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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b> <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div> <div>2011</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

<b>A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012</b>		<b>D Employer identification number</b> 61-0458376	
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> PIKEVILLE MEDICAL CENTER INC		<b>E Telephone number</b> (606) 218-3501
	Doing Business As		<b>G Gross receipts \$</b> 407,828,761
	Number and street (or P O box if mail is not delivered to street address) 911 BYPASS ROAD	Room/suite	
	City or town, state or country, and ZIP + 4 PIKEVILLE, KY 41501		
	<b>F Name and address of principal officer</b> WALTER E MAY 911 BYPASS ROAD PIKEVILLE, KY 41501		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>I Tax-exempt status</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>J Website:</b> WWW.PIKEVILLEHOSPITAL.ORG		<b>H(c)</b> Group exemption number ▶	
<b>K Form of organization</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation</b> 1923	<b>M State of legal domicile</b> