEDICAL CENTER (THE MEDICAL CENTER) IS A VOLUNTARY, NOT-FOR-PROFIT COMMUNITY AND REFERRAL HOSPITAL, DEDICATED TO PROVIDING HIGH QUALITY HEALTH CARE SERVICES TO ALL PERSONS WHO SEEK CARE REGARDLESS OF THEIR SEX, RACE, RELIGION, AGE, COLOR, SEXUAL ORIENTATION, NATIONAL ORIGIN, PHYSICAL OR EMOTIONAL DISABILITY OR SOCIAL OR ECONOMIC STATUS MAINE MEDICAL CENTER IS ALSO COMMITTED TO EDUCATION AT THE UNDERGRADUATE, GRADUATE, POST-GRADUATE AND CONTINUING EDUCATION LEVELS FOR PHYSICIANS, NURSES AND ALLIED HEALTH PERSONNEL, AND IN-SERVICE TRAINING FOR SUPPORT STAFF ALL OF WHICH ARE ESSENTIAL TO THE DELIVERY OF QUALITY PATIENT CARE OUTREACH EDUCATION TO OTHER INSTITUTIONS AND AGENCIES IS ALSO VITAL TO THE FULFILLMENT OF THE MAINE MEDICAL CENTER'S MISSION THE MEDICAL CENTER ALSO SUPPORTS BASIC AND CLINICAL RESEARCH AS ESSENTIAL TO THE ADVANCEMENT OF HEALTH CARE

**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 $ 165,324,613 including grants of $ ) (Revenue $ 287,624,643 )

ROUTINE SERVICES - ADULTS, PEDIATRICS, INTENSIVE CARE, NEONATAL INTENSIVE CARE, CORONARY CARE, NURSERY TOTAL PATIENT DAYS - 153,224 SEE ATTACHED COMMUNITY BENEFIT STATEMENT

**4b** (Code ) (Expenses $ 131,159,653 including grants of $ ) (Revenue $ 392,770,029 )

OPERATING ROOM AND SCARBOROUGH SURGERY CENTER TOTAL VISITS - 28,972 THROUGH ITS 34 OPERATIVE SUITES, MAINE MEDICAL CENTER (THE MEDICAL CENTER) PROVIDES CRITICAL TRAUMA, EMERGENT, URGENT, AND ELECTIVE SURGICAL SERVICES TO THE COMMUNITY THROUGH ITS EXPANSIVE ARRAY OF SURGICAL CAPABILITIES, THE MEDICAL CENTER PROVIDES MOST SURGICAL PROCEDURES WITHIN ITS COMMUNITY AS A GREAT CONVENIENCE TO ITS PATIENTS WITHOUT REGARD TO THEIR ABILITY TO PAY

**4c** (Code ) (Expenses $ 32,809,920 including grants of $ ) (Revenue $ 79,214,686 )

EMERGENCY DEPARTMENT AND BRIGHTON FIRST CARE (BFC) TOTAL VISITS - 88,264 THE EMERGENCY DEPARTMENT AND ESPECIALLY BFC SERVE AS THE PRIMARY CARE PHYSICIAN FOR A NUMBER OF LOW INCOME AND INDIGENT RESIDENTS OF GREATER PORTLAND GIVEN THE MEDICAL CENTER'S COMMITMENT TO ACCESS TO CARE REGARDLESS OF ABILITY TO PAY, THESE EMERGENCY TREATMENT CENTERS SERVE A VITAL ROLE IN THE COMMUNITY'S HEALTH CARE NETWORK

(Code ) (Expenses $ 429,716,011 including grants of $ 1,570,050 ) (Revenue $ 58,510,375 )

LABORATORY, EDUCATION, RESEARCH, RADIOLOGY, DELIVERY AND LABOR ROOM, ANESTHESIOLOGY, AND OTHER ANCILLARY SERVICES

**4d** Other program services (Describe in Schedule O )

(Expenses $ 429,716,011 including grants of $ 1,570,050 ) (Revenue $ 58,510,375 )

**4e** **Total program service expenses** ▶ $ 759,010,197

## 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 | Yes | |
| 9 | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV* | 9 | Yes | |
| 10 | Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V* | 10 | Yes | |
| 11 | If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | | | |
| a | Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.* | 11a | Yes | |
| b | Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.* | 11b | | No |
| c | Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.* | 11c | | No |
| d | Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.* | 11d | Yes | |
| e | Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.* | 11e | Yes | |
| f | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.* | 11f | Yes | |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII* | 12a | | No |
| b | Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional* | 12b | Yes | |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E* | 13 | | No |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | 14a | | No |
| b | Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I* | 14b | | No |
| 15 | Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV* | 15 | | No |
| 16 | Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV* | 16 | | No |
| 17 | Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I* | 17 | Yes | |
| 18 | Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II* | 18 | Yes | |
| 19 | Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III* | 19 | | No |
| 20a | Did the organization operate one or more hospitals? *If "Yes," complete Schedule H* | 20a | Yes | |
| b | If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements | 20b | Yes | |

**Part IV Checklist of Required Schedules** *(continued)*

| | | | | |
|---|---|---|---|---|
| **21** | Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II* | **21** | | No |
| **22** | Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III* | **22** | Yes | |
| **23** | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J* | **23** | Yes | |
| **24a** | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25* | **24a** | Yes | |
| **b** | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | **24b** | | No |
| **c** | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | **24c** | | 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** | | No |
| **27** | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III* | **27** | | No |
| **28** | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | | |
| **a** | A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV* | **28a** | | No |
| **b** | A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV* | **28b** | | No |
| **c** | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV* | **28c** | Yes | |
| **29** | Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M* | **29** | Yes | |
| **30** | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M* | **30** | Yes | |
| **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** | 922 | | |
| **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** | 7,169 | | | |
| **b** | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | | | **2b** | Yes | |
| | **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | | | | |
| **3a** | Did the organization have unrelated business gross income of $1,000 or more during the year? . . . . . | | | **3a** | Yes | |
| **b** | If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O* . . . . . | | | **3b** | Yes | |
| **4a** | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)? . . . . . | | | **4a** | | No |
| **b** | If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts | | | | | |
| **5a** | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . | | | **5a** | | No |
| **b** | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | **5b** | | No |
| **c** | If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . . | | | **5c** | | |
| **6a** | Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible? . . . . . | | | **6a** | | No |
| **b** | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . | | | **6b** | | |
| **7** | **Organizations that may receive deductible contributions under section 170(c).** | | | | | |
| **a** | Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor? . . . . . | | | **7a** | Yes | |
| **b** | If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . . | | | **7b** | Yes | |
| **c** | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . . | | | **7c** | | No |
| **d** | If "Yes," indicate the number of Forms 8282 filed during the year . . . . | **7d** | | | | |
| **e** | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . | | | **7e** | | No |
| **f** | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . | | | **7f** | | No |
| **g** | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . . | | | **7g** | | |
| **h** | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . . | | | **7h** | | |
| **8** | **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . . | | | **8** | | |
| **9** | **Sponsoring organizations maintaining donor advised funds.** | | | | | |
| **a** | Did the organization make any taxable distributions under section 4966? . . . . . | | | **9a** | | |
| **b** | Did the organization make a distribution to a donor, donor advisor, or related person? . . . . . | | | **9b** | | |
| **10** | **Section 501(c)(7) organizations.** Enter | | | | | |
| **a** | Initiation fees and capital contributions included on Part VIII, line 12 . . . | **10a** | | | | |
| **b** | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | **10b** | | | | |
| **11** | **Section 501(c)(12) organizations.** Enter | | | | | |
| **a** | Gross income from members or shareholders . . . . . | **11a** | | | | |
| **b** | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them ) . . . . . | **11b** | | | | |
| **12a** | **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? | | | **12a** | | |
| **b** | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | **12b** | | | | |
| **13** | **Section 501(c)(29) qualified nonprofit health insurance issuers.** | | | | | |
| **a** | Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state | | | **13a** | | |
| **b** | Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | **13b** | | | | |
| **c** | Enter the aggregate amount of reserves on hand | **13c** | | | | |
| **14a** | Did the organization receive any payments for indoor tanning services during the tax year? . . . . . | | | **14a** | | No |
| **b** | If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . . | | | **14b** | | |

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

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

## Section A. Governing Body and Management

| | | | | Yes | No |
|---|---|---|---|---|---|
| 1a | Enter the number of voting members of the governing body at the end of the tax year | 1a | 20 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent | 1b | 16 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | | | 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 | | No |
| b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | 10b | | |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | 11a | Yes | |
| b | Describe in Schedule O the process, if any, used by the organization to review the Form 990 | | | |
| 12a | Did the organization have a written conflict of interest policy? *If "No," go to line 13* | 12a | Yes | |
| b | Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | Yes | |
| c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | 12c | Yes | |
| 13 | Did the organization have a written whistleblower policy? | 13 | Yes | |
| 14 | Did the organization have a written document retention and destruction policy? | 14 | Yes | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | | |
| a | The organization's CEO, Executive Director, or top management official | 15a | Yes | |
| b | Other officers or key employees of the organization | 15b | Yes | |
| | If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions) | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | Yes | |
| b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | Yes | |

## Section C. Disclosure

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

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 ▶

DIRECTOR OF ACCOUNTING
22 BRAMHALL STREET
PORTLAND, ME 04102
(207) 396-6700

## 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 | | | |
| See Additional Data Table | | | | | | | | | | |
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**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 | | | |
| See Additional Data Table | | | | | | | | | | |
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| | | | | | | | | | | |
| **1b** **Sub-Total** | | | | | | | | | | |
| **c** **Total from continuation sheets to Part VII, Section A** | | | | | | | | | | |
| **d** **Total (add lines 1b and 1c)** | | | | | | | | 9,120,987 | 1,396,252 | 1,200,618 |

**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 ▶ 532

| | | | 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** | Yes | |
| **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 |
|---|---|---|
| LANGFORD & LOW INC<br>PO BOX 662<br>PORTLAND, ME 04104 | CONSTRUCTION | 6,014,784 |
| HURON CONSULTING GROUP LLC<br>3005 MOMENTUM PLACE<br>CHICAGO, IL 606895330 | CONSULTING | 5,935,200 |
| SPECTRUM MEDICAL GROUP PA<br>324 GANNETT DRIVE SUITE 200<br>SOUTH PORTLAND, ME 04106 | MEDICAL SERVICE | 2,865,113 |
| SUFFOLK CONSTRUCTION<br>99 CONIFER HILL DRIVE<br>DANVERS, MA 01923 | CONSTRUCTION | 2,541,684 |
| CHEST MEDICINE ASSOCIATES<br>100 FODEN ROAD WEST BLDG STE 103<br>SOUTH PORTLAND, ME 041062351 | MEDICAL SERVICE | 2,541,206 |

**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 ▶ 131

## 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 657,137 | | | | |
| | b | Membership dues | 1b | | | | |
| | c | Fundraising events | 1c 659,841 | | | | |
| | d | Related organizations | 1d 31,200 | | | | |
| | e | Government grants (contributions) | 1e 17,931,263 | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f 9,816,276 | | | | |
| | g | Noncash contributions included in lines 1a-1f $ 97,935 | | | | | |
| | h | **Total.** Add lines 1a-1f | | 29,095,717 | | | |
| Program Service Revenue | | | Business Code | | | | |
| | 2a | NET PATIENT SERVICE REVENUE | 623000 | 818,119,733 | 818,119,733 | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f | All other program service revenue | | | | | |
| | g | **Total.** Add lines 2a–2f | | 818,119,733 | | | |
| | 3 | Investment income (including dividends, interest and other similar amounts) | | 11,819,568 | | | 11,819,568 |
| | 4 | Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 | Royalties | | | | | |
| | | | (i) Real | (ii) Personal | | | |
| | 6a | Gross rents | | | | | |
| | b | Less rental expenses | | | | | |
| | c | Rental income or (loss) | | | | | |
| | d | Net rental income or (loss) | | | | | |
| | | | (i) Securities | (ii) Other | | | |
| | 7a | Gross amount from sales of assets other than inventory | 663,389,873 | 151,027 | | | |
| | b | Less cost or other basis and sales expenses | 658,861,469 | 36,961 | | | |
| | c | Gain or (loss) | 4,528,404 | 114,066 | | | |
| | d | Net gain or (loss) | | | 4,642,470 | | | 4,642,470 |
| Other Revenue | 8a | Gross income from fundraising events (not including $ 659,841 of contributions reported on line 1c) See Part IV, line 18 | a 139,153 | | | | |
| | b | Less direct expenses | b 147,485 | | | | |
| | c | Net income or (loss) from fundraising events | | -8,332 | | | -8,332 |
| | 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 | OTHER REVENUE | 722210 | 79,261,175 | 79,261,175 | | |
| | b | ADMIN SERVICES REVENUE | 561000 | 1,868,141 | | 1,868,141 | |
| | c | MISC REVENUE | 900099 | 1,376,253 | 1,376,253 | | |
| | d | All other revenue | | | | | |
| | e | **Total.** Add lines 11a–11d | | 82,505,569 | | | |
| | 12 | **Total revenue.** See Instructions | | 946,174,725 | 898,757,161 | 1,868,141 | 16,453,706 |

## 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 | | | | |
| 2 | Grants and other assistance to individuals in the United States See Part IV, line 22 | 1,570,050 | 1,570,050 | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16 | | | | |
| 4 | Benefits paid to or for members | | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees . . . . | 3,799,991 | | 3,799,991 | |
| 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 | 343,722,392 | 300,337,409 | 42,346,597 | 1,038,386 |
| 8 | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . | 36,360,680 | 31,881,044 | 4,479,636 | |
| 9 | Other employee benefits . . . . . | 48,854,375 | 42,835,516 | 6,018,859 | |
| 10 | Payroll taxes . . . . . | 24,019,963 | 20,992,586 | 2,959,259 | 68,118 |
| 11 | Fees for services (non-employees) | | | | |
| a | Management . . . . . | | | | |
| b | Legal . . . . . | 1,425,788 | | 1,408,288 | 17,500 |
| c | Accounting . . . . . | 1,505,000 | | 1,505,000 | |
| d | Lobbying . . . . . | | | | |
| e | Professional fundraising *See Part IV, line 17* . . | 66,515 | | | 66,515 |
| f | Investment management fees . . . . . | 1,249,986 | | 1,249,986 | |
| g | Other . . . . . | 45,820,417 | 29,985,897 | 15,817,190 | 17,330 |
| 12 | Advertising and promotion . . . . | 1,585,987 | 1,390,593 | 195,394 | |
| 13 | Office expenses . . . . . | 127,403,379 | 126,097,052 | 1,211,878 | 94,449 |
| 14 | Information technology . . . . . | 9,219,116 | 8,083,321 | 1,135,795 | |
| 15 | Royalties . . | | | | |
| 16 | Occupancy . . . . . | 22,134,426 | 19,283,881 | 2,726,961 | 123,584 |
| 17 | Travel . . . . . | 1,991,144 | 1,080,048 | 877,905 | 33,191 |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . . | | | | |
| 19 | Conferences, conventions, and meetings . . . . | 862,387 | 755,275 | 100,321 | 6,791 |
| 20 | Interest . . . . . | 3,501,555 | 3,070,163 | 431,392 | |
| 21 | Payments to affiliates . . . . . | | | | |
| 22 | Depreciation, depletion, and amortization . . . . . | 52,609,822 | 46,128,292 | 6,481,530 | |
| 23 | Insurance . . . . . | 7,579,062 | 6,645,322 | 933,740 | |
| 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 | BAD DEBT | 36,388,919 | 36,388,919 | | |
| b | OUTSIDE MEDICAL SERVICES | 26,012,833 | 26,012,833 | | |
| c | HOSPITAL TAX | 14,992,011 | 14,992,011 | | |
| d | MAINTENANCE | 13,620,790 | 11,888,701 | 1,678,081 | 54,008 |
| e | | | | | |
| f | All other expenses | 41,494,995 | 29,591,284 | 11,662,941 | 240,770 |
| 25 | **Total functional expenses.** Add lines 1 through 24f | 867,791,583 | 759,010,197 | 107,020,744 | 1,760,642 |
| 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 | | 15,080,285 | 2 | 29,199,767 |
| | 3 | Pledges and grants receivable, net | | 6,513,362 | 3 | 5,644,775 |
| | 4 | Accounts receivable, net | | 59,642,562 | 4 | 74,422,711 |
| | 5 | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | | 5 | |
| | 6 | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L | | | 6 | |
| | 7 | Notes and loans receivable, net | | 828,680 | 7 | 189,614 |
| | 8 | Inventories for sale or use | | 6,988,718 | 8 | 6,695,687 |
| | 9 | Prepaid expenses and deferred charges | | 41,582,449 | 9 | 2,668,891 |
| | 10a | Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* | 10a 880,971,348 | | | |
| | b | Less accumulated depreciation | 10b 447,938,802 | 429,571,999 | 10c | 433,032,546 |
| | 11 | Investments—publicly traded securities | | 407,507,981 | 11 | 415,118,622 |
| | 12 | Investments—other securities See Part IV, line 11 | | 28,901,615 | 12 | 38,207,433 |
| | 13 | Investments—program-related See Part IV, line 11 | | 8,712,717 | 13 | 10,563,622 |
| | 14 | Intangible assets | | | 14 | |
| | 15 | Other assets See Part IV, line 11 | | 93,373,711 | 15 | 105,537,369 |
| | 16 | **Total assets.** Add lines 1 through 15 (must equal line 34) | | 1,098,704,079 | 16 | 1,121,281,037 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 67,340,720 | 17 | 74,294,075 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | 805,693 | 19 | 1,078,069 |
| | 20 | Tax-exempt bond liabilities | | 118,017,071 | 20 | 109,955,508 |
| | 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 | | 2,761,850 | 23 | 1,873,690 |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | 24 | |
| | 25 | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | | 326,157,448 | 25 | 343,430,018 |
| | 26 | **Total liabilities.** Add lines 17 through 25 | | 515,082,782 | 26 | 530,631,360 |
| 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 | | 484,027,534 | 27 | 487,537,746 |
| | 28 | Temporarily restricted net assets | | 76,034,061 | 28 | 78,093,180 |
| | 29 | Permanently restricted net assets | | 23,559,702 | 29 | 25,018,751 |
| | | **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 | | 583,621,297 | 33 | 590,649,677 |
| | 34 | Total liabilities and net assets/fund balances | | 1,098,704,079 | 34 | 1,121,281,037 |

## 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 | 946,174,725 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) . . . . . | 2 | 867,791,583 |
| 3 | Revenue less expenses Subtract line 2 from line 1 . . . . | 3 | 78,383,142 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . | 4 | 583,621,297 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O) . . . . | 5 | -71,354,762 |
| 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 | 590,649,677 |

## 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 | |

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493225006053

# 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
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

**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 |
|---|---|
| MAINE MEDICAL CENTER | 01-0238552 |

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☑ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Lobbying Expenditures During 4-Year Averaging Period

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

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

| | | (a) Yes | (a) No | (b) Amount |
|---|---|---|---|---|
| 1 | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of | | | |
| a | Volunteers? | | No | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | No | |
| c | Media advertisements? | | No | |
| d | Mailings to members, legislators, or the public? | | No | |
| e | Publications, or published or broadcast statements? | | No | |
| f | Grants to other organizations for lobbying purposes? | | No | |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | | No | |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | |
| i | Other activities? If "Yes," describe in Part IV | Yes | | 75,084 |
| j | Total lines 1c through 1i | | | 75,084 |
| 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 | PORTION OF DUES PAID THAT RELATE TO LOBBYING EXPENSES MAINE HOSPITAL ASSOCIATION - 51,009 AMERICAN HOSPITAL ASSOCIATION - 18,544 NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS - 5,006 MAINE STATE CHAMBER OF COMMERCE - 525 |

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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**
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

## 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 | 49,585,160 |
| d Additions during the year | 1d | 17,912,541 |
| e Distributions during the year | 1e | 13,917,796 |
| f Ending balance | 1f | 53,579,905 |

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 | 89,682,688 | 91,020,571 | 82,336,677 | 82,100,837 | |
| b Contributions | 1,459,049 | 540,226 | 1,430,663 | 554,091 | |
| c Investment earnings or losses | 10,664,178 | -1,878,109 | 7,253,231 | -318,252 | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | -6,023,702 | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | 95,782,213 | 89,682,688 | 91,020,571 | 82,336,677 | |

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 26 000 %
- c Term endowment ▶ 74 000 %

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

| | | Yes | No |
|---|---|---|---|
| (i) unrelated organizations | 3a(i) | Yes | |
| (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 | | 21,425,398 | | 21,425,398 |
| b Buildings | | 405,416,963 | 185,637,560 | 219,779,403 |
| c Leasehold improvements | | 2,589,752 | 1,221,752 | 1,368,000 |
| d Equipment | | 410,987,558 | 261,079,490 | 149,908,068 |
| e Other | | 40,551,677 | | 40,551,677 |
| **Total.** Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶ | | | | 433,032,546 |

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

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

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

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

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

| (a) Description | (b) Book value |
|---|---|
| (1) AR UNDER REIMBURSEMENT REGULATIONS | 53,175,000 |
| (2) PREPAID CAPITAL COSTS | 33,847,131 |
| (3) DUE FROM RELATED PARTIES | 11,876,315 |
| (4) OTHER ASSETS | 4,318,898 |
| (5) INSURANCE RECEIVABLE | 970,000 |
| (6) DEFERRED FINANCING COSTS | 662,238 |
| (7) CHARITABLE REMAINDER TRUST | 487,656 |
| (8) INSURANCE RECEIVABLE - CURRENT | 161,498 |
| (9) CASH SURR VALUE OF LIFE INSURANCE | 38,633 |
| **Total.** *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶ | 105,537,369 |

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

| 1 (a) Description of Liability | (b) Amount |
|---|---|
| Federal Income Taxes | |
| ACCRUED RETIREMENT BENEFITS | 232,707,723 |
| A/P UNDER REIMBURSEMENT REGULATIONS | 37,585,000 |
| DUE TO RELATED PARTIES | 20,243,160 |
| SELF INSURANCE RESERVES | 18,366,788 |
| ASSET RETIREMENT OBLIGATION | 16,884,250 |
| SWAP AGREEMENTS | 14,534,095 |
| LEASES PAYABLE | 1,903,073 |
| INSURANCE CLAIMS PAYABLE | 970,000 |
| OTHER LIABILITIES | 235,929 |
| **Total.** *(Column (b) should equal Form 990, Part X, col (B) line 25 )* ▶ | 343,430,018 |

**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 |
|---|---|---|
| TERMS FOR NOT REPORTING ASSETS PER SFAS 116 | SCHEDULE D, PAGE 1, PART III, LINE 1A | THE ORGANIZATION HAS ARTWORK THAT WAS RECEIVED DIRECTLY FROM THE ARTISTS THIS ARTWORK IS NOT RECORDED IN THE ORGANIZATION'S FINANCIAL STATEMENTS THE ARTWORK IS ON DISPLAY AT THE HOSPITAL |
| COLLECTIONS AND RELATION TO EXEMPT PURPOSE | SCHEDULE D, PAGE 2, PART III, LINE 4 | MMC'S ARTWORK CREATES A HEALING AND COMFORTABLE ENVIRONMENT FOR OUR PATIENTS AND THEIR FAMILIES AND VISITORS |
| EXPLANATION FOR UNREPORTED CONTRIBUTIONS OR ASSETS | SCHEDULE D, PAGE 2, PART IV, LINE 1B | THE INVESTMENT POOL AT MMC INCLUDES INVESTMENTS FROM SEVERAL RELATED ENTITIES THESE INVESTMENTS ARE NOT INCLUDED IN MMC'S FINANCIAL STATEMENTS |
| INTENDED USES FOR ENDOWMENT FUNDS | SCHEDULE D, PAGE 2, PART V, LINE 4 | THE ENDOWED FUNDS SUPPORT THE FOLLOWING TYPES OF ACTIVITIES TUFTS SCHOLARSHIP PROGRAM, TRAINING AND EDUCATION OF NURSES, MMC RESEARCH AND EDUCATION PROGRAMS, SUPPORTING THE SALARY OF ENDOWED CHAIR OF PEDIATRICS AND FREE BED FUNDING |
| LIABILITY UNDER FIN 48 FOOTNOTE | SCHEDULE D, PAGE 3, PART X | THE INTERNAL REVENUE SERVICE (IRS) HAS PREVIOUSLY DETERMINED THAT MMC AND ITS SUBSIDIARIES (EXCEPT MMP) ARE ORGANIZATIONS AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC) AND ARE EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE IRC |

## Additional Data

**Software ID:**
**Software Version:**
**EIN:** 01-0238552
**Name:** MAINE MEDICAL CENTER

### Form 990, Schedule D, Part IX, - Other Assets

| **(a)** Description | **(b)** Book value |
|---|---|
| AR UNDER REIMBURSEMENT REGULATIONS | 53,175,000 |
| PREPAID CAPITAL COSTS | 33,847,131 |
| DUE FROM RELATED PARTIES | 11,876,315 |
| OTHER ASSETS | 4,318,898 |
| INSURANCE RECEIVABLE | 970,000 |
| DEFERRED FINANCING COSTS | 662,238 |
| CHARITABLE REMAINDER TRUST | 487,656 |
| INSURANCE RECEIVABLE - CURRENT | 161,498 |
| CASH SURR VALUE OF LIFE INSURANCE | 38,633 |

### Form 990, Schedule D, Part X, - Other Liabilities

| 1 **(a)** Description of Liability | **(b)** Amount |
|---|---|
| ACCRUED RETIREMENT BENEFITS | 232,707,723 |
| A/P UNDER REIMBURSEMENT REGULATIONS | 37,585,000 |
| DUE TO RELATED PARTIES | 20,243,160 |
| SELF INSURANCE RESERVES | 18,366,788 |
| ASSET RETIREMENT OBLIGATION | 16,884,250 |
| SWAP AGREEMENTS | 14,534,095 |
| LEASES PAYABLE | 1,903,073 |
| INSURANCE CLAIMS PAYABLE | 970,000 |
| OTHER LIABILITIES | 235,929 |

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SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

# Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

**2011**

**Open to Public Inspection**

Name of the organization
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

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

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

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

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

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

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

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

ME, FL, NH

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

| | | (a) Event #1 RADIOTHON/TELET (event type) | (b) Event #2 MCCP STRIKE OUT (event type) | (c) Other Events 10 (total number) | (d) Total Events (Add col (a) through col (c)) |
|---|---|---|---|---|---|
| Revenue | 1 Gross receipts | 149,401 | 141,510 | 508,083 | 798,994 |
| | 2 Less Charitable contributions | 149,401 | 141,510 | 368,930 | 659,841 |
| | 3 Gross income (line 1 minus line 2) | | | 139,153 | 139,153 |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Non-cash prizes | | | 2,009 | 2,009 |
| | 6 Rent/facility costs | 358 | | 49,494 | 49,852 |
| | 7 Food and beverages | 243 | 1,383 | 6,654 | 8,280 |
| | 8 Entertainment | 651 | | 5,000 | 5,651 |
| | 9 Other direct expenses | 4,633 | 11,908 | 65,152 | 81,693 |
| | 10 Direct expense summary Add lines 4 through 9 in column (d) ▶ | | | | ( 147,485 ) |
| | 11 Net income summary Combine lines 3 and 10 in column (d) ▶ | | | | -8,332 |

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

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

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

**13** Indicate the percentage of gaming activity operated in

| | | | |
|---|---|---|---|
| **a** | The organization's facility . . . . . | **13a** | |
| **b** | An outside facility . . . . . | **13b** | |

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

Name ▶ ----------

Address ▶ ----------

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

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

**c** If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

**16** Gaming manager information

Name ▶ ----------

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

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

☐ Director/officer ☐ Employee ☐ Independent contractor

**17** Mandatory distributions

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

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

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

| Identifier | ReturnReference | Explanation |
|---|---|---|

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

# Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

**Name of the organization**
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

## 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<br>☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals<br>☐ 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<br>☐ 100% ☐ 150% ☐ 200% ☑ Other **1.75000 %** | 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<br>☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other **2.25000 %** | 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 | | No |
| 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 | | |
| 6a | Did the organization prepare a community benefit reportduring the tax year? | 6a | Yes | |
| 6b | If "Yes," did the organization make it available to the public? | 6b | Yes | |
| | Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H | | | |

**7** Charity Care and Certain Other Community Benefits at Cost

| Charity Care and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|---|---|---|---|---|
| a Charity care at cost (from Worksheet 1) | | | 18,517,063 | | 18,517,063 | 2 230 % |
| b Medicaid (from Worksheet 3, column a) | | | 113,664,843 | 69,369,448 | 44,295,395 | 5 330 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d **Total** Charity Care and Means-Tested Government Programs | | | 132,181,906 | 69,369,448 | 62,812,458 | 7 560 % |
| **Other Benefits** | | | | | | |
| e Community health improvement services and community benefit operations (from (Worksheet 4) | | | 305,548 | | 305,548 | 0 040 % |
| f Health professions education (from Worksheet 5) | | | 42,875,330 | 9,957,708 | 32,917,622 | 3 960 % |
| g Subsidized health services (from Worksheet 6) | | | 34,586,421 | | 34,586,421 | 4 160 % |
| h Research (from Worksheet 7) | | | 7,007,749 | | 7,007,749 | 0 840 % |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 205,061 | | 205,061 | 0 020 % |
| j **Total** Other Benefits | | | 84,980,109 | 9,957,708 | 75,022,401 | 9 020 % |
| k **Total.** Add lines 7d and 7j | | | 217,162,015 | 79,327,156 | 137,834,859 | 16 580 % |

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

| | | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|---|---|---|---|---|---|---|---|
| 1 | Physical improvements and housing | | | | | | |
| 2 | Economic development | | | | | | |
| 3 | Community support | | | 188,928 | | 188,928 | 0 020 % |
| 4 | Environmental improvements | | | | | | |
| 5 | Leadership development and training for community members | | | 2,320 | | 2,320 | |
| 6 | Coalition building | | | | | | |
| 7 | Community health improvement advocacy | | | 1,470 | | 1,470 | |
| 8 | Workforce development | | | 833,280 | 133,504 | 699,776 | 0 080 % |
| 9 | Other | | | | | | |
| 10 | **Total** | | | 1,025,998 | 133,504 | 892,494 | 0 100 % |

## 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 | | | No |
| 2 | Enter the amount of the organization's bad debt expense | 2 | 15,747,180 | | |
| 3 | Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy | 3 | | | |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit | | | | |

### Section B. Medicare

| | | | |
|---|---|---|---|
| 5 | Enter total revenue received from Medicare (including DSH and IME) | 5 | 181,629,791 |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 222,484,646 |
| 7 | Subtract line 6 from line 5 This is the surplus or (shortfall) | 7 | -40,854,855 |
| 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 | | | | | |
| 2 | | | | | |
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| 12 | | | | | |
| 13 | | | | | |

## Part V Facility Information

### Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

Name and address

| | 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 | MAINE MEDICAL CENTER<br>22 BRAMHALL STREET<br>PORTLAND,ME 04102 | X | X | X | X | | X | X | | |
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## 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)

MAINE 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 | | |
| If "Yes," indicate what the Needs Assessment describes (check all that apply) | | | |
| **a** ☐ A definition of the community served by the hospital facility | | | |
| **b** ☐ Demographics of the community | | | |
| **c** ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | | |
| **d** ☐ How data was obtained | | | |
| **e** ☐ The health needs of the community | | | |
| **f** ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | | |
| **g** ☐ The process for identifying and prioritizing community health needs and services to meet those needs | | | |
| **h** ☐ The process for consulting with persons representing the community's interests | | | |
| **i** ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs | | | |
| **j** ☐ Other (describe in Part VI) | | | |
| **2** Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___ | | | |
| **3** In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 3 | | |
| **4** Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . . | 4 | | |
| **5** Did the hospital facility make its Needs Assessment widely available to the public? . . . . . | 5 | | |
| If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) | | | |
| **a** ☐ Hospital facility's website | | | |
| **b** ☐ Available upon request from the hospital facility | | | |
| **c** ☐ Other (describe in Part VI) | | | |
| **6** If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) | | | |
| **a** ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community | | | |
| **b** ☐ Execution of the implementation strategy | | | |
| **c** ☐ Development of a community-wide community benefit plan for the facility | | | |
| **d** ☐ Participation in community-wide community benefit plan | | | |
| **e** ☐ Inclusion of a community benefit section in operational plans | | | |
| **f** ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA | | | |
| **g** ☐ Prioritization of health needs in the community | | | |
| **h** ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community | | | |
| **i** ☐ Other (describe in Part VI) | | | |
| **7** Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs | 7 | | |
| **Financial Assistance Policy** | | | |
| Did the hospital facility have in place during the tax year a written financial assistance policy that | | | |
| **8** Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | 8 | Yes | |
| **9** Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . | 9 | Yes | |
| If "Yes," indicate the FPG family income limit for eligibility for free care 175 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 225 0%<br>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? **33**

| | Name and address | Type of Facility (Describe) |
|---|---|---|
| 1 | See Additional Data Table | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |

## Part VI Supplemental Information

Complete this part to provide the following information

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

2 **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 |
|---|---|---|
| SUBSIDIZED HEALTH SERVICES EXPLANATION | PART I LINE 7G | 24866969 OF EXPENSES RELATED TO PROVIDER BASED PHYSICIAN PRACTICES ARE INCLUDED IN THE SUBSIDIZED HEALTH SERVICES TOTAL IN PART I LINE 7G |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE | PART I LINE 7 COLUMN F | BAD DEBT EXPENSE OF 36388919 WAS REMOVED FROM THE TOTAL EXPENSES WHEN CALCULATING THE PERCENT OF TOTAL EXPENSES IN COLUMN F |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COSTING METHODOLOGY EXPLANATION | PART I LINE 7 | THE COSTING METHODOLOGY FOR THE AMOUNTS REPORTED IN PART I LINE 7 OF THE SCHEDULE H IS BASED ON A RATIO OF PATIENT CARE COST TO CHARGES THIS COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET 2 RATIO OF PATIENT CARE COSTTOCHARGES PROVIDED IN THE INSTRUCTIONS FOR SCHEDULE H |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COMMUNITY BUILDING ACTIVITIES | PART II | COMMUNITY SUPPORT MAINE MEDICAL CENTER MMC IS DEEPLY INVOLVED IN DISASTER PLANNING AT THE LOCAL AND STATE LEVELS ONE OF THREE STATE REGIONAL RESOURCE CENTERS FOR EMERGENCY PREPAREDNESS IS LOCATED AT THE MEDICAL CENTER AND THE HOSPITAL HAS A FULLTIME DIRECTOR OF EMERGENCY PREPAREDNESS SOUTHERN MAINE REGIONAL RESOURCE CENTER FOR HEALTH EMERGENCY PREPAREDNESS COORDINATED ALL EMERGENCY PREPAREDNESS ACTIVITIES OF THE SOUTHERN 4 COUNTIES OF MAINE INCLUDING YORK CUMBERLAND SAGADAHOC AND LINCOLN THIS INCLUDES BOTH REGIONAL HOSPITALS AND OVER 300 MEDICAL CENTERS LABORATORIES CLINICS AMBULATORY CENTER PHYSICIAN PRACTICES LONG TERM CARE CENTERS HOME HEALTH AGENCIES IN OUR REGION THIS INCLUDES PUBLIC HEALTHCARE EMERGENCY PREPAREDNESS DEPARTMENT OF REHAB MEDICINE ORGANIZED A CAREER FAIR NIGHT CAREER EXPO AMERICAN HEART WALK AND THANKSGIVING FOOD DRIVE SESSION AT THE PORTLAND FAMILY MEDICINE CENTER INVOLVING UPWARD BOUND STUDENTS THE STUDENTS WERE PROVIDED A TOUR OF THE FACILITY WITH THE OPPORTUNITY TO SPEAK TO A VARIETY OF HEALTH PROFESSIONALS A HANDSON CLINICAL EXPERIENCE INJECTING ORANGES AND A DISCUSSION ABOUT THE PATHWAY TO BECOMING A PHYSICIAN WITH INFORMATION ABOUT THE MAINE TRACK PROGRAM A SPECIALITY PHYSICIAN FROM THE DIVISION OF GENETICS PRESENTS AN ANNUAL LECTURE OR LEADS AN OPEN PARENT MEDICAL DISCUSSION AT THE MDSN ANNUAL MEETING MMC IS A DUES PAYING MEMBER OF THE PORTLAND REGIONAL AND MAINE STATE CHAMBERS OF COMMERCE PLACEMENT OF PASTORAL CARE STUDENTS IN COMMUNITY AGENCIES ONE DAY PER WEEK DURING THE SUMMER OUTPATIENT CANCER PREBLE STREET NURSING HOMES AND SEAFARERS LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS DOC4ADAY PROGRAM HANLEY LEADERSHIP DEVELOPMENT SUMMER INTERN COMMUNITY HEALTH IMPROVEMENT ADVOCACY 21 REASONS FORMERLY PORTLAND CMCA IS A COALITION BASED ON THECMCA MODEL MMC BRINGS TOGETHER INDIVIDUALS ORGANIZATIONS AND BUSINESSES WITH A COMMON GOAL TO BUILD A HEALTHY COMMUNITY ENVIRONMENT WITH POLICIES PRACTICES AND ATTITUDES THAT SUPPORT THE DRUGFREE DEVELOPMENT OF ALL YOUTH WORKFORCE DEVELOPMENT LIFELINE WORKPLACE WELLNESS LIFELINE OFFERS A MENU OF WELLNESS SERVICES AND PROGRAMS TO EMPLOYERS INTERESTED IN WORKSITE WELLNESS EMPLOYERS CAN ALSO JOIN THE MMC SOUTHERN MAINE WELLNESS COUNCIL WHICH PROVIDES OPPORTUNITIES FOR NETWORKING RESOURCE ACCESS AND PROFESSIONAL TRAINING TRAINING FOR SURGICAL TECHS CNA TRAINING PROGRAM MAINE MEDICAL CENTERS MINI MEDICAL SCHOOL IS A WEEK LONG SUMMER PROGRAM DESIGNED TO GIVE MAINE COLLEGE STUDENTS AN IDEA OF WHAT A CAREER IN MEDICINE IS ALL ABOUT THE PROGRAM OFFERS A SERIES OF LECTURES HANDS ON ACTIVITIES AND CLINICAL EXPERIENCES DESIGNED TO EXPOSE ASPIRING STUDENTS TO A COMBINATION OF SMALL GROUP DIDACTIC SESSIONS RESEARCH EXPERIENCE AND CLINICAL PROCEDURES |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| BAD DEBT EXPENSE EXPLANATION | PART III LINE 4 | MAINE MEDICAL CENTER DOES NOT HAVE A SPECIFIC FOOTNOTE IN THE FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE MAINE MEDICAL CENTER REPORTS ACCOUNTS RECEIVABLE FOR SERVICES RENDERED NET OF ALLOWANCES FOR CONTRACTUAL ADJUSTMENTS THIRD PARTY REIMBURSING AGENCIES FREE CARE AND BAD DEBTS A BAD DEBT ALLOWANCE IS ESTABLISHED FOR ACCOUNTS THE HOSPITAL BELIEVES WILL BECOME UNCOLLECTIBLE THE ALLOWANCE IS ESTABLISHED BY EXAMINING HISTORICAL DATA AGING TRENDS OF COMMERCIAL INSURANCE AND SELFPAY BALANCES AND ECONOMIC TRENDS THE OFFSET TO THE ALLOWANCE ACCOUNT IS TO BAD DEBT EXPENSE ON THE STATEMENT OF OPERATIONS RECOVERIES ON ACCOUNTS PREVIOUSLY WRITTEN OFF ARE ACCOUNTED FOR ON A CASH BASIS AND ARE APPLIED DIRECTLY TO THE PROVISION FOR BAD DEBTS ON THE STATEMENT OF OPERATIONS AMOUNTS WRITTEN OFF OR RECOVERED FROM BAD DEBTS DURING THE YEAR ARE CHARGED AGAINST THE ALLOWANCE ACCOUNT ON THE BALANCE SHEET BAD DEBT EXPENSE REPRESENTS HEALTHCARE SERVICES MAINE MEDICAL CENTER HAS PROVIDED WITHOUT COMPENSATION AS A TAXEXEMPT HOSPITAL MAINE MEDICAL CENTER PROVIDES NECESSARY PATIENT CARE REGARDLESS OF THE PATIENTS ABILITY TO PAY FOR THE SERVICES A PORTION OF MAINE MEDICAL CENTERS BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE THAT FOR A VARIETY OF REASONS DO NOT COMPLETE THE FINANCIAL ASSISTANCE APPLICATION PROCESS MAINE MEDICAL CENTER CAN NOT DETERMINE THE AMOUNT OF BAD DEBT EXPENSE THAT COULD BE REASONABLY ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE MEDICAL CENTERS FREE CARE POLICY IN ADDITION BAD DEBT EXPENSE ALSO INCLUDES AMOUNTS FOR SERVICES PROVIDED TO INDIVIDUALS EXPERIENCING DIFFICULT PERSONAL OR ECONOMIC CIRCUMSTANCES RELATED TO A PORTION OF OUR COMMUNITY BASED PATIENT POPULATION THEIR MEDICAL BILLS OFTEN PLACE THESE INDIVIDUALS IN UNTENABLE POSITIONS WHERE THEY ARE NOT ABLE TO HANDLE THEIR PERSONAL DEBT AND THEN THEIR NEW MEDICAL DEBT HOWEVER BECAUSE OF THEIR INCOME LEVEL THEY DO NOT QUALIFY FOR FREE CARE BY PROVIDING NECESSARY HEALTHCARE SERVICES TO THOSE INDIVIDUALS EITHER WHO FAIL TO APPLY FOR FINANCIAL ASSISTANCE OR WHO ARE EXPERIENCING DIFFICULT PERSONAL OR ECONOMIC CIRCUMSTANCES MAINE MEDICAL CENTER BELIEVES THAT BAD DEBT EXPENSE SHOULD BE INCLUDED AS A COMMUNITY BENEFIT |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| MEDICARE EXPLANATION | PART III LINE 8 | MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST TO CHARGE RATIO MAINE MEDICAL CENTER BELIEVES THAT THE MEDICARE SHORTFALL SHOULD BE INCLUDED AS A COMMUNITY BENEFIT BECAUSE THE MEDICAL CENTER HAS A CLEAR MISSION COMMITMENT TO SERVING ELDERLY PATIENTS AND ADULTS WITH DISABILITIES THROUGH THE PROVISION OF SPECIFIC SUBSIDIZED PROGRAMS DEVELOPED TO HELP IMPROVE THE HEALTH STATUS OF THESE PATIENTS IF THESE CRITICAL SUBSIDIZED PROGRAMS WERE NOT PROVIDED BY THE MEDICAL CENTER THEY WOULD BECOME THE OBLIGATION OF THE FEDERAL GOVERNMENT |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COLLECTION PRACTICES EXPLANATION | PART III LINE 9B | PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE HAVE THEIR ACCOUNT BALANCE ADJUSTED ACCORDINGLY ONCE FINANCIAL ASSISTANCE HAS BEEN APPROVED FOR PATIENTS THAT DO NOT QUALIFY FOR 100 FINANCIAL ASSISTANCE THE APPROPRIATE DISCOUNT PERCENTAGE IS APPLIED AND THE REMAINING BALANCE IS BILLED TO THE RESPONSIBLE PARTY MONTHLY PAYMENT ARRANGEMENTS CAN BE ESTABLISHED BY THE RESPONSIBLE PARTY BY CONTACTING THE PATIENT FINANCIAL SERVICES CUSTOMER SERVICE DEPARTMENT AS A TAXEXEMPT HOSPITAL MAINE MEDICAL CENTER PROVIDES NECESSARY PATIENT CARE REGARDLESS OF THE PATIENTS ABILITY TO PAY FOR THE SERVICES A PORTION OF MAINE MEDICAL CENTERS BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE THAT FOR A VARIETY OF REASONS DO NOT COMPLETE THE FINANCIAL ASSISTANCE APPLICATION PROCESS MAINE MEDICAL CENTER CAN NOT DETERMINE THE AMOUNT OF BAD DEBT EXPENSE THAT COULD BE REASONABLY ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE MEDICAL CENTERS FREE CARE POLICY |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| NEEDS ASSESSMENT | PART VI | MMCS BOARD IS MADE UP OF A DIVERSE SET OF COMMUNITY MEMBERS THE BOARD REQUIRES A THOROUGH COMMUNITY NEEDS ASSESSMENT ON BEHALF OF THE ORGANIZATION AND DIRECTS THE ORGANIZATION TO ANALYZE AND RESPOND TO THE CURRENT NEEDS ASSESSMENT MAINE MEDICAL CENTER ALSO PARTICIPATES IN VARIOUS INITIATIVES TO HELP SUPPORT AND PROVIDE UPDATES TO COMMUNITY NEEDS ASSESSMENT PLANNING SOME OF THESE INITIATIVES INCLUDE CLINICAL STRATEGIC PLANNING FINANCIAL STRATEGIC PLANNING FACILITY PLANNING MANPOWER PLANNING PHYSICIAN RECRUITMENT STRATEGIC PLANNING EMERGENCY PREPAREDNESS PLANNING ALONG WITH THE INTERNAL ASSESSMENTS MAINE MEDICAL CENTER ALSO REVIEWS AND ACTS ON MANY OF THE RECOMMENDATIONS PROVIDED BY EXTERNAL GROUPS SUCH AS THE MAINE CENTER FOR DISEASE CONTROL AND PREVENTION AND THE STATE HEALTH PLAN CREATED BY THE ADVISORY COMMITTEE FOR HEALTH SYSTEMS DEVELOPMENT IN ADDITION MAINEHEALTH AND ITS PARTNERS IN THE ONEMAINE HEALTH COLLABORATIVE EASTERN MAINE HEALTH SYSTEM AND MAINEGENERAL HEALTH RELEASED THE ONEMAINE HEALTH COMMUNITY HEALTH NEEDS ASSESSMENT REPORT IN MARCH 2011 THE REPORT IS A COMPREHENSIVE COMPILATION AND ANALYSIS CONTAINING PRIMARY AND SECONDARY HEALTH DATA SOURCES THE REPORT CONTAINS A HEALTH STATUS PROFILE FOR THE STATE AS A WHOLE AND FOR EACH OF MAINES SIXTEEN COUNTIES THE PRIMARY DATA SOURCE WAS A RANDOMIZED TELEPHONE SURVEY THE SAMPLING METHODOLOGY WAS DESIGNED TO PERMIT COMPARISONS AT THE COUNTY LEVEL SECONDARY DATA SOURCES INCLUDE NUMEROUS STATE AND FEDERAL SOURCES THIS REPORT PROVIDES BASELINE DATA ON HUNDREDS OF HEALTH INDICATORS THAT ARE RELEVANT TO MAINE MEDICAL CENTER TO INFORM PLANNING AND EVALUATION ACTIVITIES PLANS CALL FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT TO BE REPLICATED EVERY THREE YEARS MAINEHEALTH WILL HOLD COMMUNITY FORUMS IN PARTNERSHIP WITH MAINE MEDICAL CENTER IN ORDER TO INCREASE UNDERSTANDING AND USE OF THE COMMUNITY HEALTH NEEDS ASSESSMENT AND TO INFORM IDENTIFICATION AND ACTION ON LOCALCOMMUNITYBASED HEALTH PRIORITIES |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE | PART VI | FINANCIAL ASSISTANCE INFORMATION IS PROVIDED IN THE ADMITTING OUTPATIENT AND EMERGENCY REGISTRATION LOCATIONS IN THE FOLLOWING MANNER POSTINGS INCLUDING FREE CARE PROMPT PAYMENT PROGRAM MONTHLY PAYMENT PLAN AND EXPANDED FREE CARE PROGRAM HANDOUTS INTERVIEWS ALL PATIENTS RECEIVE MMCS FREE CARE GUIDELINES AND FINANCIAL POLICIES BROCHURE EXPLAINING OUR BILLING POLICIES AND CONTACT INFORMATION IF THE PATIENT IS SELF PAY UNDER INSURED OR CAN NOT AFFORD TO PAY THEIR HOSPITAL BILL THEY RECEIVE A FINANCIAL POLICIES BOOK AND FINANCIAL COUNSELING FROM THE REGISTRATION STAFF OR CEA THE BOOKLET INCLUDES INFORMATION ON MMCS FINANCIAL POLICIES FINANCIAL ASSISTANCE INFORMATION INCLUDING FREE CARE PROGRAM INCOME BASED DISCOUNT PROGRAM PROMPT PAY DISCOUNT PROGRAM MONTHLY PAYMENT PLAN PROGRAM AND CARE PARTNERS PROGRAM APPLICATIONS AND INSTRUCTIONS FOR MMCS FREE CARE PROGRAM INCOME BASED DISCOUNT PROGRAM AND MONTHLY PAYMENT PLAN APPLICATION CONTACT INFORMATION FOR ASSISTANCE WITH APPLICATIONS BILLS OR FINANCIAL CONCERNS SELF PAY OR UNDERINSURED PATIENTS REGISTERING IN PERSON OR VIA A PHONE INTERVIEW RECEIVE FINANCIAL COUNSELING INCLUDING INFORMATION ON OUR FINANCIAL ASSISTANCE PROGRAMS AND MAINECARE REGISTRATION STAFF OR CEA PROVIDE FORMS AND ASSIST WITH COMPLETING FINANCIAL ASSISTANCE APPLICATIONS AND PROVIDING FOLLOW UP CONTACT INFORMATION INPATIENTS WHO ARE UNINSURED UNDER INSURED OR ANY PATIENTS WHO MAY HAVE DIFFICULTY PAYING THEIR HOSPITAL BILLS ARE VISITED BY AN ADMITTING FINANCIAL COUNSELOR OR CEA TO DISCUSS FINANCIAL ASSISTANCE PROGRAMS AND ASSIST WITH APPLICATIONS MMCS WEB SITE INCLUDES ON LINE REGISTRATION AND PATIENT BILLING INFORMATION BILLING PROCESS FREE CARE DISCOUNT PROGRAM PROMPT PAY DISCOUNT MONTHLY PAYMENT PLAN PATIENT STATEMENT PRICE INFORMATION CONTACT US AND QUESTIONS PRIMARY LANGUAGE DEAF AND HARD OF HEARING AND INTERPRETER NEEDS ARE ASSESSED DURING THE REGISTRATION INTERVIEW AND SERVICES ARE PROVIDED AS NEEDED IF A PATIENT DOES NOT RESPOND AT PREREGISTRATION REGISTRATION OR WHILE RECEIVING CARE ALL OF THESE PROGRAMS ARE EXPLAINED AGAIN BY THE PATIENT ACCOUNTS STAFF THE INTENT OF THESE EFFORTS IS TO ENSURE THAT THE PATIENT IS FULLY INFORMED OF AND ABLE TO TAKE ADVANTAGE OF THESE ASSISTANCE PROGRAMS |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COMMUNITY INFORMATION | PART VI | MOST OF MAINE MEDICAL CENTERS SERVICES ARE FOUND AT OUR MAIN CAMPUS AT 22 BRAMHALL STREET IN MAINES LARGEST CITY PORTLAND A CITY OF 66000 IS LOCATED ON MAINES SOUTHERN COAST THE COST OF LIVING INDEX IS 115 SERVICES ARE ALSO LOCATED AT OUR BRIGHTON CAMPUS AND OUR FAMILY MEDICINE CENTER BOTH LOCATED IN PORTLAND AS WELL AS AT OUR CAMPUSES IN SCARBOROUGH THE FALMOUTH FAMILY HEALTH CENTER AND COASTAL CANCER TREATMENT CENTER IN BATH A JOINT VENTURE WITH SOUTHERN MAINE MEDICAL CENTER AND GOODALL HOSPITAL THE CANCER CARE CENTER OF YORK COUNTY IS LOCATED IN SANFORD NEW ENGLAND REHABILITATION HOSPITAL OF PORTLAND A JOINT VENTURE WITH HEALTHSOUTH IS LOCATED ON OUR BRIGHTON CAMPUS MAINE MEDICAL CENTER IS THE TERTIARY CARE HOSPITAL FOR ALL OF MAINE CARING FOR NEARLY ONE OF EVERY FIVE HOSPITAL INPATIENTS IN THE STATE AS A NONPROFIT INSTITUTION MAINE MEDICAL CENTER PROVIDES 20 PERCENT OF ALL THE CHARITY CARE DELIVERED IN MAINE PORTLAND WHERE OUR MAIN CAMPUS IS LOCATED HAS A LARGE REFUGEE AND IMMIGRANT POPULATION WHILE SERVING ALL SIXTEEN COUNTIES IN MAINE 84 OF ALL INPATIENT AND OUTPATIENT SERVICES PROVIDED BY MAINE MEDICAL CENTER WERE FOR THE RESIDENTS OF BOTH CUMBERLAND AND YORK COUNTIES |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE | PART VI | MAINE MEDICAL CENTERS DAYTODAY OPERATIONS AS A TAXEXEMPT ORGANIZATION INCLUDE MANY SYSTEMWIDE INITIATIVES IN CUMBERLAND COUNTY AND IN THE STATE OF MAINE AND THE NORTHERN NEW ENGLAND REGION CLINICAL SERVICES RANGE FROM OUTPATIENT CLINICS FOR A DIVERSE POPULATION TO FULL INPATIENT AND SURGICAL SERVICES TO A REGIONAL TRAUMA CENTER AND A NEUROSCIENCE INSTITUTE MANY OF OUR SERVICES AND SPECIALTIES ARE NOT AVAILABLE ELSEWHERE IN THE STATE OR IN OUR REGION WE HAVE PROGRAMS IN UNDERGRADUATE GRADUATE POSTGRAUDATE AND CONTINUING EDUCATION ENGAGE IN CLINICAL RESEARCH AND SUPPORT ORGANIZATIONS AND EFFORTS WHOSE MISSIONS AUGMENT OR COMPLEMENT OURS WE STRIVE TO BE A GOOD INSTITUTIONAL CITIZEN OF OUR REGION AND STATE WITH THESE PROGRAMS MAINE MEDICAL CENTER HOPES TO FILL EXISTING LOCAL GAPS WHILE MAKING A POSITIVE IMPACT IN THE COMMUNITIES WE SERVE THESE PROGRAMS INCLUDE SUBSIDIZED HEALTH SERVICES COMMUNITYBASED CLINICAL SERVICES COMMUNITY EDUCATION SERVICES HEALTH CARE SUPPORT SERVICES COMMUNITY BUILDING ACTIVITIES MEDICAL EDUCATION AND RESEARCH SEE THE ATTACHED COMMUNITY BENEFIT REPORT FOR ADDITIONAL INFORMATION ON EACH OF THESE PROGRAMS AND SERVICES MAINE MEDICAL CENTER MADE A NET ASSET TRANSFER TO ITS WHOLLY OWNED SUBSIDIARY MAINE MEDICAL PARTNERS IN THE AMOUNT OF 27684217 TO COVER THE LOSSES RELATED TO MISSIONCRITICAL PHYSICIAN PRACTICES TO ENSURE ACCESS FOR THE COMMUNITY TO SUCH SPECIALTIES AS TRAUMA SURGERY NEUROSURGERY UROLOGY VARIOUS PEDIATRIC SPECIALTIES AND HIGHRISK OBSTETRICS |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| AFFILIATED HEALTH CARE INFORMATION | PART VI | MAINEHEALTH IS A NOTFORPROFIT FAMILY OF LEADING HIGHQUALITY PROVIDERS AND OTHER HEALTHCARE ORGANIZATIONS WORKING TOGETHER SO THEIR COMMUNITIES ARE THE HEALTHIEST IN AMERICA RANKED AMONG THE NATIONS TOP 50 INTEGRATED HEALTHCARE DELIVERY NETWORKS MAINEHEALTH IS GOVERNED BY A BOARD OF TRUSTEES CONSISTING OF COMMUNITY AND BUSINESS LEADERS FROM ITS SOUTHERN CENTRAL AND WESTERN MAINE REGIONAL SERVICE AREAS THE COLLABORATION OF MAINEHEALTH MEMBERS MAKES IT POSSIBLE TO OFFER AN EXTENSIVE RANGE OF CLINICAL INTEGRATION AND COMMUNITY HEALTH PROGRAMS MANY AIMED AT IMPROVING ACCESS TO PREVENTIVE AND PRIMARY CARE SERVICES MAINEHEALTH INCLUDES THE FOLLOWING MEMBER ORGANIZATIONS LINCOLN COUNTY HEALTHCARE MILES MEMORIAL HOSPITAL AND ST ANDREWS HOSPITAL HEALTHCARE CENTER MAINE MEDICAL CENTER MAINE MENTAL HEALTH PARTNERS SPRING HARBOR HOSPITAL PEN BAY HEALTHCARE PEN BAY MEDICAL CENTER SOUTHERN MAINE MEDICAL CENTER GOODALL HOSPITAL WALDO COUNTY HEALTHCARE WALDO COUNTY GENERAL HOSPITAL WESTERN MAINE HEALTH STEPHENS MEMORIAL HOSPITAL HOMEHEALTH VISITING NURSES MAINE PHYSICIAN HOSPITAL ORGANIZATION NORDX SYNERNET AND MAINEHEALTH ACCOUNTABLE CARE ORGANIZATION THE STRATEGIC AFFILIATES OF MAINEHEALTH ARE MAINEGENERAL MEDICAL CENTER MID COAST HOSPITAL AND ST MARYS REGIONAL MEDICAL CENTER |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED | PART VI | MAINE |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| ADDITIONAL INFORMATION | PART VI | PART I LINE 3B MAINE MEDICAL CENTER USES FEDERAL POVERTY GUIDELINES FPG FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS THE FAMILY INCOME LIMIT FOR ELIGIBILITY FOR DISCOUNTED CARE IS 176 225 |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| MAINE MEDICAL CENTER LINE NUMBER 1 PART V LINE 11H | PART V LINE 11H | UPON RECEIPT OF AN APPLICATION MAINE MEDICAL CENTER SHALL DETERMINE THAT AN INDIVIDUAL SEEKING FREE CARE QUALIFIES FOR SUCH CARE IF SERVICES RENDERED WERE MEDICALLY NECESSARY |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| MAINE MEDICAL CENTER LINE NUMBER 1 PART V LINE 19D | PART V LINE 19D | MAINE MEDICAL CENTER USES ITS CHARGES FROM ITS CHARGE DESCRIPTION MASTER TO DETERMINE THE FULL CHARGE THEN MAINE MEDICAL CENTER USES FEDERAL POVERTY GUIDELINES FPG FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS THE FAMILY INCOME LIMIT FOR ELIGIBILITY FOR DISCOUNTED CARE IS 176 225 |

## Additional Data

**Software ID:**
**Software Version:**
**EIN:** 01-0238552
**Name:** MAINE MEDICAL CENTER

**Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

| **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)<br><br>How many non-hospital facilities did the organization operate during the tax year? **33**<br><br>Name and address | Type of Facility (Describe) |
|---|---|
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
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| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |

**Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

| **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)<br><br>How many non-hospital facilities did the organization operate during the tax year? **33**<br><br>Name and address | Type of Facility (Describe) |
|---|---|
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |
| MMC SCARBOROUGH CAMPUS<br>100 CAMPUS DRIVE<br>930 CONGRESS STREET<br>SCARBOROUGH, ME 04074 | GENERAL MEDICAL AND SURGICAL |

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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
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

## 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 |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
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| | | | | | | | |

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

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 |
|---|---|---|---|---|---|
| (1) SCHOLARSHIPS | 167 | 1,570,050 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

**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 | FOR THE NURSING SCHOLARSHIPS, AS AN APPLICATION REQUIREMENT, EACH SCHOLARSHIP APPLICANT MUST PROVIDE CONFIRMATION OF ENROLLMENT IN A PROGRAM OF STUDIES IN NURSING FOR THE MEDICAL EDUCATION SCHOLARSHIPS FOR STUDENTS IN THE MAINE TRACK OF THE MMC TUSM MEDICAL SCHOOL PROGRAM, THE MEDICAL CENTER TRANSFERS THE SCHOLARSHIP FUNDS TO THE TUFTS SCHOOL OF MEDICINE FINANCIAL AID DEPARTMENT FOR DISBURSEMENT TO THE STUDENTS TUFTS HANDLES ANY OVERSIGHT TO ENSURE THAT THE FUNDS ARE USED AS INTENDED MAINE MEDICAL CENTER'S ROLE IS LIMITED TO MATCHING ELIGIBLE STUDENTS WITH SCHOLARSHIP SELECTION CRITERIA AND DETERMINING WHO RECEIVES EACH SCHOLARSHIP AWARD |

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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**
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

## 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<br>☐ First-class or charter travel ☐ Housing allowance or residence for personal use<br>☐ Travel for companions ☐ Payments for business use of personal residence<br>☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees<br>☐ 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** | | |
| **2** | Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? | **2** | | |
| **3** | Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply<br>☑ Compensation committee ☐ Written employment contract<br>☑ Independent compensation consultant ☑ Compensation survey or study<br>☐ 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 | | | | |
| (1) RICHARD W PETERSEN | (i)<br>(ii) | 625,338 | 173,500 | 294,718 | 75,608 | 15,344 | 1,184,508 | |
| (2) WILLIAM L CARON JR | (i)<br>(ii) | 678,670 | 183,000 | 209,724 | 83,614 | 15,604 | 1,170,612 | |
| (3) SAMUEL BROADDUS MD | (i)<br>(ii) | 397,462 | 29,500 | 6,884 | 31,737 | 15,604 | 481,187 | |
| (4) PETER BATES MD | (i)<br>(ii) | 421,221 | 60,633 | 53,261 | 49,944 | 15,604 | 600,663 | |
| (5) MARJORIE WIGGINS | (i)<br>(ii) | 272,749 | 38,997 | 117,698 | 50,313 | 8,821 | 488,578 | |
| (6) JEFFREY SANDERS | (i)<br>(ii) | 346,653 | 68,112 | 540 | 41,647 | 15,775 | 472,727 | |
| (7) JOHN E HEYE | (i)<br>(ii) | 283,450 | 41,206 | 89,687 | 52,472 | 15,648 | 482,463 | |
| (8) DONALD E QUIGLEY | (i)<br>(ii) | 269,359 | 38,000 | 17,499 | 56,686 | 15,309 | 396,853 | |
| (9) LEE THIBODEAU MD | (i)<br>(ii) | 540,334 | 296,731 | 363,619 | 81,111 | 15,388 | 1,297,183 | |
| (10) KONRAD BARTH MD | (i)<br>(ii) | 486,924 | 406,499 | 215,926 | 118,566 | 15,775 | 1,243,690 | |
| (11) JAMES WILSON MD | (i)<br>(ii) | 492,910 | 419,704 | 190,833 | 110,441 | 15,344 | 1,229,232 | |
| (12) RAJIV DESAI MD | (i)<br>(ii) | 488,277 | 381,458 | 196,226 | 95,757 | 15,775 | 1,177,493 | |
| (13) JEFFREY FLORMAN MD | (i)<br>(ii) | 492,565 | 408,112 | 137,949 | 93,624 | 15,388 | 1,147,638 | |
| (14) GEORGE HIGGINS MD | (i)<br>(ii) | 239,318 | 21,670 | 20,323 | 48,115 | 15,604 | 345,030 | |
| | | | | | | | | |
| | | | | | | | | |

## 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 |
|---|---|---|
| SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS | SCHEDULE J, PAGE 1, PART I, LINE 4 | RICHARD W PETERSEN 0 272,888 0 WILLIAM L CARON, JR 0 192,125 0 SAMUEL BROADDUS, M D 0 3,130 0 PETER BATES, M D 0 49,622 0 MARJORIE WIGGINS 0 114,134 0 JOHN E HEYE 0 83,884 0 DONALD E QUIGLEY 0 10,480 0 LEE THIBODEAU, M D 0 360,055 0 KONRAD BARTH, M D 0 214,684 0 JAMES WILSON, M D 0 190,023 0 RAJIV DESAI, M D 0 195,416 0 JEFFREY FLORMAN, M D 0 137,409 0 GEORGE HIGGINS, M D 0 522 0 |
| OTHER ADDITIONAL INFORMATION | SCHEDULE J, PART III | TOP MANAGEMENT OFFICIALS THAT ARE COMPENSATED BY RELATED ORGANIZATIONS USED ONE OR MORE OF THE METHODS AT PART I, LINE 3 TO ESTABLISH THE COMPENSATION OF TOP MANAGEMENT |

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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
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

## 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 | MHHEFA REVENUE BONDS SERIES 2008A | 01-0314384 | 560425W48 | 05-22-2008 | 107,180,000 | REFUND BONDS ISSUED 5/18/2006 AND 7/12/2006 | | X | | X | | X |
| B | MHHEFA REVENUE BONDS SERIES 2008B | 01-0314384 | 560425W55 | 06-19-2008 | 25,985,000 | REFUND BONDS ISSUED 5/18/2006 | | X | | X | | X |
| C | MHHEFA REVENUE BONDS SERIES 2011A | 01-0314384 | 560427LW4 | 08-31-2011 | 17,998,986 | REFUND BONDS ISSUED 7/9/1998, 12/10/1998, 5/19/1999, AND 11/15/2001 | | X | | X | | X |

## Part II Proceeds

| | | A | B | C | D |
|---|---|---|---|---|---|
| 1 | Amount of bonds retired | 10,850,000 | 16,685,000 | 755,000 | |
| 2 | Amount of bonds defeased | | | | |
| 3 | Total proceeds of issue | 107,180,008 | 25,985,000 | 17,998,986 | |
| 4 | Gross proceeds in reserve funds | 11,661,440 | 4,692,066 | 1,745,875 | |
| 5 | Capitalized interest from proceeds | | | | |
| 6 | Proceeds in refunding escrow | | | | |
| 7 | Issuance costs from proceeds | 484,392 | 163,914 | 186,573 | |
| 8 | Credit enhancement from proceeds | 38,754 | 9,396 | | |
| 9 | Working capital expenditures from proceeds | | | | |
| 10 | Capital expenditures from proceeds | 4,226 | | | |
| 11 | Other spent proceeds | 106,009,079 | 25,811,690 | 17,812,413 | |
| 12 | Other unspent proceeds | | | | |
| 13 | Year of substantial completion | 2008 | | | |

| | | 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 | | | |
| 15 | Were the bonds issued as part of an advance refunding issue? | | X | | X | | X | | |
| 16 | Has the final allocation of proceeds been made? | X | | X | | X | | | |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | 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 | | |
| 2 | Are there any lease arrangements that may result in private business use of bond-financed property? | | X | | X | | X | | |

## Part III Private Business Use *(Continued)*

| | | 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 | | |
| 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 | | |
| c | Are there any research agreements that may result in private business use of bond-financed property? | | X | | X | | X | | |
| d | If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | | 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 | | | |

## 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 | | |
| 2 | Is the bond issue a variable rate issue? | X | | X | | | X | | |
| 3a | Has the organization or the governmental issuer entered into a hedge with respect to the bond issue? | X | | X | | | X | | |
| b | Name of provider | SEE PART V | | MORGAN STANLEY | | | | | |
| c | Term of hedge | | | 60 | | | | | |
| d | Was the hedge superintegrated? | | X | | X | | | | |
| e | Was a hedge terminated? | | X | | X | | | | |
| 4a | Were gross proceeds invested in a GIC? | X | | X | | | X | | |
| b | Name of provider | SEE PART V | | SEE PART VI | | | | | |
| c | Term of GIC | 281 | | 60 | | | | | |
| d | Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | X | | X | | | | | |
| 5 | Were any gross proceeds invested beyond an available temporary period? | X | | X | | | X | | |
| 6 | Did the bond issue qualify for an exception to rebate? | 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 |
|---|---|---|
| ADDITIONAL INFORMATION | SCHEDULE K | MHHEFA REVENUE BONDS SERIES 2008A PART IV LINES 3B AND 3C COLUMN A THERE ARE THREE SEPARATE HEDGING CONTRACTS IDENTIFIED WITH THESE BONDS WITH MORGAN STANLEY CAPITAL SERVICES INC TERM 281 YEARS MERRILL LYNCH CAPITAL SERVICES INC TERM 181 YEARS AND MORGAN STANLEY CAPITAL SERVICES INC TERM 281 YEARS PART II LINE 4 COLUMN A THE AMOUNT SHOWN HERE CONSISTS OF 8840406 IN A DEBT SERVICE RESERVE FUND PLUS 2821034 OF DEBT SERVICE FUND DEPOSITS PART IV LINE 4B COLUMN A TRANSAMERICA LIFE PART IV LINE 5 COLUMNS A AND B SUCH AMOUNTS WERE APPROPRIATELY YIELDRESTRICTED PART IV COMPARISON OF LINES 1 AND 6 COLUMN A THE CURRENT REFUNDING ESCROW FUND MET THE REQUIREMENTS OF THE SIXMONTH SPENDING EXCEPTION WHICH WAS NOT UTILIZED AS THOSE AMOUNTS WERE INVESTED AT A LOWER YIELD REBATE WAS PAID ON THE BONDS WHICH AROSE ENTIRELY DUE TO A HIGHERYIELDING INVESTMENT CONTRACT ON THE DEBT SERVICE RESERVE FUND FOR THE BONDS MHHEFA REVENUE BONDS SERIES 2008B PART IV LINES 4B COLUMN B TRANSAMERICA LIFE PART II LINE 4 COLUMN B THE AMOUNT SHOWN HERE CONSISTS OF 2598500 IN A DEBT SERVICE RESERVE FUND PLUS 2093566 OF DEBT SERVICE FUND DEPOSITS PART III HAS NOT BEEN COMPLETED WITH RESPECT TO THE BONDS SHOWN IN COLUMNS B AND C SINCE THE ORIGINAL PROJECTS BEING REFINANCED BY SUCH BONDS ARE TRACEABLE TO BONDS ISSUED BEFORE 2003 COLUMN B OR THE BONDS BEING REFINANCED BY SUCH BONDS WERE ISSUED BEFORE 2003 COLUMN C HAD COMPLETION OF PART III BEEN REQUIRED LINE 7 WOULD HAVE BEEN ANSWERED YES FOR THESE BONDS MHHEFA REVENUE BONDS SERIES 2011A SERIES 2011 BONDS WITH RESPECT TO PART I COLUMN E AND PART II LINES 112 THE INSTITUTION IS REPORTING ITS ALLOCABLE PORTION OF THIS BOND ISSUE THE REMAINDER OF WHICH IS ALLOCABLE TO AFFILIATED ENTITIES FOR PURPOSES OF PART I COLUMN I THE INSTITUTION HAS ASSUMED THAT THIS ARRANGEMENT DOES NOT CONSTITUTE A POOLED FINANCING THE DIFFERENCE BETWEEN THE ISSUE PRICE PART I AND TOTAL PROCEEDS PART II LINE 3 IN COLUMN A IS DUE TO INVESTMENT EARNINGS PART II LINE 4 COLUMN C THE AMOUNT SHOWN HERE CONSISTS OF 1402046 IN A DEBT SERVICE RESERVE FUND PLUS 343829 OF DEBT SERVICE FUND DEPOSITS |

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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**
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

## 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 | (c) Corrected? 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 | (b) From | (c) Original principal amount | (d) Balance due | (e) In default? Yes | (e) No | (f) Approved by board or committee? Yes | (f) No | (g) Written agreement? Yes | (g) No |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total . . . . . ▶ $ | | | | | | | | | | |

## Part III Grants or Assistance Benefitting Interested Persons.

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

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

## Part IV Business Transactions Involving Interested Persons.

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

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|---|---|---|---|---|---|
| | | | | Yes | No |
| (1) CHRISTOPHER EMMONS | SEE PART V | 525,219 | SEE PART V | | No |
| (2) MORRIS FISHER | SEE PART V | 929,087 | SEE PART V | | No |
| (3) KATHERINE POPE MD | SEE PART V | 6,217,060 | SEE PART V | | No |
| (4) PETER BATES MD | SEE PART V | 6,217,060 | SEE PART V | | No |
| (5) BRIAN PETROVEK | SEE PART V | 350,136 | SEE PART V | | No |
| | | | | | |

## Part V Supplemental Information

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

| Identifier | Return Reference | Explanation |
|---|---|---|
| ADDITIONAL INFORMATION | SCHEDULE L PART V | CHRISTOPHER EMMONS IS A MEMBER OF THE BOARD OF TRUSTEES OF MAINE MEDICAL CENTER AS WELL AS THE PRESIDENT OF GORHAM SAVINGS BANK MAINE MEDICAL CENTER HAS COPIER LEASES THROUGH GORHAM SAVINGS LEASING GROUP WHICH IS A WHOLLY OWNED SUBSIDIARY OF GORHAM SAVINGS BANK ALL TRANSACTIONS WERE AT ARMS LENGTH FOR FAIR VALUE AND IN THE ROUTINE COURSE OF BUSINESS MORRIS FISHER IS A MEMBER OF THE BOARD OF TRUSTEES OF MAINE MEDICAL CENTER AS WELL AS THE PRESIDENT OF THE BOULOS COMPANY THE BOULOS COMPANY PROVIDES PROPERTY MANAGEMENT SERVICES TO MAINE MEDICAL CENTER ALL TRANSACTIONS WERE AT ARMS LENGTH FOR FAIR VALUE AND IN THE ROUTINE COURSE OF BUSINESS KATHERINE POPE MD IS A MEMBER OF THE BOARD OF TRUSTEES OF MAINE MEDICAL CENTER AND MEDICAL MUTUAL INSURANCE CO OF MAINE PETER BATES MD IS AN OFFICER OF MAINE MEDICAL CENTER AND A MEMBER OF THE BOARD OF TRUSTEES OF MEDICAL MUTUAL INSURANCE CO OF MAINE MEDICAL MUTUAL INSURANCE PROVIDES MALPRACTICE INSURANCE TO MAINE MEDICAL CENTER ALL TRANSACTIONS WERE AT ARMS LENGTH FOR FAIR VALUE AND IN THE ROUTINE COURSE OF BUSINESS BRIAN PETROVEK IS A MEMBER OF THE BOARD OF TRUSTEES OF MAINE MEDICAL CENTER AND THE UNITED WAY OF GREATER PORTLAND MAINE MEDICAL CENTER EMPLOYEES CONTRIBUTE TO THE UNITED WAY THROUGH THEIR PAYROLL ALL TRANSACTIONS WERE AT ARMS LENGTH FOR FAIR VALUE AND IN THE ROUTINE COURSE OF BUSINESS |

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

# NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MAINE MEDICAL CENTER

Employer identification number
01-0238552

## Part I Types of Property

| | | (a) Check if applicable | (b) Number of Contributions or items contributed | (c) Contribution amounts reported on Form 990, Part VIII, line 1g | (d) Method of determining contribution amounts |
|---|---|---|---|---|---|
| 1 | Art—Works of art | | | | |
| 2 | Art—Historical treasures | | | | |
| 3 | Art—Fractional interests | | | | |
| 4 | Books and publications | X | | 35 | SELLING PRICE |
| 5 | Clothing and household goods | X | | 1,355 | SELLING PRICE |
| 6 | Cars and other vehicles | | | | |
| 7 | Boats and planes | | | | |
| 8 | Intellectual property | | | | |
| 9 | Securities—Publicly traded | X | 19 | 87,865 | FAIR MARKET VALUE |
| 10 | Securities—Closely held stock | | | | |
| 11 | Securities—Partnership, LLC, or trust interests | | | | |
| 12 | Securities—Miscellaneous | | | | |
| 13 | Qualified conservation contribution—Historic structures | | | | |
| 14 | Qualified conservation contribution—Other | | | | |
| 15 | Real estate—Residential | | | | |
| 16 | Real estate—Commercial | | | | |
| 17 | Real estate—Other | | | | |
| 18 | Collectibles | X | 7 | 574 | SELLING PRICE |
| 19 | Food inventory | X | 5 | 1,200 | SELLING PRICE |
| 20 | Drugs and medical supplies | | | | |
| 21 | Taxidermy | | | | |
| 22 | Historical artifacts | | | | |
| 23 | Scientific specimens | | | | |
| 24 | Archeological artifacts | | | | |
| 25 | Other ▸ ( TREASURY BONDS ) | X | 2 | | FAIR MARKET VALUE |
| 26 | Other ▸ ( AUCTION ITEMS ) | X | 44 | 6,906 | SELLING PRICE |
| 27 | Other ▸ ( ) | | | | |
| 28 | Other ▸ ( ) | | | | |

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

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

**Part II**

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

| Identifier | Return Reference | Explanation |
|---|---|---|
| EXPLANATION FOR NOT REPORTING REVENUE | SCHEDULE M, PAGE 1, PART I, LINE 33 | THERE WAS ONE CONTRIBUTION OF STOCK THAT WAS RECEIVED DURING FY12 AS A PAYMENT ON A PRIOR YEAR PLEDGE ACCORDINGLY, NO ADDITIONAL REVENUE WAS RECORDED FOR THIS CONTRIBUTION THE CONTRIBUTION IS INCLUDED IN COLUMN (B) |

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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
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

| Identifier | Return Reference | Explanation |
|---|---|---|
| ORGANIZATION'S MISSION | FORM 990 - ORGANIZATION'S MISSION | THE MAINE MEDICAL CENTER (THE MEDICAL CENTER) IS A VOLUNTARY, NOT-FOR-PROFIT COMMUNITY AND REFERRAL HOSPITAL, DEDICATED TO PROVIDING HIGH QUALITY HEALTH CARE SERVICES TO ALL PERSONS WHO SEEK CARE REGARDLESS OF THEIR SEX, RACE, RELIGION, AGE, COLOR, SEXUAL ORIENTATION, NATIONAL ORIGIN, PHYSICAL OR EMOTIONAL DISABILITY OR SOCIAL OR ECONOMIC STATUS MAINE MEDICAL CENTER IS ALSO COMMITTED TO EDUCATION AT THE UNDERGRADUATE, GRADUATE, POST-GRADUATE AND CONTINUING EDUCATION LEVELS FOR PHYSICIANS, NURSES AND ALLIED HEALTH PERSONNEL, AND IN-SERVICE TRAINING FOR SUPPORT STAFF ALL OF WHICH ARE ESSENTIAL TO THE DELIVERY OF QUALITY PATIENT CARE OUTREACH EDUCATION TO OTHER INSTITUTIONS AND AGENCIES IS ALSO VITAL TO THE FULFILLMENT OF THE MAINE MEDICAL CENTER'S MISSION THE MEDICAL CENTER ALSO SUPPORTS BASIC AND CLINICAL RESEARCH AS ESSENTIAL TO THE ADVANCEMENT OF HEALTH CARE |
| ALL OTHER ACCOMPLISHMENT DESCRIPTION | FORM 990, PAGE 2, PART III, LINE 4D | LABORATORY, EDUCATION, RESEARCH, RADIOLOGY, DELIVERY AND LABOR ROOM, ANESTHESIOLOGY, AND OTHER ANCILLARY SERVICES |
| CLASSES OF MEMBERS OR STOCKHOLDERS | FORM 990, PAGE 6, PART VI, LINE 6 | MAINEHEALTH (EIN 01-0431680) IS THE SOLE MEMBER OF THE ORGANIZATION |
| ELECTION OF MEMBERS AND THEIR RIGHTS | FORM 990, PAGE 6, PART VI, LINE 7A | THE SOLE MEMBER OF THE ORGANIZATION HAS THE RESPONSIBILITY FOR THE ELECTION OF THE MEMBERS OF THE GOVERNING BODY |
| DECISIONS SUBJECT TO APPROVAL OF MEMBERS | FORM 990, PAGE 6, PART VI, LINE 7B | THERE ARE DECISIONS BY THE GOVERNING BODY THAT REQUIRE THE APPROVAL OF ITS SOLE MEMBER THEY INCLUDE 1 THE ADOPTION OF OPERATING AND CAPITAL BUDGETS, 2 THE APPROVAL OF ANY SIGNIFICANT STRATEGIC PLAN FOR PROGRAMS OR FACILITIES, 3 THE AUTHORIZATION OF DEBT INCURRED, ASSUMED, OR GUARANTEED BY THE MEDICAL CENTER IN EXCESS OF 1,000,000 AND ITS SUBSIDIARIES IN EXCESS OF 1,000,000 OTHER THAN AS PROVIDED FOR IN ANNUAL CAPITAL AND OPERATING BUDGETS, 4 THE AUTHORIZATION FOR ANY ACQUISITION, DISPOSITION, ORGANIZATION OR INVESTMENT IN ANY OTHER CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR JOINT VENTURE, 5 THE AUTHORIZATION FOR ANY SALE, ASSIGNMENT, TRANSFER, MORTGAGE OR ENCUMBRANCE OF ANY PROPERTIES OR ASSETS HAVING AN AGGREGATE VALUE IN EXCESS OF 1,000,000, 6 THE AUTHORIZATION FOR ANY MERGER OR CONSOLIDATION INVOLVING THE MEDICAL CENTER OR ITS SUBSIDIARIES AS A CONSTITUENT ENTITY OR ANY SALE OR OTHER DISPOSITION OF SUBSTANTIALLY ALL OF THE ASSETS OF THE MEDICAL CENTER OR ITS SUBSIDIARIES, 7 THE AUTHORIZATION FOR THE INSTITUTION OF ANY BANKRUPTCY, INSOLVENCY OR REORGANIZATION PROCEEDINGS, 8 THE AUTHORIZATION FOR THE CAPITAL INVESTMENT IN ANY INDIVIDUAL, ENTITY, OR PROJECT IN THE FORM OF CASH OR EITHER TANGIBLE OR INTANGIBLE PROPERTY IN EXCESS OF 1,000,000, 9 THE AMENDMENT OF THE ARTICLES OF INCORPORATION, 10 THE SELECTION, ANNUAL ELECTION, EVALUATION, AND TERMINATION OF THE MEDICAL CENTER'S CEO, 11 THE AUTHORIZATION FOR THE COMMENCEMENT OF LITIGATION BY THE MEDICAL CENTER OTHER THAN ROUTINE COLLECTION ACTIONS, 12 THE ADOPTION OF THE MEDICAL CENTER'S BYLAWS AND ANY AMENDMENTS AND MODIFICATIONS TO THE MEDICAL CENTER'S BYLAWS |
| ORGANIZATION'S PROCESS USED TO REVIEW FORM 990 | FORM 990, PAGE 6, PART VI, LINE 11B | THE 990 WAS REVIEWED IN DETAIL BY THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES THE 990 WAS ALSO MADE AVAILABLE TO THE FULL BOARD OF TRUSTEES THE BOARD WAS THEN GIVEN AN OPPORTUNITY TO ASK QUESTIONS OF THE CHAIRMAN OF THE BOARD, THE CEO, OR THE SR VICE PRESIDENT FOR FINANCE & CFO THE SR VICE PRESIDENT FOR FINANCE & CFO ALSO REVIEWED THE 990 IN DETAIL BEFORE SIGNING THE RETURN |
| ENFORCEMENT OF CONFLICTS POLICY | FORM 990, PAGE 6, PART VI, LINE 12C | CONFLICTS OF INTEREST STATEMENTS ARE OBTAINED ANNUALLY MAINEHEALTH'S AUDIT & COMPLIANCE SERVICES DEPARTMENT COLLECTS AND REVIEWS THE RESPONSES TO THESE DOCUMENTS AND ADDRESSES ANY ISSUES IMMEDIATELY THE RESULTS ARE SHARED WITH BOARD LEADERSHIP |
| COMPENSATION PROCESS FOR TOP OFFICIAL | FORM 990, PAGE 6, PART VI, LINE 15A | MAINE MEDICAL CENTER USES AN OUTSIDE FIRM, SULLIVAN COTTER, TO PERFORM AN INDEPENDENT BENCHMARK ANALYSIS THEY MEET WITH THE BOARD OF TRUSTEES EXECUTIVE COMPENSATION COMMITTEE TO REVIEW THE CEO'S BENCHMARK REPORT THE EXECUTIVE COMMITTEE THEN DELIBERATES ON MMC'S WRITTEN SALARY AND INCENTIVE COMPENSATION PLAN PHILOSOPHY AND DOCUMENTS BEFORE MAKING A FINAL DECISION ALL DECISIONS AND MEETINGS ARE CAPTURED IN MINUTES THERE IS APPROPRIATE REPORTING AT ALL LEVELS |
| COMPENSATION PROCESS FOR OFFICERS | FORM 990, PAGE 6, PART VI, LINE 15B | MAINE MEDICAL CENTER USES AN OUTSIDE FIRM, SULLIVAN COTTER, TO PERFORM AN INDEPENDENT BENCHMARK ANALYSIS THEY MEET WITH THE BOARD OF TRUSTEES EXECUTIVE COMPENSATION COMMITTEE TO REVIEW EACH EXECUTIVE BENCHMARK REPORT THE EXECUTIVE COMMITTEE THEN DELIBERATES ON MMC'S WRITTEN SALARY AND INCENTIVE PLAN PHILOSOPHY AND DOCUMENTS BEFORE MAKING A FINAL DECISION ALL DECISIONS AND MEETINGS ARE CAPTURED IN MINUTES THERE IS APPROPRIATE REPORTING AT ALL LEVELS |
| GOVERNING DOCUMENTS DISCLOSURE EXPLANATION | FORM 990, PAGE 6, PART VI, LINE 19 | DOCUMENTS THAT ARE REQUIRED TO BE OPEN FOR PUBLIC INSPECTION ARE MADE AVAILABLE UPON REQUEST |
| RELATED ORGANIZATIONS | FORM 990, PAGE 7, PART VII | WILLIAM CARON AND DONALD QUIGLEY WORK AN AVERAGE OF 50 HOURS PER WEEK FOR A RELATED ORGANIZATION - MAINEHEALTH |
| OTHER CHANGES IN NET ASSETS EXPLANATION | FORM 990, PART XI, LINE 5 | CHANGE IN PV OF POOLED LIFE AND CHARITABLE REMAINDER TRUSTS - (257,311) NET ASSETS RELEASED FROM RESTRICTIONS - (8,040,744) RECOGNIZED GAIN IN FV OF INVESTMENTS - 20,601,955 EQUITY TRANSFER TO AFFILIATES - (29,738,714) CHANGE IN NET UNREALIZED LOSS ON CASH FLOW HEDGE INSTRUMENTS - (415,984) RETIREMENT BENEFIT PLAN ADJUSTMENTS - (53,503,964) |

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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**
MAINE MEDICAL CENTER

**Employer identification number**
01-0238552

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled organization | |
|---|---|---|---|---|---|---|---|
| | | | | | | Yes | No |
| See Additional Data Table | | | | | | | |
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**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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(1)** MAINEHEALTH ACCOUNTABLE CARE ORG<br>110 FREE STREET<br>PORTLAND, ME 04101<br>45-2929273 | ADMINSERV | ME | N/A | | | | | No | | | No | |
| | | | | | | | | | | | | |
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**Part IV** **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership |
|---|---|---|---|---|---|---|---|
| **(1)** MAINE MEDICAL PARTNERS (MMP)<br>22 BRAMHALL STREET<br>PORTLAND, ME 04102<br>01-0442142 | HEALTHCARE | ME | N/A | | | | |
| **(2)** SYNERNET INC<br>110 FREE STREET<br>PORTLAND, ME 04101<br>01-0539789 | ADMINSERV | ME | N/A | | | | |
| **(3)** MAINE PHYSICIAN HOSPITAL ORG<br>110 FREE STREET<br>PORTLAND, ME 04101<br>01-0527540 | HEALTHCARE | ME | N/A | | | | |
| **(4)** MMC CLINICAL SERVICES SUPPORT CORP<br>22 BRAMHALL STREET<br>PORTLAND, ME 04102<br>20-3656876 | ADMINSERV | ME | N/A | | | | |
| | | | | | | | |
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## Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

| | | Yes | No |
|---|---|---|---|
| **Note.** Complete line 1 if any entity is listed in Parts II, III or IV | | | |
| **1** During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | | |
| **a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity | 1a | | No |
| **b** Gift, grant, or capital contribution to related organization(s) | 1b | 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 | Yes | |
| **e** Loans or loan guarantees by related organization(s) | 1e | Yes | |
| **f** Sale of assets to related organization(s) | 1f | | No |
| **g** Purchase of assets from related organization(s) | 1g | | No |
| **h** Exchange of assets with related organization(s) | 1h | | No |
| **i** Lease of facilities, equipment, or other assets to related organization(s) | 1i | 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 | | No |
| **l** Performance of services or membership or fundraising solicitations by related organization(s) | 1l | | No |
| **m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1m | | No |
| **n** Sharing of paid employees with related organization(s) | 1n | 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 | |
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Schedule R (Form 990) 2011

## Part VII Supplemental Information

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

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

## Additional Data

Return to Form

**Software ID:**
**Software Version:**
**EIN:** 01-0238552
**Name:** MAINE MEDICAL CENTER

### 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 | |
|---|---|---|---|---|---|---|---|
| MAINEHEALTH (MH)<br>110 FREE STREET<br>PORTLAND, ME 04101<br>01-0431680 | HEALTHCARE | ME | 501C3 | 11C | NA | | No |
| MMC REALTY<br>22 BRAMHALL STREET<br>PORTLAND, ME 04102<br>01-0434215 | PROP MGMT | ME | 501C3 | 11A | MMC | Yes | |
| MAINE MENTAL HEALTH PARTNERS<br>123 ANDOVER ROAD<br>WESTBROOK, ME 04092<br>26-3426990 | HEALTHCARE | ME | 501C3 | 11C | MH | | No |
| LINCOLN COUNTY HEALTH CARE INC<br>6 ST ANDREWS LANE<br>BOOTHBAY HARBOR, ME 04538<br>26-1475629 | HEALTHCARE | ME | 501C3 | 11C | MH | | No |
| WESTERN MAINE HEALTH CARE CORP<br>181 MAIN STREET<br>NORWAY, ME 04268<br>01-0411788 | HEALTHCARE | ME | 501C3 | 11C | MH | | No |
| WALDO COUNTY HEALTHCARE INC<br>PO BOX 287<br>BELFAST, ME 049150287<br>22-2864961 | HEALTHCARE | ME | 501C3 | 11C | MH | | No |
| GERIATRIC RESOURCE NETWORK<br>110 FREE STREET<br>PORTLAND, ME 04101<br>01-0542842 | HEALTHCARE | ME | 501C3 | 7 | MH | | No |
| WEBBER HOSPITAL ASSOC DBA SMMC<br>PO BOX 626<br>BIDDEFORD, ME 040050626<br>01-0179500 | HOSPITAL | ME | 501C3 | 3 | MH | | No |
| HOMEHEALTH VISITING NURSES OF SO ME<br>15 INDUSTRIAL PARK DRIVE<br>SACO, ME 04072<br>22-2571902 | HEALTHCARE | ME | 501C3 | 9 | MH | | No |
| NORDX<br>301A US ROUTE ONE<br>SCARBOROUGH, ME 04074<br>01-0511356 | LABORATORY | ME | 501C3 | 9 | MH | | No |
| PEN BAY HEALTHCARE<br>4 WHITE STREET<br>ROCKLAND, ME 04841<br>22-2494475 | ADMIN | ME | 501C3 | 11C | MH | | No |
| HENRIETTA D GOODALL HOSPITAL INC<br>25 JUNE STREET<br>SANFORD, ME 04073<br>01-0078060 | HOSPITAL | ME | 501C3 | 3 | MH | | No |

**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) | MAINE MEDICAL PARTNERS | N | 13,453,727 | FAIR MARKET VALUE |
| (2) | MAINE MEDICAL PARTNERS | O | 1,898,136 | FAIR MARKET VALUE |
| (3) | MAINE MEDICAL PARTNERS | P | 62,538,862 | FAIR MARKET VALUE |
| (4) | MAINE MEDICAL PARTNERS | Q | 75,934,538 | FAIR MARKET VALUE |
| (5) | MAINE MEDICAL PARTNERS | R | 1,880,079 | FAIR MARKET VALUE |
| (6) | MMC REALTY | J | 2,560,709 | FAIR MARKET VALUE |
| (7) | MMC REALTY | N | 191,201 | FAIR MARKET VALUE |
| (8) | MMC REALTY | P | 3,697,943 | FAIR MARKET VALUE |
| (9) | MMC REALTY | Q | 1,639,688 | FAIR MARKET VALUE |
| (10) | MAINE MEDICAL PARTNERS | N | 13,453,727 | FAIR MARKET VALUE |
| (11) | MAINE MEDICAL PARTNERS | O | 1,898,136 | FAIR MARKET VALUE |
| (12) | MAINE MEDICAL PARTNERS | P | 62,538,862 | FAIR MARKET VALUE |
| (13) | MAINE MEDICAL PARTNERS | Q | 75,934,538 | FAIR MARKET VALUE |
| (14) | MAINE MEDICAL PARTNERS | R | 1,880,079 | FAIR MARKET VALUE |
| (15) | MMC REALTY | J | 2,560,709 | FAIR MARKET VALUE |
| (16) | MMC REALTY | N | 191,201 | FAIR MARKET VALUE |
| (17) | MMC REALTY | P | 3,697,943 | FAIR MARKET VALUE |
| (18) | MMC REALTY | Q | 1,639,688 | FAIR MARKET VALUE |

# Maine Medical Center
## FY2012 Community Benefit Report

## I. Why create a Community Benefit report?

Maine Medical Center's day-to-day operations as a tax-exempt organization include many system-wide initiatives in Cumberland County and in the state of Maine and the Northern New England region. Clinical services range from outpatient clinics for a diverse population, to full inpatient and surgical services, to a regional trauma center and a neuroscience institute; many of our services and specialties are not available elsewhere in the state or in our region. We have programs in undergraduate and continuing education, engage in clinical research, and support organizations and efforts whose missions augment or complement ours; we strive to be a good "institutional citizen" of our region and state.

With these programs, Maine Medical Center hopes to fill existing local gaps, while making a positive impact in the communities we serve. This report summarizes Maine Medical Center's community benefits efforts over the last year. The final section (VIII) will also provide a financial summary of charity care, bad debt, government-sponsored health care, and all subsidized community programs and other support.

## II. Organizational Description and Information

Maine Medical Center cares for its community, educates tomorrow's caregivers, and researches new ways to provide care. We proudly carry our unique responsibility as Maine's leader in patient care, education, and research. We are dedicated to the traditions and ideals of not-for-profit health care; our care is available and accessible to all who seek it. MMC, a tertiary care hospital serving Cumberland County, the state of Maine, and Northern New England, is the flagship hospital of the MaineHealth system, a family of health care and support services committed to improving the health of the communities we serve.

Under the governance of its Board of Trustees, MMC's Senior Leadership Team is responsible for the quality and safe delivery of care provided to our patients and their families.

## III. Community Needs Assessment

Maine Medical Center's Board is made up of a diverse set of community members. The Board requires a thorough Community Needs Assessment on behalf of the organization, and directs the organization to analyze and respond to the current needs assessment. MaineHealth also participates in various initiatives to help support and provide updates to community needs assessment planning. Some of these initiatives include.

- Clinical Strategic Planning
- Financial Strategic Planning
- Facility Planning
- Manpower Planning
- Physician Recruitment Strategic Planning

- Emergency Preparedness Planning

Along with the internal assessments, most member organizations also review and act on many of the recommendations provided by external groups such as the Maine Center for Disease Control and Prevention and the "State Health Plan" created by the Advisory Committee for Health Systems Development.

In addition, MaineHealth and its partners in the OneMaine Health Collaborative, Eastern Maine Health System and MaineGeneral Health, released the OneMaine Health Community Health Needs Assessment Report in March 2011. The report is a comprehensive compilation and analysis containing primary and secondary health data sources. The report contains a Health Status Profile for the state as a whole and for each of Maine's sixteen counties. The primary data source was a randomized telephone survey; the sampling methodology was designed to permit comparisons at the county level. Secondary data sources include numerous state and federal sources. This report provides baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Plans call for the Community Health Needs Assessment to be replicated every three years. MaineHealth will hold community forums in partnership with each member and affiliate hospital in order to increase understanding and use of the Community Health Needs Assessment and to inform identification and action on local, community-based health priorities.

## IV. Subsidized Maine Medical Center Community Programs and Other Support*

***Community Health Improvement Services and Community Benefit Operations***

**Sagamore Village Health Center**
MMC supports staff for clinics in a disadvantaged Portland neighborhood.

**Portland Community Free Clinic**
MMC doctors from the Emergency Medicine department volunteer at the Portland Free Clinic, providing primary care to uninsured, low-income adults.

**School-based Clinics**
MMC provides staff and support for clinics in several Portland Public Schools.

**Sports Physicals/Training Room Coverage**
The Sports Medicine division at MMC's Family Medicine Center provides physical exams and training room support for area school teams and marathons.

**Sports Game Coverage**
The Sports Medicine division at MMC's Family Medicine Center provides coverage for sports games at area schools.

**Tutoring**
MMC provides tutoring for students who miss school due to hospitalization.

**Taxi Vouchers**
MMC provides taxi vouchers to patients who need transportation home.

**Neuroscience Institute Various Initiatives**
The Neuroscience Institute studies readmission rates and conducts leadership seminars to help leaders navigate an ever-changing healthcare environment. Family caregiver workshops and a yearly conference assist families of patients with brain tumors explore ways to live a healthy life.

**Lifeline Workplace Wellness**
Lifeline offers a menu of wellness services and programs to employers interested in worksite wellness. Employers can also join the MMC Southern Maine Wellness Council, which provides opportunities for networking, resource access, and professional training.

**Mission Work in Developing Countries**
Many MMC caregivers are supported in their work to establish and maintain medical clinics in other parts of the world. Residents of Haiti, Kenya, and Nigeria are among the populations to receive MMC-supported assistance and expertise.

**Community Disease Risk Surveillance and Reporting**
Providing advice to communities concerned with the risk of tick-borne diseases. The best example is Monhegan Island, where a decade of surveillance and tick control research lead to the removal of a burgeoning deer herd and the subsequent near disappearance of ticks and Lyme disease on the island. On a larger scale, the Vector Borne disease lab has been working for over two decades with the Maine Medical Center for Disease Control and Prevention, providing annually updated data on the distribution and infection prevalence of deer ticks in the state as well as the distribution of the vector mosquitoes of Eastern equine encephalitis and West Nile virus.

## *Health Professions Education*

MMC provides a clinical setting for medical students from a number of medical schools as they rotate through the clinical services, post-graduate training in a number of specialties, in both residencies and fellowships; rural practice settings as part of resident education and as a service to the practices: and numerous sessions in which practicing physicians can keep their knowledge current.

## *Subsidized Health Services*

**Outpatient Clinics**
Many MMC Outpatient Clinics serve specific patient populations with services that would otherwise not be available in the community, including a Virology Treatment Center clinic that is a statewide resource to physicians caring for patients with HIV/AIDS; it also provides education and conducts clinical trials unique to the State. In addition, one afternoon a week, the International Clinic provides services to immigrants and refugees from around the world who have settled in Portland.

**Behavioral Health Care**
MMC is a safety-net provider of behavioral healthcare services

**Uncompensated Care Drug Program**
MMC's Pharmacy provides free medications to qualifying MMC cancer patients and discharged patients, and patients of the Emergency Department and Brighton FirstCare receive 'starter packs' and some routine drugs at no charge when they are discharged.

**Palliative Care Program**
This program is dedicated to relieving the suffering and improving the quality of life for patients with advanced and life-threatening illnesses.

**The Morrison Center**
Maine Medical Center supports a non-profit program that serves preschool-aged children with neurodevelopmental disabilities.

**Language Line and Interpretive Services**
Live and telephonic interpretation services are provided for patients who do not speak English.

**Sign Language Interpreting Services**
MMC provides on-site interpreters for deaf patients who use American Sign Language and offers accommodations and services for deaf and hard-of-hearing patients and family members. The coordinator trains MMC staff to better accommodate deaf and hard-of-hearing patients and, with local agencies, brings medical information to members of the deaf community.

**Patient Navigators**
Seven specially trained oncology nurse Clinical Patient Navigators work with patients diagnosed with cancer to ensure the patient and their family have all of the information they need to make the most informed and timely decisions about their treatment plan. MMC navigators represent all of the major tumor sites: breast, prostate/genitourinary, lower GI (colon/rectal), upper GI (liver/pancreas), gyn-onc, and thoracic (lung)/esophageal. There is also a Neurosciences Patient and Family Liaison who spends part of her time working with neuro-oncology (brain tumor) patients. MMC also pays for half of the expense of an American Cancer Society Patient Navigator who is available to help patients navigate the myriad of community support resources available as part of the cancer care process.

**Northern New England Poison Center**
The NNEPC serves Maine, New Hampshire, and Vermont with 24/7 toll-free telephone consultations with health care professionals and lay persons about toxic substances. MMC contributes funding to provide services that are not sufficiently supported by state or federal government, such as poison- and drug-related outreach education for health care professionals and lay persons, poison and drug-related research, surveillance for terrorism, tampering/contamination, unanticipated adverse drug events, food poisoning and other public health emergencies, and support for all-hazards preparedness and response. The in-kind contribution includes partial salaries for clinical toxicologists, nurse certified specialists in poison information, and other staff, as well as employee benefits and operating overhead.

**Maine Medical Partners**
MMC supports mission-critical physician practices to ensure coverage for the community in such specialties as trauma surgery, neurosurgery, various pediatric specialties, and high-risk obstetrics.

## ***Research***

The Maine Medical Center Research Institute is the largest hospital-based biomedical research facility in northern New England. Many clinicians author scholarly work or participate in various studies and research activities, and the Institute offers a summer student program.

## *Cash and In-kind Contributions*

**Contributions**
MMC makes carefully selected contributions to other nonprofit organizations whose activities augment or complement MMC's mission. Significant contributions went to the American Heart Association, the Maine Cancer Foundation, the NAACP and the Ronald McDonald House.

**Charles A. Dana Health Education Center & East Tower Classrooms**
The classroom facilities of the Dana Center and the East Tower are available free of charge to external groups who have MMC sponsors. Regular users include Alcoholics Anonymous, the National Alliance for the Mentally Ill, HOPE, etc.

**United Way**
MMC makes a contribution to the Greater Portland obesity initiative and supports the annual United Way campaign.

**Epilepsy Foundation**
The medical center aids the Epilepsy Foundation, which helps patients and families who are affected by epilepsy. MMC also hosts a support group.

**Supporting our Future**
Maine Medical Center is proud to support the Pine Tree Council and the Boys & Girls Club of Southern Maine. Both organizations are committed to helping youth realize their potential by building character, community, and personal wellness.

**Portland Fire Fighters**
MMC supports those first responders who are responsible for the medical center and its neighbors.

## *Community Support (Community Building Activities)*

**Maine State Chamber of Commerce**
MMC is a dues paying member of the organization.

**Disaster Preparation**
MMC is deeply involved in disaster planning at the local and State levels. One of three state Regional Resource Centers for Emergency Preparedness is located at MMC, and the hospital has a full-time Director of Emergency Preparedness.

**Clinical Pastoral Education**
Placement of pastoral care students in community agencies one day per week during the summer, including outpatient cancer, Preble Street, nursing homes and Seafarers.

**Mini Medical School**
MMC's Mini Medical School is a week-long summer program, which offers Maine college students a series of lectures, hands-on activities, and clinical experiences designed to demonstrate what a career in medicine is all about.

**CNA Training Program**
MMC provides a program to train CNAs.

**Surgical Tech Training Program**
MMC conducts a training program for surgical technicians.

**Maine Medical Center's Aggregate "Net Community Benefit Investment" = $103,599,112**

* In addition to the aforementioned programs, Maine Medical Center provides its proportional share of support for the annual budget of the following programs, through both "member dues" and "fund balance transfers" While all member organizations may not participate directly in the following initiatives, all members provide some level of financial support to help sustain and grow these MaineHealth programs.

***Community Health Improvement Services and Community Benefit Operations***

**AMI/PERFUSE Program** – The AMI/PERFUSE program helps caregivers provide the highest quality care and achieve the best possible outcomes for patients who experience an acute myocardial infarction – regardless of the patient's point of entry into the MaineHealth system. A network of providers ensures that heart attack patients receive timely, evidence-based treatment.

**Chronic Disease** – The Chronic Disease program increases awareness and utilization of quality care measures for both pediatric/adult asthma, COPD, and Diabetes – this program was formerly listed separately as "Asthma and Chronic Obstructive Pulmonary Disease" and "Diabetes".

**Emergency Medicine** – The Emergency Medicine Program improves the quality of care received by patients in the emergency departments of MaineHealth member and affiliate hospitals. The program works to streamline processes and to effectively meet the acute medical needs of patients in the ED. Program staff provide training to emergency medical personnel and work with ambulance services to inform the care provided before patients arrive at the hospital.

**Heart Failure** – The Heart Failure Program improves health outcomes for patients with heart failure by promoting best practices in care at MaineHealth hospitals and across all care settings The program supports a comprehensive, integrated approach for patients and their families as they move from one care environment to another.

**Hospital Medicine**- The Hospital Medicine Program Build relationships with hospitalists across the system and gather monthly to share ideas, discuss challenges, and identify opportunities and solutions. Members collaborate on specific initiatives by gathering interdisciplinary groups in the true spirit of integration

**Infection Prevention** – The Infection Prevention Program works to reduce infection rates, improve outcomes for patients and decrease preventable hospitalizations across the MaineHealth system. The program aims to reduce hospital-acquired infections through improved hand hygiene compliance.

**Mental Health Integration** – The Mental Health Integration Program works to improve patient care by bringing mental health clinicians into medical settings, and by improving the collaboration between medical and mental health providers. The goal of the program is to help people get effective and efficient care for mental and behavioral health problems.

**Oncology** - The Oncology Program promotes high quality oncologic care across the system, ensuring easy access and effective transitions among specialists and locations. The program provides screening and treatment guidelines to clinicians, provides patient education materials to patients, improves awareness of clinical trials, improves access to genetic services and improves the overall delivery of cancer care.

**Palliative Care** - The Palliative Care Program promotes palliative care across the system. The initiative includes clinician education about palliative care including identification of patients who may benefit from palliative care, provision of palliative services for complex medical conditions, addressing ethical issues and engaging patients in discussing goals of care. The program promotes the use of Physician Orders for Life Sustaining Treatment (POLST) within each MH institution as well as community based advance directive/care planning.

**Patient Centered Medical Home** – This Program provides quality improvement and training for "practice coaches", runs a learning collaborative focused on practice transformation, provides educational opportunities to practices, and develops/disseminates tools to assist local practices.

**Pharmacy and Therapeutics** - The Pharmacy and Therapeutics Program works to improve outcomes of patients in the MaineHealth system by reducing variations in care and promoting best practices. The program seeks to coordinate purchasing and performance initiatives in MaineHealth hospitals.

**Preventive Health** - The Preventive Health Program works to deliver consistent, high-quality, preventive healthcare across the MaineHealth region for adults and children by providing best-practice, evidence-based tools and support to primary care practice teams. The purpose is to provide a preventive health focus for patients and providers that helps to reduce the prevalence and severity of chronic disease.

**Stroke** - The goal of the Stroke Program is to improve care for stroke patients who arrive at MaineHealth member and affiliate hospitals within three hours of symptom onset. The program aims to standardize stroke care across the continuum of providers within the MaineHealth system by using evidence-based guidelines to improve outcomes for stroke patients.

**Surgical Quality Collaborative** – The goal of the MaineHealth Surgical Quality Collaborative is to create a collaborative encompassing surgical and quality staff from system hospitals to foster learning, measure improvement, and use empirical data to improve the quality, safety and value of surgical care.

**Telehealth** - The Telehealth Program works to improve the health status of our communities by integrating, advancing and optimizing the use of telehealth technologies. Current telehealth technologies include connections between hospitals, such as bringing specialists to rural areas, connecting providers to patients' homes and remote monitoring of patients in critical care units in most MaineHealth hospitals.

**Transitions of Care** - The Transitions of Care Program works to ensure that patients receive excellent care throughout the transition from hospital to home and to community-based providers. The program works to improve patient outcomes and reduce unnecessary readmissions by supporting best practices for provider follow-up visits, coordinating medications, patient and family education, and enhancing the communications critical for excellent care once the patient leaves the hospital.

## *Subsidized Health Services*

**CarePartners** – The program arranges the provision of donated healthcare services for low income uninsured Mainers in Cumberland, Kennebec, Lincoln, and Waldo Counties. CarePartners also provides administrative support to help serve the target population, including comprehensive eligibility assessment, care management, and access to low cost or free pharmaceuticals.

**MedAccess** – The program provided access to approximately $8.3 million of free medications in FY12. CarePartners provides this community resource to uninsured and underinsured community members through the Patient Assistance Programs (PAPs) In addition to this service, MedAccess offers application assistance for other prescription access programs, local low-cost generic programs, and other state and federal programs either in-person or through a toll-free number (meaning MaineHealth only counts the staff and program costs/support as a "net community benefit investment" here, and not the actual dollar figure of free medications provided through the program).

## *Community Support*

**Healthy Weight Initiative** – This initiative targets both children and adults in the community. The key parts of the initiative include clinical, community, and environmental/policy interventions. MaineHealth's financial support for this initiative recognizes the importance of preventing obesity as a major driver of health care costs, a major risk factor for chronic diseases, and a well-documented community epidemic.

**OneMaine Health Community Health Needs Assessment** – As described earlier in Section III of this report, MaineHealth was one of three health system partners involved in the conduct of a statewide Community Health Needs Assessment. All of the results and data involved in this analysis are publically available as a resource for any interested parties. MaineHealth was responsible for 42.5% of the total cost of this project.

**Health Index Report** – MaineHealth staff creates the Health Index report to present key factors and specific elements of the health status throughout many Maine counties, focusing on measures of health improvement and specific health outcomes/goals – over 1,800 copies of the health index report are distributed annually to health and other community leaders and organizations.

**Child Health Program** - The Child Health program is focused on increasing rates of child immunizations within the MaineHealth system and statewide through clinical, community and policy interventions. The program's vision is to create an effective, outcomes-based strategy that engages health professionals and provider organizations, community partners, family members, and local and state government, resulting in Maine being ranked number one in New England for child immunizations by 2016. Amid evidence of increased vaccine refusal and delay in our communities, MaineHealth's financial support for this program underscores the importance of vaccinations as the most cost-effective health prevention activity for children and one of society's greatest public health achievements.

**Partnership for Healthy Aging** - PHA leads the implementation of evidence-based prevention programs for older adults (Living Well, A Matter of Balance, EnhanceWellness, EnhanceFitness, Healthy IDEAS) throughout Maine. The efforts of Elder Care Services focus upon improving

transitions, prevention, and quality across the care continuum. Initiatives include Care Transitions coaching, Community Links, and Falls Prevention Tools for providers and patients.

***Community Health Improvement Advocacy***

**MaineHealth Learning Resource Centers** – With four locations in Maine, the LRCs provide patients, health care providers, and community members with easy access to quality health information and a wealth of educational reference material. In addition, the LRCs offer the public over 100 unique classes taught by professionals (e.g. healthy cooking, yoga, chronic disease self-management, cancer prevention, and mental health awareness).

**Parkinson's Information and Referral Center** – The Center is a primary resource for people with Parkinson's disease, as well as their families and healthcare providers. Assistance includes "patron requests" for information, direct physician referrals, educational outreach to health care facilities, coordinating support groups, and specialized classes for newly-diagnosed individuals.

## V. Billing and Collection Practices

Maine Medical Center charges all patients the same price for the same services regardless of payor source. Individuals are not required to pay or to make arrangements to pay prior to the services being provided. On average, the first bill is sent to a patient seven days after services are provided. After that initial billing date, and after all insurances have paid on that account, the patient has 30 days to pay their portion of the bill for those services. Before collection action is taken by MMC, four notices will be sent to patients informing them of their lack of proper payments and continued attempts will be made to communicate with them about a solution.

In the absence of either full payment or a patient's attempts to communicate in order to resolve the situation, which may include the patient's agreement to enter into a monthly payment program, MMC does use a responsible and professional collection agency if necessary. A bill will become classified as "bad debt" once it has been assigned to our collection agency. If the balance is paid in full within 90 days of placement with our collection agency, it is not reported on their credit file. MaineHealth hospitals may pursue legal action for collecting an outstanding bill only with prior Board approval. MMC's Board has not voted to pursue such legal action in, at the minimum, the past 17 years.

## VI. Charity Care Policies

Maine Medical Center's policy of charity care and financial assistance is easily understood, prominently posted, and publicly available. A process exists for offering charity care or financial assistance to patients who are unable to pay both before and after services have been rendered and they have been billed. In addition to monitoring collection practices, copies of the charity care policy are made available to patients at all entry points (Registration, Emergency, etc.) and with bill/collection notices. The organization uses simple application procedures as defined by the State of Maine Department of Health and Human Services for charity care or financial assistance that do not intimidate or confuse applicants.

Maine Medical Center's employees who work in Admitting, Billing, Accounts Receivable, or Patient Services are fully informed and educated about all financial assistance policies. These

staff members identify unpaid bills where persons are unable to pay, and separate these potential "charity care" bills from other bad debt accounts.

Maine Medical Center provides 100% free care to our patients who are at or below 175% of the Federal Poverty level. We also provide additional discounted care on an income-based sliding scale program for patients who are between 176% and 225% of the Federal Poverty level.

## VII. Good Governance and Executive Compensation Policies

### Good Governance

Maine Medical Center has a Board of 29 community members, a majority of whom are not practicing physicians, officers, department heads, or other employees with a financial connection or otherwise affiliated with the organization itself. The Board meets 11 times a year (on average), and has a written "conflict of interest" policy in place. The Board understands the specific mission of the organization, and approves strategic planning initiatives aimed at carrying out this mission. Trustees understand their fiscal and other specific responsibilities while serving on the Board, and further education/information is provided to Board members if requested. Trustees and executive officers of Maine Medical Center do not receive loans on behalf of the organization. The organization ensures that a substantial part of its activities does not involve attempts to influence legislation, and that it will not take an official position or provide direct support for or against a political candidate. Moreover, in addition to the CEO, CFO, or both officially signing off on Maine Medical Center's yearly 990 and audited financial statements, the Board of Trustees must also have final approval of the yearly audited financial statements. The Board has also adopted and maintains a corporate compliance program that includes a Code of Conduct for all staff education and training, monitoring for compliance, and a Helpline for staff to call, all intended to produce continual compliance with organizational policies and the law.

### Executive Compensation

Maine Medical Center has a formal written compensation policy in place. In consultation with Sullivan Cotter and Associates, the MaineHealth Board Compensation Committee establishes appropriate compensation parameters for each member organization's CEO and certain members of their Senior Management team. Working within those parameters, the organization's Board determines the level of compensation for its CEO. The findings of the Compensation Committee are made transparent to, and voted on by, the full Governing Board. This "total executive compensation" is filed publicly by the organization, and includes "total cash compensation" and "total value of all benefits and perquisites associated with position (such as housing allowances, social club memberships, signing bonuses, etc )". The Board takes necessary action to prevent the CEO from voting or directly participating in the final Committee determination of his own compensation The organization's executive compensation procedure relies upon appropriate data for comparability (e g. compensation levels paid by both taxable and tax-exempt similarly situated organizations and independent compensation surveys by nationally recognized independent firms). Finally, the organization refrains from allowing executive compensation to ever be based solely on Maine Medical Center's revenues or other similar profit-sharing strategies

## VIII. Aggregate Financial Data

**Maine Medical Center's Community Benefit Summary** ***

| | |
|---|---|
| **1. Charity care (at cost)** | $18,517,063 |
| **2. Bad debt (at cost)** | $15,747,180 |
| **3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs** | $70,158,239 |
| **4. Net Community Benefit Investment Programs (net expense), e.g.** | $103,599,112 |

- Outpatient Clinics
- Uncompensated Care Drug Program
- Interpreter Services
- Patient Navigators
- Tutoring
- Northern New England Poison Center

| | |
|---|---|
| ***Total Value of Quantifiable Benefits Provided to the Community*** | **$208,021,594** |

*** **Form created based on AHA guidelines**

# Maine Medical Center and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended September 30, 2012 and 2011, Supplemental Consolidating Information as of and for the Year Ended September 30, 2012, and Independent Auditors' Report

# MAINE MEDICAL CENTER AND SUBSIDIARIES

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Deloitte

Deloitte & Touche LLP
200 Berkeley Street
Boston MA 02116
USA

Tel +1 617 437 2000
Fax +1 617 437 2111
www.deloitte.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Maine Medical Center

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Medical Center at September 30, 2012 and 2011, and the consolidated results of its operations, consolidated changes in net assets, and consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information on pages 40–43 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. This supplemental consolidating information is the responsibility of the Medical Center's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such supplemental consolidating information has been subjected to the auditing procedures applied in our audits 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audits and the reports of other auditors, such supplemental consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 8, 2013

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS
## AS OF SEPTEMBER 30, 2012 AND 2011
## (In thousands)

| ASSETS | 2012 | 2011 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 21.142 | $ 5.081 |
| Investments | 204.718 | 215.887 |
| Patient accounts receivable — net | 86.565 | 67.834 |
| Current portion of investments whose use is limited | 5.743 | 5.716 |
| Inventories, prepaid expenses, and other current assets | 19.390 | 19.350 |
| Estimated amounts receivable under reimbursement regulations | 2.898 | 3.450 |
| Current portion of notes and amounts receivable from affiliated entities | 5.149 | 5.872 |
| Total current assets | 345.605 | 323.190 |
| INVESTMENTS WHOSE USE IS LIMITED BY | | |
| Debt agreements | 4.142 | 3.921 |
| Board designation | 76.486 | 63.690 |
| Self-insurance trust agreements | 21.445 | 21.871 |
| Specially designated specific purpose funds | 36.273 | 34.403 |
| Plant replacement funds | 19.276 | 16.086 |
| Funds functioning as endowment funds | 98.013 | 88.818 |
| Pooled life income funds | 2.635 | 2.146 |
| | 258.270 | 230.935 |
| Less current portion | 5.743 | 5.716 |
| | 252.527 | 225.219 |
| PROPERTY, PLANT, AND EQUIPMENT — Net | 465.418 | 462.648 |
| ESTIMATED AMOUNTS RECEIVABLE UNDER REIMBURSEMENT REGULATIONS | 50.277 | 51.989 |
| NOTES AND AMOUNTS RECEIVABLE FROM AFFILIATED ENTITIES — Less current portion | 5.568 | 5.587 |
| PREPAID PENSION COSTS | | 38.762 |
| OTHER ASSETS | 60.401 | 44.282 |
| TOTAL | $1.179.796 | $1.151.677 |

| LIABILITIES | 2012 | 2011 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Current portion of long-term debt | $ 11.247 | $ 14.193 |
| Accounts payable and other current liabilities | 32.102 | 30.532 |
| Accrued payroll, payroll taxes, and amounts withheld | 26.959 | 20.550 |
| Accrued earned time | 24.466 | 22.189 |
| Accrued interest payable | 423 | 319 |
| Estimated amounts payable under reimbursement regulations | 37.585 | 32.208 |
| Self-insurance reserves | 1.601 | 1.795 |
| Current portion of notes and amounts payable to affiliated entities | 8.522 | 1.249 |
| Total current liabilities | 142.905 | 123.035 |
| ACCRUED RETIREMENT BENEFITS | 232.708 | 231.417 |
| SELF-INSURANCE RESERVES | 16.766 | 15.293 |
| LONG-TERM DEBT — Less current portion | 109.658 | 117.209 |
| OTHER LIABILITIES | 34.185 | 33.321 |
| Total liabilities | 536.222 | 520.275 |
| CONTINGENCIES (Note 19) | | |
| NET ASSETS | | |
| Unrestricted | 540.462 | 531.808 |
| Temporarily restricted | 78.093 | 76.034 |
| Permanently restricted | 25.019 | 23.560 |
| Total net assets | 643.574 | 631.402 |
| TOTAL | $1.179.796 | $1.151.677 |

See notes to consolidated financial statements

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS
## FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
## (In thousands)

| | 2012 | 2011 |
|---|---|---|
| UNRESTRICTED REVENUE AND OTHER SUPPORT | | |
| Net patient service revenue | $899,103 | $853,071 |
| Direct research revenue | 13,493 | 17,832 |
| Indirect research revenue | 4,380 | 4,732 |
| Other revenue | 66,437 | 44,602 |
| Total unrestricted revenue and other support | 983,413 | 920,237 |
| EXPENSES | | |
| Salaries | 431,702 | 391,320 |
| Employee benefits | 121,701 | 117,987 |
| Supplies | 137,269 | 136,465 |
| Professional fees and purchased services | 111,287 | 106,351 |
| Facility and other costs | 36,309 | 30,941 |
| State taxes | 14,992 | 14,944 |
| Interest | 3,907 | 4,851 |
| Depreciation and amortization | 54,487 | 55,899 |
| Provision for bad debts | 40,714 | 39,119 |
| Total expenses | 952,368 | 897,877 |
| INCOME FROM OPERATIONS | 31,045 | 22,360 |
| NONOPERATING GAINS (LOSSES) | | |
| Gifts and donations — net of related expenses | 2,752 | 4,166 |
| Interest and dividends | 9,965 | 12,601 |
| Recognized gain (loss) on cash flow hedge instruments | 988 | (1,564) |
| Equity in earnings of joint ventures | 4,960 | 3,713 |
| Other | | (527) |
| Total nonoperating gains — net | 18,665 | 18,389 |
| EXCESS OF REVENUE OVER EXPENSES BEFORE INCREASE IN FAIR VALUE OF INVESTMENTS | 49,710 | 40,749 |
| INCREASE IN FAIR VALUE OF INVESTMENTS | 13,983 | 430 |
| EXCESS OF REVENUE OVER EXPENSES | 63,693 | 41,179 |
| NET ASSETS RELEASED FROM RESTRICTIONS FOR PROPERTY, PLANT, AND EQUIPMENT | 2,029 | 186 |
| EQUITY TRANSFER TO AFFILIATES | (3,148) | (2,286) |
| RETIREMENT BENEFIT PLAN ADJUSTMENTS | (53,504) | (50,741) |
| CHANGE IN NET UNREALIZED LOSS ON CASH FLOW HEDGE INSTRUMENTS | (416) | (758) |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS | $ 8,654 | $ (12,420) |

See notes to consolidated financial statements

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
## FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
## (In thousands)

| | 2012 | 2011 |
|---|---|---|
| UNRESTRICTED NET ASSETS | | |
| Excess of revenue over expenses | $ 63,693 | $ 41,179 |
| Net assets released from restrictions for property, plant, and equipment | 2,029 | 186 |
| Equity transfer to affiliates | (3,148) | (2,286) |
| Retirement benefit plan adjustments | (53,504) | (50,741) |
| Change in net unrealized loss on cash flow hedge instruments | (416) | (758) |
| Increase (decrease) in unrestricted net assets | 8,654 | (12,420) |
| TEMPORARILY RESTRICTED NET ASSETS | | |
| Gifts and donations | 636 | 1,281 |
| Interest and dividends | 604 | 432 |
| Realized and unrealized gains (losses) on investments | 11,147 | (2,107) |
| Change in present value of pooled life and charitable remainder trusts | (257) | (357) |
| Net assets released from restrictions for operations | (8,042) | (1,264) |
| Net assets released from restrictions for property, plant, and equipment | (2,029) | (186) |
| Increase (decrease) in temporarily restricted net assets | 2,059 | (2,201) |
| PERMANENTLY RESTRICTED NET ASSETS — Gifts and donations | 1,459 | 541 |
| INCREASE (DECREASE) IN NET ASSETS | 12,172 | (14,080) |
| NET ASSETS — Beginning of year | 631,402 | 645,482 |
| NET ASSETS — End of year | $643,574 | $631,402 |

See notes to consolidated financial statements

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS
## FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
## (In thousands)

| | 2012 | 2011 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase (decrease) in net assets | $ 12,172 | $ (14,080) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 54,487 | 55,899 |
| Provision for bad debts | 40,714 | 39,119 |
| Accretion of bond discounts | 8 | 13 |
| Equity transfers to affiliates | 3,148 | 2,286 |
| Equity in earnings of joint ventures | (4,960) | (3,713) |
| Net realized and change in unrealized (gain) loss on investments | (25,130) | 1,677 |
| Net (gain) loss on cash flow hedge instruments | (572) | 2,324 |
| Gain on sale of property, plant, and equipment | (73) | (560) |
| Restricted contributions and investment income | (2,442) | (1,897) |
| Retirement benefit plan adjustments | 53,504 | 50,741 |
| (Decrease) increase in cash resulting from a change in | | |
| Patient accounts receivable | (59,445) | (41,806) |
| Inventories, prepaid expenses and other current assets | 345 | (12,070) |
| Other assets | (15,620) | (17,803) |
| Accounts payable and other current liabilities | 11,999 | 617 |
| Amounts receivable payable under reimbursement regulations | 7,641 | (39,411) |
| Self-insurance reserves | 1,279 | |
| Other liabilities | (12,400) | 499 |
| Net cash provided by operating activities | 64,655 | 21,835 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments | (654,426) | (644,270) |
| Proceeds from the sales of investments | 663,390 | 675,192 |
| Distributions from joint ventures | 4,400 | 2,500 |
| Payments received (paid) on notes and amounts receivable payable to affiliated entities | 8,015 | (8,548) |
| Purchases of property, plant, and equipment | (58,782) | (50,973) |
| Proceeds from sale of property, plant, and equipment | 389 | 936 |
| Net cash used in investing activities | (37,014) | (25,163) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments of long-term debt | (10,874) | (28,942) |
| Proceeds from issuance of long-term debt | | 19,123 |
| Restricted contributions and investment income | 2,442 | 1,897 |
| Equity transfers to affiliates | (3,148) | (2,286) |
| Net cash used in financing activities | (11,580) | (10,208) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 16,061 | (13,536) |
| CASH AND CASH EQUIVALENTS — Beginning of year | 5,081 | 18,617 |
| CASH AND CASH EQUIVALENTS — End of year | $ 21,142 | $ 5,081 |
| SUPPLEMENTAL INFORMATION | | |
| Interest paid on long-term debt | $ 3,803 | $ 5,077 |
| Issuance of capital leases | $ 369 | $ 244 |

See notes to consolidated financial statements

## 1. REPORTING ENTITY

**Organization** — Maine Medical Center and subsidiaries consists of Maine Medical Center (MMC) and its wholly owned subsidiaries, which include Maine Medical Partners (MMP) and MMC Realty Corporation (MMCRC) These entities are collectively referred to as the "Medical Center " The consolidated financial statements include the accounts of MMC and its controlled subsidiaries Upon consolidation, intercompany transactions and balances have been eliminated Such controlled affiliates are disclosed in the supplemental consolidating information using the cost method of accounting

MCC is a wholly owned subsidiary of MaineHealth The purpose of MaineHealth, a tax-exempt corporation, is to lead a community care network that provides a broad range of integrated health care services for populations in Maine and northern New England Through MaineHealth's subsidiaries and affiliated organizations, the network's mission is to provide services along the full continuum of care as necessary to improve the health status of the population it serves in a cost-effective manner

MMC is a 637-bed, not-for-profit, major teaching hospital providing community and tertiary health care services It is affiliated with the Tufts University School of Medicine undergraduate medical education program MMC also supports clinical, translational, and bench research programs, but focuses on translational research due to its more immediate benefit to patients

MMP is a multispecialty physician group, which includes a variety of primary care and specialty disciplines In addition to providing clinical care, the practices develop and promote educational and teaching programs and research activities

MMCRC was formed for the purpose of acquiring, holding, managing, maintaining, developing, and disposing of real property for the benefit of and in support of MMC

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** — The accompanying consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP) consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954, *Health Care Entities*, and other pronouncements applicable to health care organizations

**Use of Estimates** — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenue and expenses during the reporting period Actual results could differ from those estimates Significant estimates are made in the areas of patient accounts receivable, the fair value of financial instruments, amounts receivable and payable under reimbursement regulations, asset retirement obligations (AROs), retirement benefits, and self-insurance reserves

**Cash and Cash Equivalents** — Cash and cash equivalents include investments in highly liquid debt securities with a maturity at the date of purchase of three months or less, excluding amounts classified as investments whose use is limited

**Investments** — Investments are stated at fair value The recorded value of investments in hedge funds and limited partnerships is based on fair value as estimated by management using information provided by external investment managers As a practical expedient, the Medical Center measures the fair value of these investments on the basis of the net asset value (NAV) per share (or its equivalent) The Medical Center believes that these valuations are a reasonable estimate of fair value as of September 30, 2012 and 2011, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a market for the investments existed Such differences could be material Certain of the hedge fund and limited partnership investments have restrictions on the withdrawal of the funds Investments are classified as current assets based on the availability of funds for current operations The accounting for the pension plan assets is disclosed in Note 13 Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenue over expenses, unless the income or loss is restricted by donor or law

As provided for under ASC Section 825, *Financial Instruments*, the Medical Center made the irrevocable election to report investments and investments whose use is limited at fair value with changes in value reported in the excess of revenue over expenses As a result of this election, the Medical Center reflects changes in the fair value, including both increases and decreases in value whether realized or unrealized, in its excess of revenue over expenses

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and the consolidated statements of operations and changes in net assets

**Investments Whose Use is Limited** — Investments whose use is limited primarily include investments held by trustees under debt agreements, self-insurance trust agreements, and designated investments set aside by the Board of Trustees (the "Board") for purposes over which the Board retains control and may at its discretion subsequently use for other purposes In addition, investments whose use is limited include investments restricted by donors for specific purposes or periods, investments restricted by donors to be held in perpetuity by the Medical Center, and the related appreciation on those investments Amounts required to meet current liabilities of the Medical Center have been classified as current assets

**Property, Plant, and Equipment** — Property, plant, and equipment are recorded at cost The carrying value is reviewed if facts and circumstances suggest that an impairment may exist Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets The Medical Center recorded capitalized interest of $160,000 and $94,000 for the years ended September 30, 2012 and 2011, respectively

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

**Impairment of Long-Lived Assets** — Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell

**Asset Retirement Obligations** —AROs are legal obligations associated with the retirement of long-lived assets These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability Asset retirement costs are subsequently depreciated over the useful lives of the related assets Subsequent to initial recognition, the Medical Center records period-to-period changes in the ARO liability resulting from the passage of time in interest expense and revisions to either the timing or the amount of the original expected cash flows to the related assets

**Accounting for Defined Benefit Pension and Other Postretirement Plans** — The Medical Center recognizes the overfunded or underfunded status of its defined benefit and postretirement plans as an asset or liability in its consolidated balance sheets Changes in the funded status of the plans are reported as a change in unrestricted net assets presented below the excess of revenue over expenses in its consolidated statements of operations and changes in net assets in the year in which the changes occur

The measurement of benefit obligations and net periodic benefit cost is provided by third-party actuaries based on estimates and assumptions approved by the Medical Center's management These valuations reflect the terms of the plans and use participant-specific information, such as compensation, age, and years of service, as well as certain assumptions, including estimates of discount rates, expected long-term rate of return on plan assets, rate of compensation increases, interest crediting rates, and mortality rates

**Temporarily and Permanently Restricted Net Assets** — Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors or law to a specific time period or purpose Permanently restricted net assets reflect the original value of gifts that have been restricted by donors to be maintained by the Medical Center in perpetuity

**Excess of Revenue over Expenses** — The consolidated statements of operations include excess of revenue over expenses Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include the effective portion of changes in the fair value of cash flow hedge instruments, permanent transfers of assets to and from affiliates for other than goods and services, retirement benefit plan adjustments, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

**Consolidated Statements of Operations** — For purpose of display, transactions deemed by management to be ongoing, major, or central to the provision of health care and related services are reported as operating revenue and expenses Peripheral or incidental transactions are reported as nonoperating gains and losses

**Net Patient Service Revenue** — Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations Contracts, laws, and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

**Free Care** — The Medical Center provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its Board-established free care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient service revenue.

**Direct and Indirect Research Revenue and Related Expenses** — Revenue related to research grants and contracts is recognized as the related costs are incurred. Indirect costs relating to certain government grants and contracts are reimbursed at fixed rates negotiated with the government agencies. Research grants and contracts are accounted for as exchange transactions. Amounts received in advance of incurring the related expenditures are recorded as unexpended research grants and are included in accrued expenses.

**Other Revenue** — Revenue, which is not related to patient medical care and which is central to the day-to-day operations of the Medical Center, is included in other revenue. This revenue includes cafeteria sales, medical school revenue, administrative shared services revenue, temporary restricted gifts, grants revenue, rental revenue, and other support services revenue.

**Meaningful Use** — The Medical Center is in the process of fully implementing Electronic Health Record Technology (EHR). During 2012, the Medical Center qualified and applied for meaningful use incentive payments from Medicare and Medicaid related to the implementation of EHR as provided for under the Health Information Technology for Economic and Clinical Health Act. As a result, the Medical Center recognized $4,265,000 of other revenue associated with these payments.

**Gifts and Donations** — Unconditional promises to give cash and other assets to the Medical Center are reported at fair value at the date the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized when the conditions are substantially met. The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year received are reported as unrestricted contributions in the accompanying consolidated financial statements.

**Self-Insurance Reserves** — The liabilities for outstanding losses and loss-related expenses and the related provision for losses and loss-related expenses include estimates for losses incurred, but not reported as well as losses pending settlement. Such liabilities are necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liability may be greater than or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liability are actuarially reviewed on an annual basis, and any necessary adjustments are reflected in current operations.

**Income Tax Status** — The Internal Revenue Service (IRS) has previously determined that MMC and its subsidiaries (except MMP) are organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC MMP had significant net operating loss carryovers at September 30, 2012 and 2011 A valuation allowance has been provided for the entire deferred tax benefit for the net operating losses, due to uncertainty of realization MMP did not have taxable income in 2012 or 2011 Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements

**Recently Issued Accounting Pronouncements** — In August 2010, the FASB issued Accounting Standards Update (ASU) No 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries*, which clarifies that a health care entity should not net insurance recoveries against a related claim liability Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries The provisions of ASU No 2010-24 were adopted by the Medical Center on October 1, 2011 The adoption of ASU No 2010-24 increased assets and liabilities in the amount of $1,133,000 as of September 30, 2012 There was no impact on the consolidated statements of operations and changes in net assets for the year ended September 30, 2012

In July 2011, the FASB issued ASU No 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which requires reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue It also requires enhanced disclosure about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The provisions of ASU No 2011-07 are effective for the Medical Center beginning October 1, 2012 The Medical Center has not determined the impact of ASU No 2011-07 on its consolidated financial statements

In May 2011, the FASB issued ASU No 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U S GAAP and IFRSs*, which amends ASC 820 ASU No 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2 In addition, ASU No 2011-04 provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements ASU No 2011-04 requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs The new guidance is effective for reporting periods beginning after December 15, 2011 The adoption will not have a material effect on the consolidated financial statements The Medical Center has not determined the impact on the disclosures in the consolidated financial statements

**Subsequent Events** — The Medical Center has evaluated subsequent events through February 8, 2013, which is the date the consolidated financial statements were issued

## 3. COMMUNITY BENEFIT PROGRAMS

As a nonprofit institution dedicated to community service, the Medical Center provides many health-related services that benefit the community These services include coordinating access to care, free care programs, teaching programs, and research activities Examples of these programs include CarePartners, a health care program for those who cannot afford to buy insurance but are above the guidelines for government programs, the Ah! Asthma Health program, which improves the care of children with asthma, Raising Readers, a MaineHealth initiative, which aims to provide all Maine children between

ages zero and five years with books, and Vocational Services programs that leverage approximately $368,000 in federal funds in 2012 to integrate people with physical and psychological disabilities into the community. The Medical Center also operates an International Clinic for Portland's growing immigrant and refugee population, the AIDS Consultation Service, and the Northern New England Poison Center.

The Medical Center provides free care to anyone whose income falls below 175% of the Federal Poverty Level and also has a sliding scale beyond that to assist patients whose income is up to 225% of the Federal Poverty Level.

Maine Medical Center has an active teaching program that teaches medical students, resident physicians, practicing physicians, nursing students, allied health professions students, and the public. These programs are a significant source of health care manpower for the State of Maine as well as providing a higher level of patient care. The Medical Center has entered into a partnership with the Tufts University School of Medicine to train medical students focusing on Maine residents and providing them with a rural, integrated experience in order to encourage them ultimately to practice in Maine. The Medical Center provides a free Certified Nursing Assistant (CNA) program that produces much needed CNAs for health care providers throughout the State of Maine (the "State"), including the Medical Center. Maine Medical Center sponsors a number of programs from childbirth education to heart health to smoking cessation in order to improve overall community health.

The research programs of Maine Medical Center Research Institute (MMCRI), which operates within MMC, are focused around three specialties: cardiovascular disease, cancer, and bone and mineral disease. Core strengths are molecular biology and genetics, outcomes and health services, cytometry, and clinical research. Research at MMCRI has a strong connection to clinical problems through a translational approach. MMCRI's goal is to apply the latest scientific advances to the problems that patients and physicians face in Maine. The state-of-the-art equipment and facilities at MMCRI enable highly technical research and provide services for other academic and research centers throughout Maine. In cooperation with the University of Maine and The Jackson Laboratory, graduate degree programs have been established to provide rigorous basic research training to students in Maine. MMCRI also provides a summer student internship to a number of pre-college and college students who are interested in an opportunity to explore biomedical research as a possible career. All of these programs are done in an effort to enhance advanced educational activities in Maine.

Most of the support for MMCRI is derived from sources outside the State of Maine. This positive flow of funds into Maine is expended on salaries and services that directly support the local economy. MMCRI produces biomedical technology that is used to develop new companies, and its scientists serve as magnets to attract other biomedical technology companies, thereby encouraging additional local economic development.

## 4. NET PATIENT SERVICE REVENUE

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

*Medicare and MaineCare* — Inpatient acute care services rendered to each program's beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Outpatient services are paid based on a prospective rate per ambulatory visit/procedure. The Medical Center is reimbursed for cost-reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Fiscal Intermediary and the State of Maine.

In 2004, the State of Maine, facing significant budget deficits, passed legislation establishing several health care provider taxes ("State taxes") The enactment of the State taxes allowed the State of Maine to add revenues to the State of Maine General Fund, while minimizing the potential of lost federal matching funds in the MaineCare program The hospital-specific portion of the State taxes for 2012 and 2011 was based on a percentage of MMC's net patient service revenue in 2008 On July 1, 2012, the State of Maine passed a special onetime tax assessment of 0 39% on MMC's net patient service revenue As a result, for the years ended September 30, 2012 and 2011, the Medical Center recorded State taxes of approximately $14,992,000 and $14,944,000, respectively For the three months ended September 30, 2012, the Medical Center recorded $628,000 for this assessment Concurrent with the implementation of the State tax, the State of Maine increased the MaineCare reimbursement rates Management estimates that the changes in the MaineCare reimbursement rates yielded payments to the Medical Center for the years ended September 30, 2012 and 2011, of approximately $11,149,000 and $11,751,000, respectively The net impact of the State tax and the change in reimbursement rates were a decrease in income from operations of $3,843,000 and $3,193,000 for the years ended September 30, 2012 and 2011, respectively

In 2003, the State of Maine enacted legislation to provide affordable health insurance to small businesses and individuals and to control health care costs This legislation became known as Dirigo Health The law provides for the development of an affordable health care plan with sliding scale premium subsidies while further increasing access to health care coverage through the expansion of eligibility for the MaineCare program The law also covers quality and cost-containment strategies, such as the development of a State Health Plan, voluntary caps on the cost and operating margins of hospitals and insurers, and revised Certificate of Need (CON) regulations, including a Capital Investment Fund (CIF) In 2011, the CON regulations were significantly revised, and the CIF was repealed

In 2005, the Dirigo Health law was supplemented by additional legislation titled "An Act to Implement Certain Recommendations of the Commission to Study Maine's Community Hospitals " The law requested hospitals to voluntarily hold their consolidated operating margins to 3% and to voluntarily restrain their increases in expense per case-mix-adjusted discharge to less than 110% of the forecasted increase in the Centers for Medicare and Medicaid hospital services market basket index for the coming federal fiscal year This law also addressed the jurisdiction of Dirigo Health, called for the standardization of the reporting of hospital financial information, and established a workgroup to identify opportunities to streamline hospital administrative costs

The consolidated balance sheets at September 30, 2012 and 2011, include amounts due from the State of Maine under the MaineCare program of $65,644,000 and $54,405,000, respectively, which represents a concentration of credit risk Although the State of Maine's current budget does not provide for amounts due to the Medical Center, the amounts recorded have been determined based upon applicable regulations, and the Medical Center expects that these amounts will ultimately be paid in full Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount

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

Net patient service revenue for the years ended September 30, 2012 and 2011, consists of the following (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Gross charges | | |
| Inpatient services | $ 276,430 | $ 271,362 |
| Inpatient ancillary services | 656,492 | 635,865 |
| Outpatient services | 684,926 | 581,355 |
| | 1,617,848 | 1,488,582 |
| Deductions from gross charges | | |
| Contractual adjustments | 673,637 | 594,196 |
| Free care | 45,108 | 41,315 |
| | 718,745 | 635,511 |
| Total net patient service revenue | $ 899,103 | $ 853,071 |

The Medical Center provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its Board-established free care policy Because the Medical Center does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient service revenue The Medical Center estimates the costs associated with providing charity care by calculating a ratio of total cost to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care The estimated cost of caring for charity care patients for the years ended September 30, 2012 and 2011, was $19,530,000 and $19,187,000, respectively Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2012 and 2011, were $245,000 and $297,000, respectively

Net patient service revenue in 2012 and 2011 increased by approximately $13,000,000 and $11,935,000, respectively, primarily as a result of favorable settlements with third-party payors regarding prior years

## 5. PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable consists of the following at September 30, 2012 and 2011 (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Patient accounts receivable | $ 280,681 | $ 247,822 |
| Less | | |
| Allowances for contractual adjustments and advance payments from third-party reimbursing agencies | 145,199 | 136,130 |
| Allowances for bad debts | 41,125 | 34,662 |
| Allowances for free care | 7,792 | 9,196 |
| Patient accounts receivable — net | $ 86,565 | $ 67,834 |

## 6. INVESTMENTS AND INVESTMENTS WHOSE USE IS LIMITED

The composition of investments and investments whose use is limited at September 30, 2012 and 2011, is set forth in the following table (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Investments (current assets) | $204,718 | $215,887 |
| Investments whose use is limited | 258,270 | 230,935 |
| Total | $462,988 | $446,822 |
| Temporary cash investments | $ 9,661 | $ 10,411 |
| Bonds and notes | 198,507 | 236,208 |
| Marketable equity securities | 43,597 | 37,424 |
| Mutual funds | 162,672 | 125,079 |
| Hedge funds, limited partnerships, and other | 48,551 | 37,700 |
| Total | $462,988 | $446,822 |

Investments whose use is limited include amounts required by debt agreements and amounts restricted by donors The Board of Trustees also segregates certain unrestricted net assets as Board designated in order to make provision for future capital improvements, to fund self-insured professional and general liability and workers' compensation risks, and to provide for other specific purposes

Investments whose use is limited by debt agreements include debt service funds, which are comprised of semiannual deposits to fund principal and interest payments These investments are held pursuant to the requirements of the outstanding Revenue and Revenue Refunding Bond Indentures

The current portion of investments whose use is limited at September 30, 2012 and 2011, is comprised of the following (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Trusteed under debt agreements | $4,142 | $3,921 |
| Trusteed self-insurance trusts | 1,601 | 1,795 |
| Total | $5,743 | $5,716 |

Investment income and gains (losses) on investments and investments whose use is limited, cash equivalents, and other investments for the years ended September 30, 2012 and 2011, consist of the following (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Unrestricted net assets | | |
| Interest and dividends | $ 9,965 | $ 12,601 |
| Increase in fair value of investments | 13,983 | 430 |
| | 23,948 | 13,031 |
| Temporarily restricted net assets | | |
| Interest and dividends | 604 | 432 |
| Realized and unrealized gains (losses) on investments | 11,147 | (2,107) |
| | 11,751 | (1,675) |
| Total | $ 35,699 | $ 11,356 |

## 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

**Fair Value of Financial Instruments** — GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy)

The following tables present information as of September 30, 2012 and 2011, about the Medical Center's financial assets that are measured at fair value on a recurring basis (in thousands)

| | September 30, 2012 | | | |
|---|---|---|---|---|
| | Active Markets for Identical Assets (Level 1) | Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| Temporary cash investments | $ 9,561 | $ 100 | $ - | $ 9,661 |
| Bonds and notes | | | | |
| U S government and agency | 61,602 | 20,832 | | 82,434 |
| Corporate | | 114,853 | | 114,853 |
| Municipal government — United States | | 350 | | 350 |
| Foreign government | | 870 | | 870 |
| Total bonds and notes | 61,602 | 136,905 | - | 198,507 |
| Marketable equity securities | | | | |
| Consumer discretionary | 10,570 | | | 10,570 |
| Energy | 4,095 | | | 4,095 |
| Financial services | 5,111 | | | 5,111 |
| Health care | 5,170 | | | 5,170 |
| Industrials | 4,625 | | | 4,625 |
| Information technology | 8,811 | | | 8,811 |
| Materials | 3,291 | | | 3,291 |
| Telecommunications | 1,383 | | | 1,383 |
| Utilities | 541 | | | 541 |
| Total marketable equity securities | 43,597 | - | - | 43,597 |
| Mutual funds | | | | |
| Equity funds | 67,003 | | | 67,003 |
| Fixed-income funds | 65,065 | | | 65,065 |
| International equity funds | 20,761 | | | 20,761 |
| Closed-end international equity funds | 9,843 | | | 9,843 |
| Total mutual funds | 162,672 | - | - | 162,672 |
| Other funds | | | | |
| Common collective trusts | | 123 | | 123 |
| Exchange-traded funds | 10,221 | | | 10,221 |
| Hedge funds | | 31,635 | | 31,635 |
| Limited partnerships | | | 6,572 | 6,572 |
| Total other funds | 10,221 | 31,758 | 6,572 | 48,551 |
| Total | $287,653 | $168,763 | $6,572 | $462,988 |

| | September 30, 2011 | | | |
|---|---|---|---|---|
| | Active Markets for Identical Assets (Level 1) | Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| Temporary cash investments | $ 10,285 | $ 126 | $ - | $ 10,411 |
| Bonds and notes | | | | |
| U S government and agency | 79,138 | 26,534 | | 105,672 |
| Corporate | | 127,555 | | 127,555 |
| Municipal government — United States | | 788 | | 788 |
| Foreign government | | 2,193 | | 2,193 |
| Total bonds and notes | 79,138 | 157,070 | - | 236,208 |
| Marketable equity securities | | | | |
| Consumer discretionary | 8,994 | | | 8,994 |
| Energy | 3,655 | | | 3,655 |
| Financial services | 4,514 | | | 4,514 |
| Health care | 4,127 | | | 4,127 |
| Industrials | 3,992 | | | 3,992 |
| Information technology | 7,346 | | | 7,346 |
| Materials | 2,404 | | | 2,404 |
| Telecommunications | 1,595 | | | 1,595 |
| Utilities | 797 | | | 797 |
| Total marketable equity securities | 37,424 | - | - | 37,424 |
| Mutual funds | | | | |
| Equity funds | 34,686 | | | 34,686 |
| Fixed-income funds | 63,707 | | | 63,707 |
| International equity funds | 17,343 | | | 17,343 |
| Closed-end international equity funds | 9,343 | | | 9,343 |
| Total mutual funds | 125,079 | - | - | 125,079 |
| Other funds | | | | |
| Common collective trusts | | 93 | | 93 |
| Exchange-traded funds | 8,706 | | | 8,706 |
| Hedge funds | | 23,293 | | 23,293 |
| Limited partnerships | | 5,608 | | 5,608 |
| Total other funds | 8,706 | 28,994 | - | 37,700 |
| Total | $260,632 | $186,190 | $ - | $446,822 |

The following tables provide information regarding the fair value measurements of the assets held by the Medical Center's defined benefit pension plan (see Note 13) at September 30, 2012 and 2011 (in thousands)

| | September 30, 2012 | | | |
|---|---|---|---|---|
| | Active Markets for Identical Assets (Level 1) | Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| Temporary cash investments | $ 814 | $ 4,341 | $ - | $ 5,155 |
| Bonds and notes | | | | |
| Federal agency bonds | 6,396 | 11,722 | | 18,118 |
| Corporate bonds | | 25,094 | | 25,094 |
| Total bonds and notes | 6,396 | 36,816 | - | 43,212 |
| Marketable equity securities | | | | |
| Consumer discretionary | 19,378 | | | 19,378 |
| Energy | 7,206 | | | 7,206 |
| Financial services | 8,776 | | | 8,776 |
| Health care | 9,063 | | | 9,063 |
| Industrials | 7,525 | | | 7,525 |
| Information technology | 15,196 | | | 15,196 |
| Materials | 6,331 | | | 6,331 |
| Telecommunications | 3,440 | | | 3,440 |
| Utilities | 982 | | | 982 |
| Total marketable equity securities | 77,897 | - | - | 77,897 |
| Mutual funds | | | | |
| Fixed-income funds | 69,987 | | | 69,987 |
| International equity funds | 50,558 | | | 50,558 |
| Closed-end international equity funds | 35,533 | | | 35,533 |
| Total mutual funds | 156,078 | - | - | 156,078 |
| Other funds | | | | |
| Common collective trusts | | 8,022 | 21,010 | 29,032 |
| Exchange-traded funds | 30,230 | | | 30,230 |
| Hedge funds | | 78,159 | | 78,159 |
| Limited partnerships | | 6,159 | | 6,159 |
| Total other funds | 30,230 | 92,340 | 21,010 | 143,580 |
| Total | $271,415 | $133,497 | $21,010 | $425,922 |

| | September 30, 2011 | | | |
|---|---|---|---|---|
| | Active Markets for Identical Assets (Level 1) | Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| Temporary cash investments | $ 2,214 | $ 1 | $ - | $ 2,215 |
| Bonds and notes | | | | |
| Federal agency bonds | 10,353 | 1,729 | | 12,082 |
| Corporate bonds | | 8,789 | | 8,789 |
| Total bonds and notes | 10,353 | 10,518 | - | 20,871 |
| Marketable equity securities | | | | |
| Consumer discretionary | 14,467 | | | 14,467 |
| Energy | 6,118 | | | 6,118 |
| Financial services | 6,552 | | | 6,552 |
| Health care | 6,729 | | | 6,729 |
| Industrials | 5,958 | | | 5,958 |
| Information technology | 12,191 | | | 12,191 |
| Materials | 4,602 | | | 4,602 |
| Telecommunications | 3,039 | | | 3,039 |
| Utilities | 1,226 | | | 1,226 |
| Total marketable equity securities | 60,882 | - | - | 60,882 |
| Mutual funds | | | | |
| Fixed-income funds | 66,281 | | | 66,281 |
| International equity funds | 40,428 | | | 40,428 |
| Closed-end international equity funds | 28,444 | | | 28,444 |
| Total mutual funds | 135,153 | - | - | 135,153 |
| Other funds | | | | |
| Common collective trusts | | 24,526 | 17,476 | 42,002 |
| Exchange-traded funds | 19,964 | | | 19,964 |
| Hedge funds | | 61,176 | 7,297 | 68,473 |
| Limited partnerships | | 5,718 | | 5,718 |
| Total other funds | 19,964 | 91,420 | 24,773 | 136,157 |
| Total | $228,566 | $101,939 | $24,773 | $355,278 |

The Medical Center uses the following fair value hierarchy to present its fair value disclosures

*Level 1* — Quoted (unadjusted) prices for identical assets or liabilities in active markets Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis

*Level 2* — Other observable inputs, either directly or indirectly, including

- Quoted prices for similar assets in active markets,
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc ),

- Inputs other than quoted process that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc ), and

- Inputs that are derived principally from or corroborated by other observable market data

*Level 3* — Unobservable inputs that cannot be corroborated by observable market data

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value

*Temporary Cash Investments* — The carrying value of cash investments approximates fair value as maturities are less than three months and/or include money market funds that are based on quoted prices and actively traded

*Bonds and Notes* — The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices The debt securities classified as Level 2 were classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available, marketable debt instruments are priced using nonbinding market consensus prices that are corroborated with observable market data, quoted market prices for similar instruments, or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data

*Marketable Equity Securities* — The fair values of marketable equity securities are principally based on quoted market prices

*Mutual Funds* — The fair values of mutual funds are based on quoted market prices

*Common Collective Trusts* — As a practical expedient, the fair value of a common collective trust is based on the NAV of the fund, representing the fair value of the underlying investments, which are generally securities that are traded on an active market Such investments are classified as Level 2 because the Medical Center has the ability to redeem its investment in the fund at the NAV per share (or its equivalent) at the measurement date or within the near term and there are no other potential liquidity restrictions Common collective trusts, categorized as Level 3, are subject to a minimum holding period and a redemption period in excess of 90 days

*Exchange-Traded Funds* — These funds are valued based on quoted market prices

*Hedge Funds and Limited Partnerships* — The estimated fair values of limited partnerships and hedge funds, for which no quoted market process are readily available, are determined based upon information provided by the fund managers Such information is generally based on NAV of the fund, which approximates fair value The Medical Center has classified certain of its investments reported at NAV as Level 2 because the Medical Center has the ability to redeem its investment in the fund at the NAV per share (or its equivalent) at the measurement date or within the near term and there are no other potential liquidity restrictions Funds categorized within Level 3 are subject to a minimum holding period or lockup, are in liquidation, cannot be redeemed at the measurement date or within 90 days thereof, are subject to redemption notice periods in excess of 90 days, or have the ability to limit the aggregate amount of shareholder redemptions

*Interest Rate Swaps* — The Medical Center uses inputs other than quoted prices that are observable to value the interest rate swaps The Medical Center considers these inputs to be Level 2 inputs in the context of the fair value hierarchy The fair value of the net interest rate swap liability was $15,017,000 and $15,589,000 at September 30, 2012 and 2011, respectively These values represent the estimated amounts the Medical Center would receive or pay to terminate agreements, taking into consideration current interest rates and the current creditworthiness of the counterparty

The following methods and assumptions were used by the Medical Center in estimating the fair value of the Medical Center's financial instruments that are not measured at fair value on a recurring basis for disclosures in the financial statements

*Receivables and Payables* — The carrying value of the Medical Center's receivables and payables approximates fair value, as maturities are very short term

*Pledges Receivable* — The current yields for one- to 10-year U S Treasury notes are used to discount contributions receivable The Medical Center considers these yields to be a Level 2 input in the context of the fair value hierarchy Pledges received were discounted at rates ranging from 0 17% to 4% in 2012 (0 13% to 4 00% in 2011) Pledges received in 2012, which have been recorded at fair value, totaled approximately $2,693,000 ($2,007,000 in 2011)

*Long-Term Debt* — The fair value of the bonds and notes payable is estimated based on discounted cash flow with interest at current rates based on similar issues The fair market value of the Medical Center's long-term debt payable at September 30, 2012 and 2011, approximates the recorded value

The following tables set forth a summary of the Medical Center's investments valued using a reported NAV at September 30, 2012 and 2011, including investments held in the Medical Center's defined benefit pension plan (in thousands)

| | Fair Value Estimated Using NAV per Share September 30, 2012 | | | | |
|---|---|---|---|---|---|
| Investment | Pension | Endowment and Operating | Redemption Frequency | Other Redemption Restrictions | Redemption Notice Period |
| Collective U S Gov STIF (f) | $ 8,022 | $ - | Monthly | None | 5 days |
| Weatherlow Offshore Fund II Ltd (a) | 18,223 | 9,240 | Quarterly | None | 45 days |
| Genesis (b) | 21,010 | | Quarterly | Up to 15-day settlement period | 60–120 days |
| Genesis (b) | | 6,572 | Quarterly | Up to 15-day settlement period | 60–120 days |
| Wellington Trust (e) | 42,872 | 13,058 | Monthly | None | 10 days |
| Nyes Ledge (e) | 9,460 | 9,336 | December 31 | None | 90 days |
| Adamas (d) | 6,159 | | December 31 | None | 92 days |
| Avenue Strategic Partners (g) | 7,604 | | Quarterly | None | 60 days |
| Total (h) | $113,350 | $38,206 | | | |

| Investment | Fair Value Estimated Using NAV per Share September 30, 2011 Pension | Endowment and Operating and | Redemption Frequency | Other Redemption Restrictions | Redemption Notice Period |
|---|---|---|---|---|---|
| Collective U S Gov STIF (f) | $ 24.526 | $ - | Monthly | None | 5 days |
| Weatherlow Offshore Fund II Ltd (a) | 17.868 | 6.477 | Quarterly | None | 45 days |
| Genesis (b) | 17.476 | | Quarterly | Up to 15-day settlement period | 60 days |
| Genesis (b) | | 5.608 | Quarterly | Up to 15-day settlement period | 60 days |
| Wellington Trust (c) | 35.716 | 10.749 | Monthly | None | 10 days |
| Nyes Ledge (e) | 7.592 | 6.067 | December 31 | None | 90 days |
| Adamas (d) | 5.718 | | December 31 | None | 92 days |
| Avenue Strategic Partners (g) | 7.297 | | Quarterly | 5% redemption charge for redeeming prior to the 18-month anniversary of a subscription | 60 days |
| Total (h) | $116.193 | $28.901 | | | |

(a) Under a master-feeder structure, the fund seeks to achieve its objective by investing all or substantially all of its assets in the Weatherlow Fund I L P The Weatherlow Fund I L P invests predominately in limited partnerships and similar investment vehicles

(b) The Emerging Markets Fund has been established under the Genesis Group Trust for Employee Benefit Plans, a tax-exempt pooled trust designed to permit qualified employee benefit plans and certain government plans to commingle a portion of their investment The Genesis Emerging Markets, Limited Partnership Endowment objective is to achieve capital appreciation over the medium to long term through investments in securities emerging markets The objective of the fund is to provide participants with a broadly diversified means of investing in developing countries and immature stock markets, and thus to provide access to superior returns offered by high rates of economic and corporate growth, whilst limiting individual country risk

(c) The fund's objective is long-term total return in excess of a customized blended benchmark over a full business cycle The index is defined as 40% MSCI Energy $3 B and above 15% MSCI Metals and Mining $3 B and above 25% Equal Sector Weighted S&P GSCI and 20% Barclays Capital TIPS one to 10 years' index

(d) The purpose of the Partnership is to seek capital appreciation and income by investing its assets in investment pools, investment partnerships, and similar entities (the Investment Funds), which in turn, invest in publicly traded equity and debt securities of U S and foreign issuers and may also invest in some illiquid investments including, but not limited to, real estate and derivatives

(e) The fund's investment objective is to provide investors with attractive, absolute, and relative returns that exhibit moderate volatility and a low correlation to overall stock and bond markets The fund attempts to achieve this objective by investing primarily with a diversified group of hedge fund managers that Nyes Ledge Capital Management, LLC believes to be the best available, while carefully diversifying across varying styles and strategies

(f) The Government Short-Term Investment Fund (STIF) seeks to provide a reasonable rate of return by investing in securities that are either issued or guaranteed by the U S Treasury and or U S government agencies

(g) The Avenue U S Strategy seeks to achieve attractive risk-adjusted returns, primarily by focusing on the distressed debt and undervalued securities of U S companies In addition, the Avenue U S Strategy may invest in real estate debt or equity

(h) There are no unfunded commitments for additional investments

The following table presents the changes in fair value measurements for investments with unobservable inputs for the years ended September 30, 2012 and 2011 (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Balance — beginning of year | $ - | $ - |
| Transfers from Level 2 | 5,608 | |
| Unrealized gains | 964 | |
| Balance — end of year | $ 6,572 | $ - |
| The amount of total gains included in changes in net assets attributable to the change in unrealized gains relating to assets still held at the reporting date | $ 964 | $ - |

The following table presents the changes in fair value measurements for the Medical Center's defined benefit pension plan investments with unobservable inputs for the years ended September 30, 2012 and 2011 (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Balance — beginning of year | $ 24,773 | $ 20,253 |
| Transfers to Level 2 | (7,604) | |
| Purchases/sales | | 7,600 |
| Unrealized gains (losses) | 3,841 | (3,080) |
| Balance — end of year | $ 21,010 | $ 24,773 |
| The amount of total gains (losses) included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date | $ 3,534 | $ (3,080) |

The valuation methods as described in above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, although the Medical Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

## 8. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at September 30, 2012 and 2011, consist of the following (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Land | $ 21,852 | $ 21,910 |
| Land improvements | 6,234 | 5,729 |
| Buildings | 545,661 | 531,993 |
| Equipment | 323,853 | 294,249 |
| Construction in progress | 40,896 | 30,327 |
| | 938,496 | 884,208 |
| Less accumulated depreciation | 473,078 | 421,560 |
| Total | $465,418 | $462,648 |

Depreciation expense for the years ended September 30, 2012 and 2011, was approximately $54,426,000 and $55,823,000, respectively At September 30, 2012, the remaining commitment on construction contracts approximated $2,857,000 The value of property, plant, and equipment acquisitions in accounts payable at September 30, 2012 and 2011, was approximately $1,554,000 and $655,000, respectively

## 9. OTHER ASSETS

Other assets consist of the following at September 31, 2012 and 2011 (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Prepaid capital costs | $33,847 | $18,861 |
| Grants, notes, and pledges receivable | 6,374 | 6,110 |
| Investments in joint ventures | 5,678 | 5,177 |
| Goodwill and intangible assets | 1,694 | 1,694 |
| Insurance receivables | 970 | |
| Other | 11,838 | 12,440 |
| Total | $60,401 | $44,282 |

The Medical Center's investments in joint ventures are approximately $5,678,000 and $5,177,000 at September 30, 2012 and 2011, respectively The Maine Heart Center and the MMC Physician-Hospital Organization, Inc., ventures are physician and hospital collaborations, which manage risk and provide incentives to deliver high-quality, cost-effective patient care New England Rehabilitation Hospital of Portland (NERH) is an acute care rehabilitation facility Maine Molecular Imaging, LLC provides mobile PET/CT imaging services The MaineGeneral Cardiac Cath Lab, LLC provides cardiac catheterization services to the population of central Maine The Medical Center's investments in these joint ventures are accounted for using the equity method of accounting as its ownership in each joint venture is greater than 20% and less than or equal to 50%

Summary financial information for NERH for 2012 and 2011, consists of the following (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Percentage of ownership | 50 % | 50 % |
| Assets | $ 20,440 | $ 21,200 |
| Liabilities | 13,992 | 14,047 |
| Shareholders' equity | 6,448 | 7,153 |
| Net revenue | 34,171 | 31,527 |
| Operating expense | 25,076 | 25,274 |
| Total net earnings | 9,094 | 6,253 |
| MMC's share of net earnings | 4,548 | 3,127 |
| Charges to NERH for rent and other services | 3,901 | 3,845 |

## 10. LONG-TERM DEBT

Long-term debt as of September 30, 2012 and 2011, consists of the following (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Maine Health and Higher Educational Facilities Authority | | |
| Revenue refunding bonds — Series 2011A Serial Bonds, payable in various installments of principal and interest through 2030, interest rates ranging from 2% to 5% | $ 15,128 | $ 15,883 |
| Revenue refunding bonds — Series 2011B Serial Bonds, payable in various installments of principal and interest through 2015, interest rates ranging from 1 50% to 2 30% | 1,660 | 2,525 |
| Revenue bonds — Series 2008A Revenue Bonds, payable in various installments of principal through 2036, variable rate demand obligations, the average interest rate in effect for the years ended September 30, 2012 and 2011, was 0 18% and 0 28%, respectively The interest rate at September 30, 2012 and 2011, was 0 20% and 0 29%, respectively Interest is set weekly by the remarketing agent and may be changed to a different period or converted to a fixed rate | 87,490 | 90,324 |
| Revenue bonds — Series 2008B Revenue Bonds, payable in various installments of principal through 2014, variable rate demand obligations, the average interest rate in effect for the years ended 2012 and 2011 was 0 16% and 0 28%, respectively The interest rate at September 30, 2012 and 2011, was 0 18% and 0 29%, respectively Interest is set weekly by the remarketing agent and may be changed to a different period or converted to a fixed rate | 6,701 | 11,102 |
| Add unaccreted original issue premium | 636 | 712 |
| Promissory note payable to a bank, interest at 5 99% with a maturity date of October 1, 2027 | 2,565 | 2,660 |
| Promissory note payable to a bank, interest at LIBOR, plus 1% (1 22% and 1 23% at September 30, 2012 and 2011, respectively) with a maturity date of November 15, 2015 | 1,041 | 1,330 |
| Promissory note payable to a bank, interest at LIBOR, plus 0 75% (0 97% and 0 98% at September 30, 2012 and 2011, respectively) with a maturity date of March 1, 2020 | 577 | 653 |

(Continued)

| | 2012 | 2011 |
|---|---|---|
| Promissory note payable to a bank, interest at LIBOR, plus 1% (1 22% and 1 23% at September 30, 2012 and 2011, respectively) with a maturity date of March 1, 2020 | $ 1,070 | $ 1,211 |
| Promissory note payable to a bank, interest at LIBOR, plus 0 75% (0 97% and 1 23% at September 30, 2012 and 2011) with a maturity date of March 1, 2017 | 2,132 | 2,369 |
| Other — including capital lease obligations | 1,905 | 2,633 |
| | 120,905 | 131,402 |
| Less current portion of long-term debt | 11,247 | 14,193 |
| Total | $ 109,658 | $ 117,209 |

(Concluded)

Annual principal maturities of long-term debt for the five fiscal years after September 30, 2012, and the years thereafter are as follows (in thousands)

| Years Ending September 30 | Bonds and Notes | Capital Lease Obligations |
|---|---|---|
| 2013 | $ 10,113 | $ 1,146 |
| 2014 | 7,783 | 505 |
| 2015 | 4,999 | 208 |
| 2016 | 4,878 | 100 |
| 2017 | 4,746 | 59 |
| Years thereafter | 85,845 | |
| | $ 118,364 | 2,018 |
| Less amount representing interest under capital lease obligations | | 113 |
| | | $ 1,905 |

The Series 2008A and 2008B bondholders have the option to put the bonds back to the Medical Center Such bonds would be subject to remarketing efforts by the remarketing agent To the extent that such remarketing efforts were to be unsuccessful, the nonmarketable bonds would be purchased from the proceeds from two letter of credit agreements with a bank, which expire on October 3, 2018, and July 2, 2014, respectively If the letter of credit agreements are not extended or replaced, the bonds must either be tendered or converted to long-term fixed-rate bonds If tendered, MMC, pursuant to the loan agreement, would be precluded from instructing the remarketing agent to conduct an auction with the bonds to be sold on a variable rate basis, and the bonds would be purchased from the proceeds of the letter of credit agreements Bonds purchased from the proceeds of the letter of credit agreements are converted to "Bank Bonds" and are payable over nine years The Series 2008A and 2008B bonds have been classified in accordance with the repayment provisions contained in the letter of credit agreements in the accompanying consolidated balance sheets The Series 2008A and 2008B bonds have been

reported in accordance with the scheduled maturities contained in the bond agreements in the table of annual principal payments above

If all the Series 2008A and 2008B bonds were put back to the Medical Center on September 30, 2012, and not remarketed, the required repayments of all long-term debt (excluding capital lease obligations), after giving effect to the terms of the related letter of credit agreement, would be as follows (in thousands)

| Years Ending September 30 | |
|---|---|
| 2013 | $ 2,581 |
| 2014 | 14,324 |
| 2015 | 13,556 |
| 2016 | 13,306 |
| 2017 | 13,047 |
| Years thereafter | 61,550 |

The Board of Trustees of the Medical Center adopted a System Funding Agreement and a Corporate Model Master Trust Indenture (the "Indenture") and the Board of Trustees of MaineHealth adopted a System Funding Agreement and a Parent Model Master Trust Indenture These actions resulted in the creation of an Obligated Group for the MaineHealth system MaineHealth subsidiaries that are Designated Affiliates of the Obligated Group have access to lower cost capital and less restrictive debt covenants The Designated Affiliates are indirectly liable for the debt service on the obligations issued under the Indenture for each participant The Medical Center must remain a part of the Obligated Group, but has approval authority over new subsidiaries of MaineHealth requesting participation in the Obligated Group On September 30, 2012 and 2011, the Obligated Group has obligations totaling approximately $180,845,000 and $192,798,000, respectively, that are covered under the Master Trust Indenture The Medical Center is indirectly liable for debt service payments on obligations of approximately $68,189,000 and $70,923,000 at September 30, 2012 and 2011, respectively

**Interest Rate Swaps** — The estimated fair values of the interest rate swap agreements at September 30, 2012 and 2011, and the change in their fair values for the years then ended are as follows (in thousands)

| | Estimated Fair Value | | Change in Net Unrealized Loss Recognized in Net Assets (Effective Portion) | | Gain (Loss) Recognized in Excess of Revenue over Expenses | | Outstanding Notional Amount | |
|---|---|---|---|---|---|---|---|---|
| Instrument | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Nonhedged contracts | $(12,339) | $(12,503) | $ - | $ - | $163 | $(1,642) | $ 72,408 | $ 78,154 |
| Nonhedged contracts | 1,275 | 474 | | | 801 | 120 | 25,000 | 25,000 |
| Hedged contracts | (3,953) | (3,560) | (416) | (758) | 24 | (42) | 16,000 | 16,000 |
| Total | $(15,017) | $(15,589) | $(416) | $(758) | $988 | $(1,564) | $113,408 | $119,154 |

The fair values of the interest rate swap agreements are reported in other long-term assets (liabilities) The change in fair value of the effective portion of the interest rate swap agreements that qualify for hedge accounting are reported as a change in unrestricted net assets The change in fair value of the interest rate swap agreements that do not qualify for hedge accounting (including any ineffective portion of qualifying hedge instruments) are reported as a nonoperating activity The Medical Center has reported the net periodic interest rate settlement on the interest rate swaps as a component of interest expense in the consolidated statements of operations

The primary risk managed by the Medical Center's derivative instruments is interest rate risk The Medical Center uses interest rate swaps to modify its exposure to interest rate risk by converting a portion of its variable rate borrowings to a fixed-rate basis, thus reducing the impact of interest rate changes on future interest expense The Medical Center also uses other interest rate swaps to restructure its interest rate exposure by utilizing swaps with different maturity and basis techniques

These interest rate, basis, and constant maturity swaps involve counterparty credit risk exposure The counterparties are major financial institutions that at one time met the Medical Center's criteria for financial stability and creditworthiness In each interest rate swap agreement, the counterparty is required to provide a credit support amount If the counterparty's debt is rated below certain levels and there is a counterparty liability, the counterparty is required to post collateral

Certain of the Maine Health and Higher Educational Facilities Authority Revenue Bonds and Revenue Refunding Bonds were issued under the terms of a Master Trust Indenture Agreement Under the terms of the bonds, the Medical Center is required to maintain certain deposits with a trustee Such deposits are included with investments whose use is limited in the consolidated financial statements The bonds also require that the members of the Obligated Group satisfy certain measures of financial performance (including a minimum debt service coverage ratio) as long as the bonds are outstanding Management is not aware of any noncompliance with such covenants at September 30, 2012

Deferred financing costs of $662,000 in 2012 and $723,000 in 2011 are reported as a component of other assets and represent the costs incurred in connection with the issuance of the bonds These costs are being amortized over the term of the bonds Amortization expense for the years ended September 30, 2012 and 2011, was approximately $61,000 and $74,000, respectively The original issue discount/premium is accreted over the term of the related bonds using the effective interest method

The Medical Center has a $15,000,000 revolving line of credit with a bank, which expires in March 2013 The line is uncollateralized and shall bear interest at a per annum rate equal to one and one-half percent (1 5%) above the one-month London InterBank Offered Rate (LIBOR) The interest rate on this line is limited by a floor as follows the minimum interest rate (i e , floor) is 2% per annum No balance was outstanding on this line of credit at September 30, 2012

## 11. SELF-INSURANCE TRUSTS AND RESERVES

The Medical Center is partially self-insured for professional and general liability risks The Medical Center shares risk above certain amounts with an insurance company for all claims related to the partially self-insured plans The Medical Center maintains separate trusts for professional and general liability insurance The Medical Center funds these trusts based upon actuarial valuations and historical experience Self-insurance reserves for self-insured unpaid claims and incidents are estimated using actuarial valuations, historical payment patterns, and current trends Self-insurance reserves are recorded in the period the claim or incident occurs and adjusted in future periods as additional data become known

The Medical Center provides health and dental insurance for its employees through a self-insured plan administered by MaineHealth, the parent corporation of the Medical Center For financial reporting purposes, the Medical Center is allocated its pro rata share of plan expenses based on its number of employees and dependents Self-insurance reserves for unpaid claims and incidents are carried at MaineHealth The difference between actual and projected plan expenses is reflected in the future premiums charged to the Medical Center by MaineHealth

The Medical Center provides workers' compensation insurance for its employees through a self-insured plan administered by MaineHealth Employees covered under this plan include all current employees, as well as employees with work injury claims incurred after December 31, 1995 For financial reporting purposes, the Medical Center is charged a pro rata share based on payroll classifications Self-insurance reserves are carried at MaineHealth for unpaid claims and settlements are estimated using actuarial valuations Self-insurance reserves are recorded in the period the incident occurs and adjusted in future periods as additional data become known Four claim-related incidents, which occurred in 1985, 1992, 1993, and 1994, continue to be administered through the Medical Center Self-insurance reserves for these claims are carried at the Medical Center The amounts reserved for unpaid claims and settlements are estimated using actuarial valuations

## 12. CONDITIONAL ASSET RETIREMENT OBLIGATIONS

The Medical Center has previously recognized a liability for the fair value of its conditional asset retirement obligations The liability is related to the estimated costs to remove the asbestos contained within the Medical Center's facilities The conditional asset retirement obligation is reported with other liabilities

A reconciliation of the liabilities for asset retirement obligations at September 30, 2012 and 2011, is as follows (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Asset retirement obligations — beginning of year | $ 16,559 | $ 16,220 |
| Accretion expense | 439 | 571 |
| Remediation | (114) | (232) |
| Asset retirement obligations — end of year | $ 16,884 | $ 16,559 |

## 13. RETIREMENT BENEFITS

**Defined Benefit Pension Plan** — The Medical Center sponsors a defined benefit pension plan (the "Plan") covering all employees that work 750 or more hours in a plan year The Plan was amended effective January 1, 2011, to change the basis of a participant's accrued benefit Prior to January 1, 2011, accrued benefits were based on final average pay Effective January 1, 2011, for participants hired on or before December 31, 2009, there is a benefit based on the participant's final average pay through December 31, 2020, and years of service through December 31, 2010 For participants currently employed or hired on or after January 1, 2010, accrued benefits are based on a cash balance formula that became effective January 1, 2011 A participant's cash balance account is increased by an annual cash balance contribution for participants with 750 hours of service, and interest credits in accordance with the terms of the amended Plan document The annual cash balance contribution is determined by applying a rate based on age and years of service to the participant's annual compensation Interest credits are equal to a percentage of the participant's cash balance account on the first day of the Plan year and are credited on the last day of the Plan year prior to payment of the annual cash balance contribution Except for certain instances, the rate of interest used to determine the interest credit for a Plan year is 5% Retiring or terminating employees have the option to receive a lump-sum payment, annuity, or transfer to another qualified plan in accordance with the terms of the amended Plan document, an amount that was earned subsequent to January 1, 2011

The Medical Center's funding policy is to contribute amounts to fund current service cost and to fund over 30 years the estimated accrued benefit cost arising from qualifying service prior to the establishment of the Medical Center's plan The assets of the plan are held in trust and are invested in a diversified portfolio that includes temporary cash investments, marketable equity securities, mutual funds, U S Treasury notes, corporate bonds and notes, hedge funds, and other funds

**Defined Benefit Postretirement Medical Plan** — The Medical Center offers its employees who retire from the Medical Center prior to age 65 the option to continue their participation in the Employee Health Plan until age 65 Retirees pay 100% of the cost The retiree must terminate from the plan upon age 65 (the age for Medicare eligibility) In addition, the Medical Center offers a Retiree Group Companion Plan benefit to a limited group of employees if certain special eligibility requirements are met To be eligible to access this benefit, an employee must have attained age 55 with five years of pension service as of September 30, 2004, and be enrolled in the Employee Health Plan at the time of their retirement If under 65 when retiring, the retirees must continue their enrollment in the active employee plan until they turn 65 at 100% of the active rate The retiree may then enroll in the Retiree Group Companion Plan at age 65 once they have first enrolled in Medicare

The activity in the defined benefit pension plan and postretirement medical plan using valuation dates of September 30, 2012 and 2011, consists of the following (in thousands)

| | Defined Benefit Pension Plan | | Postretirement Medical Plan | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| Net periodic benefit cost | | | | |
| Service cost | $ 22,682 | $ 20,796 | $ - | $ - |
| Interest cost | 26,307 | 25,206 | 439 | 444 |
| Expected return on plan assets | (33,418) | (30,340) | | |
| Amortization of | | | | |
| Actuarial loss | 13,084 | 10,142 | 118 | 92 |
| Prior service (credit) cost | (1,462) | (1,462) | (23) | (23) |
| Net periodic benefit cost | $ 27,193 | $ 24,342 | $ 534 | $ 513 |
| Change in benefit obligation | | | | |
| Benefit obligation — beginning of year | $ 537,677 | $ 489,454 | $ 9,196 | $ 8,675 |
| Service cost | 22,682 | 20,796 | | |
| Interest cost | 26,307 | 25,206 | 439 | 444 |
| Actuarial loss | 80,823 | 25,758 | 1,356 | 531 |
| Benefits paid | (20,378) | (22,711) | (408) | (454) |
| Expenses paid | (834) | (826) | | |
| Benefit obligation — end of year | $ 646,277 | $ 537,677 | $ 10,583 | $ 9,196 |
| Change in plan assets | | | | |
| Net assets of plan — beginning of year | $ 355,543 | $ 343,542 | $ - | $ - |
| Actual return on plan assets | 50,369 | (2,862) | | |
| Employer contribution | 41,030 | 38,400 | 407 | 454 |
| Benefits paid | (20,379) | (22,711) | (407) | (454) |
| Expenses paid | (834) | (826) | | |
| Net assets of plan — end of year | $ 425,729 | $ 355,543 | $ - | $ - |
| Net amount recognized | $ (220,548) | $ (182,134) | $ (10,583) | $ (9,196) |

The additional defined benefit pension plan and postretirement medical plan disclosure information for the years ended September 30, 2012 and 2011, is as follows (in thousands)

| | Defined Benefit Pension Plan | | Postretirement Medical Plan | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| Amounts recognized in the consolidated balance sheets | | | | |
| Prepaid pension costs | $ - | $ 38,762 | | |
| Accrued retirement benefits | (220,548) | (220,896) | $ (10,583) | $ (9,196) |
| Net amounts recognized in the consolidated balance sheets | $ (220,548) | $ (182,134) | $ (10,583) | $ (9,196) |
| Additional information — accumulated benefit obligation | $ (602,897) | $ (494,176) | | |

Unrestricted net assets at September 30, 2012 and 2011, include unrecognized losses of $285,681,000 and $234,893,000, respectively, related to the defined pension benefit plan Of this amount, $21,889,000 is expected to be recognized in net periodic pension cost in 2013 The loss in 2012 and 2011 is primarily due to a decrease in the discount rate used to determine the benefit obligation, changes in other actuarial assumptions, and variances in demographic experience compared to prior assumptions

The assumptions of the Plan as of September 30, 2012 and 2011, are as follows (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Measurement date | September 30 | September 30 |
| Census date | January 1 | January 1 |
| Used to determine net periodic pension cost | | |
| Discount rate | 5 00 % | 5 25 % |
| Rate of compensation increase | 3 00 | 2 00 |
| Expected long-term rate of return on plan assets | 8 00 | 8 00 |
| Used to determine benefit obligation | | |
| Discount rate | 4 25 | 5 00 |
| Rate of compensation increase for 2012 and 2013 | 2 00 | 3 00 |
| Rate of compensation increase for 2014 and 2015 | 2 75 | 3 00 |
| Rate of compensation increase for 2016 and after | 3 00 | 3 00 |

The expected long-term rate of return on plan assets for the Pension Plan reflects the plan sponsor's estimate of future investment returns (expressed as an annual percentage) taking into account the allocation of plan assets among different investment classes and long-term expectations of future returns on each class

The targeted allocation for the Pension Plan investments are Debt Securities — 30 0%, U S Equity Securities — 22 5%, International Equity Securities — 17 5%, Emerging Market Equity Securities — 5 0%, Natural Resources — 10 0%, and Alternative Investments — 15 0% The Pension Plan's investments as of September 30, 2012 and 2011, are disclosed in Note 7

The Pension Plan's overall financial objective is to provide sufficient assets to satisfy the retirement benefit requirements of the Pension Plan's participants This objective is to be met through a combination of contributions to the Pension Plan and investment returns The long-term investment objective for the plan is to attain a total return (net of investment management fees) of at least 5% per year in excess of the rate of inflation measured by the Consumer Price Index The nature and duration of benefit obligations, along with assumptions concerning asset class returns and return correlations, are considered when determining an appropriate asset allocation to achieve the investment objectives

Investment policies and strategies governing the assets of the plan are designed to achieve the financial objectives within prudent risk parameters Risk management practices include the use of external investment managers, the maintenance of a portfolio diversified by asset class, investment approach, and security holdings, and the maintenance of sufficient liquidity to meet benefit obligations as they come due

The medical inflation assumption used for measurement purposes in the per capita cost of covered health care benefits for the Postretirement Medical Plan were 7 5% and 8 0% annual rates of increase for the years ended September 30, 2012 and 2011, respectively These rates were assumed to gradually decrease to 5% over a period of years and remain at that level thereafter A 1% change in the medical inflation rate would cause an approximately $1,424,000 change in the benefit obligation

The weighted-average discount rates used in determining the accumulated postretirement medical benefit obligation were 4 25% and 5 00% for the years ended September 30, 2012 and 2011, respectively The weighted-average discount rates used in determining the net periodic postretirement medical benefit cost were 5 00% for fiscal 2012 and 5 25% for fiscal 2011 As the postretirement medical plan is unfunded, no assumption was required as to the long-term rate of return on assets

Future benefits are expected to be paid as follows at September 30, 2012 (in thousands)

| Years Ending September 30 | Defined Benefit Pension Plan | Postretirement Medical Plan (Net of Retiree Contributions) |
|---|---|---|
| 2013 | $ 28,910 | $ 665 |
| 2014 | 32,255 | 690 |
| 2015 | 34,776 | 694 |
| 2016 | 37,719 | 746 |
| 2017 | 41,591 | 799 |
| 2018–2022 | 266,263 | 4,637 |

The estimated expected contribution to be made during 2013 is $62,000,000

**Defined Contribution Pension Plans** — The Medical Center also sponsors a 403(b) retirement plan for all employees The Medical Center provides a 50% match of each dollar contributed by the employee up to a maximum contribution of 2% of their gross earnings The employees are eligible to receive the employee match after one year of service The expense recognized for the Medical Center's match was approximately $5,733,000 and $5,283,000 in 2012 and 2011, respectively

## 14. NET ASSETS

**Temporarily Restricted Net Assets** — Temporarily restricted net assets are restricted primarily for health care services and consist of the following at September 30, 2012 and 2011 (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Donor-restricted specific purpose funds | $ 4,885 | $ 5,940 |
| Accumulated appreciation on permanently restricted net assets | 70,763 | 66,123 |
| Plant replacement funds | 362 | 602 |
| Pooled life and charitable remainder trusts | 2,083 | 3,369 |
| | $ 78,093 | $ 76,034 |

**Permanently Restricted Net Assets** — Permanently restricted net assets at September 30, 2012 and 2011, consist of investments to be held in perpetuity, the income from which is expendable primarily to support the care of patients (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Permanently restricted net assets | $ 25,019 | $ 23,560 |

**Endowment Funds** — The Medical Center's endowment consists of funds established for a variety of purposes For the purposes of this disclosure, endowment funds include donor-restricted endowment funds As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

**Interpretation of Relevant Law** — The Medical Center has interpreted state law as requiring realized and unrealized gains on permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board of Trustees (the "Board") and expended State law allows the Board to appropriate as much of the net appreciation of permanently restricted net assets as is prudent considering the Medical Center's long- and short-term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions The amount appropriated related to the net appreciation of permanently restricted net assets in 2012 was approximately $6 million There were no amounts appropriated in 2011

As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present and (b) the original value of the subsequent gifts to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present The remaining portion of the donor-restricted endowment fund comprised of accumulated gains not required to be maintained in perpetuity is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations The Medical Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds duration and preservation of funds, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Medical Center, and the investment policies of the Medical Center

**Endowment Investment Return Objectives** — The Medical Center has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s), as well as Board-designated funds Under this policy, the endowment assets are invested in a manner to attain a total return (net of investment management fees) of at least 5 5% per year in excess of inflation, as measured by the Consumer Price Index To satisfy its long-term rate-of-return objectives, the Medical Center targets a diversified asset allocation that places a greater emphasis on equity-based investments within prudent risk constraints

**Endowment Net Asset Composition** — The following is a summary of the endowment net asset composition by type of fund at September 30, 2012 and 2011, and the changes therein for the years then ended (in thousands)

| | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|
| Endowment net assets — October 1, 2010 | $68,001 | $23,019 | $91,020 |
| Investment return — net depreciation | (1,878) | | (1,878) |
| Gifts, donations, and other | | 541 | 541 |
| Endowment net assets — September 30, 2011 | 66,123 | 23,560 | 89,683 |
| Investment return — net appreciation | 10,664 | | 10,664 |
| Appropriation of endowment assets for expenditure | (6,024) | | (6,024) |
| Gifts, donations, and other | | 1,459 | 1,459 |
| Endowment net assets — September 30, 2012 | $70,763 | $25,019 | $95,782 |

**Funds with Deficiencies** — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration There were no material deficiencies of this nature as of September 30, 2012 or 2011

## 15. CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Medical Center to concentration of credit risk, consist of patient accounts receivable, estimated amounts receivable under reimbursement regulations, and certain investments Investments, which include government and agency securities, stocks, and corporate bonds, are not concentrated in any corporation or industry The Medical Center grants credit without collateral to its patients, most of whom are insured under third-party payor agreements The mix of receivables from patients and third-party payors at September 30, 2012 and 2011, was as follows

| | 2012 | 2011 |
|---|---|---|
| Medicare | 31 % | 29 % |
| MaineCare | 16 | 18 |
| Anthem Blue Cross | 6 | 7 |
| Other third-party payors | 36 | 36 |
| Patients | 11 | 10 |
| | 100 % | 100 % |

## 16. OPERATING LEASES

The Medical Center leases equipment and office space under various noncancelable operating leases Future minimum payments due under noncancelable operating leases with a term of one year or more as of September 30, 2012, are as follows (in thousands)

| Years Ending September 30 | |
|---|---|
| 2013 | $ 6,122 |
| 2014 | 5,619 |
| 2015 | 4,567 |
| 2016 | 2,951 |
| 2017 | 1,869 |
| Thereafter | 3,660 |
| | $ 24,788 |

Payments made under operating leases amounted to approximately $6,255,000 in 2012 and $6,400,000 in 2011

## 17. RELATED-PARTY TRANSACTIONS

For the years ended September 30, 2012 and 2011, the Medical Center charged affiliates $27,736,000 and $17,905,000, respectively, for services provided For the years ended September 30, 2012 and 2011, MaineHealth charged the Medical Center $31,619,000 and $14,377,000, respectively, for management, legal, and audit services For the years ended September 30, 2012 and 2011, MaineHealth charged the Medical Center $54,615,000 and $58,784,000, respectively, for health insurance (see Note 11) For the

years ended September 30, 2012 and 2011, MaineHealth charged the Medical Center $2,927,000 and $2,927,000, respectively, for workers' compensation insurance (see Note 11) The Medical Center maintains an agreement with NorDx, a subsidiary of MaineHealth, to receive substantially all laboratory services For the years ended September 30, 2012 and 2011, NorDx charged the Medical Center $22,264,000 and $21,824,000, respectively, for the laboratory services

The Medical Center invests monies for MaineHealth and certain MaineHealth subsidiaries in commingled investment accounts These amounts are excluded from the investments held and reported by the Medical Center

The MaineHealth's Board of Trustees has approved $106 million in capital expenditures to acquire and implement an enterprise-wide software solution to include inpatient clinical information systems, revenue cycle management, financial management systems, supply chain, and human resource management systems These systems will be implemented over four years The Medical Center's allocated portion of this expenditure is estimated at $60 million, which has been recorded by the Medical Center as a long-term other asset The total paid by the Medical Center for its allocated portion amounted to approximately $34,000,000 and $19,000,000 at September 30, 2012 and 2011, respectively It is anticipated that the Medical Center's allocated share will be applied to the capital portion of amounts that MaineHealth will charge to the Medical Center when the systems are in use

The following table sets forth a summary of the Medical Center's due to/from affiliated entities balances at September 30, 2012 and 2011, respectively (in thousands)

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Due From | Due to | Due From | Due to |
| Current | | | | |
| MaineHealth | $ - | $ 168 | $ 927 | $ 518 |
| NorDx | | 1,881 | | 236 |
| Western Maine Health Care Corporation | 306 | | 331 | |
| Southern Maine Medical Center | 1,057 | | 1,091 | |
| Waldo County Healthcare | 270 | | 441 | |
| HomeHealth-Visiting Nurses of Southern Maine | | 3,152 | 85 | |
| Maine Mental Health Partners | 221 | | 768 | |
| Pen Bay Healthcare | 1,722 | | 814 | |
| Synernet | 132 | | 125 | |
| Lincoln County Heath Care | 341 | | 202 | |
| ACO | 22 | | | |
| Other | 1,078 | 3,321 | 1,088 | 495 |
| | $ 5,149 | $ 8,522 | $ 5,872 | $ 1,249 |
| Noncurrent | | | | |
| MaineHealth | $ 5,564 | $ - | $ 5,564 | $ - |
| Other | 4 | | 23 | |
| | $ 5,568 | $ - | $ 5,587 | $ - |

## 18. FUNCTIONAL EXPENSES

The Medical Center provides health care services through its acute care, specialty care, and ambulatory care facilities Expenses relating to providing these services are as follows (in thousands)

| | 2012 | 2011 |
|---|---|---|
| Professional care of patients | $611,526 | $550,029 |
| Dietary | 10,078 | 10,260 |
| Household and property | 38,081 | 37,394 |
| Administrative services | 76,596 | 78,458 |
| Research | 21,085 | 25,020 |
| State taxes | 14,992 | 14,944 |
| General services and employee benefits | 80,902 | 81,903 |
| Interest | 3,907 | 4,851 |
| Depreciation and amortization | 54,487 | 55,899 |
| Provision for bad debts | 40,714 | 39,119 |
| | $952,368 | $897,877 |

## 19. CONTINGENCIES

The Medical Center is subject to complaints, claims, and litigation that have arisen in the normal course of business In addition, the Medical Center is subject to compliance with laws and regulations of various governmental agencies Recently, governmental review of compliance with these laws and regulations has increased, resulting in fines and penalties for noncompliance by individual health care providers Compliance with these laws and regulations is subject to future government review, interpretation, or actions, which are unknown and unasserted at this time

* * * * * *

# SUPPLEMENTAL CONSOLIDATING INFORMATION

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING BALANCE SHEET INFORMATION
## AS OF SEPTEMBER 30, 2012
## (In thousands)

| ASSETS | Maine Medical Center | Maine Medical Partners | MMC Realty | Eliminations | Consolidated |
|---|---|---|---|---|---|
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | $ 19,538 | $ 1,604 | $ - | $ - | $ 21,142 |
| Investments | 204,718 | | | | 204,718 |
| Patient accounts receivable — net | 74,423 | 12,142 | | | 86,565 |
| Current portion of investments whose use is limited | 5,743 | | | | 5,743 |
| Inventories, prepaid expenses, and other current assets | 16,730 | 2,474 | 186 | | 19,390 |
| Estimated amounts receivable under reimbursement regulations | 2,898 | | | | 2,898 |
| Current portion of notes and amounts receivable from affiliated entities | 6,308 | | 11,720 | (12,879) | 5,149 |
| Total current assets | 330,358 | 16,220 | 11,906 | (12,879) | 345,605 |
| INVESTMENTS WHOSE USE IS LIMITED BY | | | | | |
| Debt agreements | 4,142 | | | | 4,142 |
| Board designation | 76,486 | | | | 76,486 |
| Self-insurance trust agreements | 21,445 | | | | 21,445 |
| Specially designated specific purpose funds | 36,273 | | | | 36,273 |
| Plant replacement funds | 19,276 | | | | 19,276 |
| Funds functioning as endowment funds | 98,013 | | | | 98,013 |
| Pooled life income funds | 2,635 | | | | 2,635 |
| | 258,270 | - | - | - | 258,270 |
| Less current portion | 5,743 | | | | 5,743 |
| | 252,527 | - | - | - | 252,527 |
| PROPERTY, PLANT, AND EQUIPMENT — Net | 433,033 | 2,086 | 30,299 | | 465,418 |
| ESTIMATED AMOUNTS RECEIVABLE UNDER REIMBURSEMENT REGULATIONS | 50,277 | | | | 50,277 |
| NOTES AND AMOUNTS RECEIVABLE FROM AFFILIATED ENTITIES — Less current portion | 5,568 | | | | 5,568 |
| OTHER ASSETS | 49,518 | 10,883 | | | 60,401 |
| TOTAL | $1,121,281 | $29,189 | $42,205 | $(12,879) | $1,179,796 |

(Continued)

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING BALANCE SHEET INFORMATION
## AS OF SEPTEMBER 30, 2012
## (In thousands)

| LIABILITIES AND NET ASSETS | Maine Medical Center | Maine Medical Partners | MMC Realty | Eliminations | Consolidated |
|---|---|---|---|---|---|
| CURRENT LIABILITIES | | | | | |
| Current portion of long-term debt | $ 10,190 | $ - | $ 1,057 | $ - | $ 11,247 |
| Accounts payable and other current liabilities | 31,475 | 566 | 61 | | 32,102 |
| Accrued payroll, payroll taxes, and amounts withheld | 20,427 | 6,532 | | | 26,959 |
| Accrued earned time | 21,968 | 2,498 | | | 24,466 |
| Accrued interest payable | 423 | | | | 423 |
| Estimated amounts payable under reimbursement regulations | 37,585 | | | | 37,585 |
| Self-insurance reserves | 1,601 | | | | 1,601 |
| Current portion of notes and amounts payable to affiliated entities | 20,243 | | 1,158 | (12,879) | 8,522 |
| Total current liabilities | 143,912 | 9,596 | 2,276 | (12,879) | 142,905 |
| ACCRUED RETIREMENT BENEFITS | 232,708 | | | | 232,708 |
| SELF-INSURANCE RESERVES | 16,766 | | | | 16,766 |
| LONG-TERM DEBT — Less current portion | 103,543 | | 6,115 | | 109,658 |
| OTHER LIABILITIES | 33,702 | | 483 | | 34,185 |
| Total liabilities | 530,631 | 9,596 | 8,874 | (12,879) | 536,222 |
| NET ASSETS | | | | | |
| Unrestricted | 487,538 | 19,593 | 33,331 | | 540,462 |
| Temporarily restricted | 78,093 | | | | 78,093 |
| Permanently restricted | 25,019 | | | | 25,019 |
| Total net assets | 590,650 | 19,593 | 33,331 | - | 643,574 |
| TOTAL | $ 1,121,281 | $ 29,189 | $ 42,205 | $ (12,879) | $ 1,179,796 |

(Concluded)

# MAINE MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
## FOR THE YEAR ENDED SEPTEMBER 30, 2012
## (In thousands)

| | Maine Medical Center | Maine Medical Partners | MMC Realty | Eliminations | Consolidated |
|---|---|---|---|---|---|
| UNRESTRICTED REVENUE AND OTHER SUPPORT | | | | | |
| Net patient service revenue | $818.120 | $ 80.983 | $ - | $ - | $899.103 |
| Direct research revenues | 13.493 | | | | 13.493 |
| Indirect research revenues | 4.380 | | | | 4.380 |
| Other revenue | 83.283 | 33.785 | 5.818 | (56.449) | 66.437 |
| Total unrestricted revenue and other support | 919.276 | 114.768 | 5.818 | (56.449) | 983.413 |
| EXPENSES | | | | | |
| Salaries | 348.614 | 83.088 | | | 431.702 |
| Employee benefits | 110.025 | 11.676 | | | 121.701 |
| Supplies | 136.625 | 583 | 61 | | 137.269 |
| Professional fees and purchased services | 126.795 | 6.332 | 535 | (22.375) | 111.287 |
| Facility and other costs | 32.660 | 35.946 | 1.777 | (34.074) | 36.309 |
| State taxes | 14.992 | | | | 14.992 |
| Interest | 3.502 | | 405 | | 3.907 |
| Depreciation and amortization | 52.610 | 501 | 1.376 | | 54.487 |
| Provision for bad debts | 36.389 | 4.325 | | | 40.714 |
| Total expenses | 862.212 | 142.451 | 4.154 | (56.449) | 952.368 |
| INCOME (LOSS) FROM OPERATIONS | 57.064 | (27.683) | 1.664 | - | 31.045 |
| NONOPERATING GAINS | | | | | |
| Gifts and other — net of expenses | 2.752 | | | | 2.752 |
| Interest and dividends | 9.965 | | | | 9.965 |
| Recognized loss on cash flow hedge instruments | 879 | | 109 | | 988 |
| Equity in earnings of joint ventures | 498 | 4.462 | | | 4.960 |
| Total nonoperating gains — net | 14.094 | 4.462 | 109 | - | 18.665 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INCREASE IN FAIR VALUE OF INVESTMENTS | 71.158 | (23.221) | 1.773 | | 49.710 |
| INCREASE IN FAIR VALUE OF INVESTMENTS | 13.983 | | | | 13.983 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | 85.141 | (23.221) | 1.773 | - | 63.693 |
| NET ASSETS RELEASED FROM RESTRICTIONS FOR PROPERTY, PLANT, AND EQUIPMENT | 2.029 | | | | 2.029 |
| EQUITY TRANSFER (TO) FROM AFFILIATES | (29.739) | 26.591 | | | (3.148) |
| RETIREMENT BENEFIT PLAN ADJUSTMENTS | (53.504) | | | | (53.504) |
| CHANGE IN NET UNREALIZED LOSS ON CASH FLOW HEDGE INSTRUMENTS | (416) | | | | (416) |
| INCREASE IN UNRESTRICTED NET ASSETS | $ 3.511 | $ 3.370 | $1.773 | $ - | $ 8.654 |

## Additional Data

**Software ID:**
**Software Version:**
**EIN:** 01-0238552
**Name:** MAINE MEDICAL CENTER

### Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

**4d. Other program services**

(Code ) (Expenses $ 429,716,011 including grants of $ 1,570,050 ) (Revenue $ 58,510,375 )

LABORATORY, EDUCATION, RESEARCH, RADIOLOGY, DELIVERY AND LABOR ROOM, ANESTHESIOLOGY, AND OTHER ANCILLARY SERVICES

**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 | | | |
| RICHARD W PETERSEN<br>PRESIDENT | 50 00 | X | | X | | | | 1,093,556 | 0 | 90,952 |
| WILLIAM L CARON JR<br>TRUSTEE | 2 00 | X | | | | | | 0 | 1,071,394 | 99,218 |
| SAMUEL BROADDUS MD<br>TRUSTEE | 50 00 | X | | | | | | 433,846 | 0 | 47,341 |
| DAVID E WARREN<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| CHRISTOPHER W EMMONS<br>CHAIRMAN | 2 00 | X | | X | | | | 0 | 0 | 0 |
| JOYCE FOLEY<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| REED QUINN MD<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| MORRIS FISHER<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| JERE G MICHELSON<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| WILLIAM A BURKE<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| WARD I GRAFFAM<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| FRANK H FRYE<br>VICE CHAIR | 2 00 | X | | X | | | | 0 | 0 | 0 |
| COSTAS T LAMBREW MD<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| SUSANNAH SWIHART<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| SUSAN HILTON<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| PATRICIA B STOGSDILL MD<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| HEIDI HANSEN<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| BRIAN PETROVEK<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| KATHERINE POPE MD<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| PARKER ROBERTS MD<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| ELIZABETH LUNT<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| BETH NEWLANDS CAMPBELL<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| MARGARET BUSH<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| BETH SHORR<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |
| ELIZABETH KLEBE<br>TRUSTEE | 2 00 | X | | | | | | 0 | 0 | 0 |

**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 | | | |
| PETER BATES MD<br>CMO | 50 00 | | | X | | | | 535,115 | 0 | 65,548 |
| MARJORIE WIGGINS<br>CNO | 50 00 | | | X | | | | 429,444 | 0 | 59,134 |
| JEFFREY SANDERS<br>COO | 50 00 | | | X | | | | 415,305 | 0 | 57,422 |
| JOHN E HEYE<br>REG AGENT | 50 00 | | | X | | | | 414,343 | 0 | 68,120 |
| DONALD E QUIGLEY<br>ASST SECRTY | 2 00 | | | X | | | | 0 | 324,858 | 71,995 |
| KURT E KLEBE<br>SECRETARY | 2 00 | | | X | | | | 0 | 0 | 0 |
| LEE THIBODEAU MD<br>SURGEON | 50 00 | | | | | X | | 1,200,684 | 0 | 96,499 |
| KONRAD BARTH MD<br>SURGEON | 50 00 | | | | | X | | 1,109,349 | 0 | 134,341 |
| JAMES WILSON MD<br>SURGEON | 50 00 | | | | | X | | 1,103,447 | 0 | 125,785 |
| RAJIV DESAI MD<br>SURGEON | 50 00 | | | | | X | | 1,065,961 | 0 | 111,532 |
| JEFFREY FLORMAN MD<br>SURGEON | 50 00 | | | | | X | | 1,038,626 | 0 | 109,012 |
| GEORGE HIGGINS MD<br>FORMER CMO | 50 00 | | | | | | X | 281,311 | 0 | 63,719 |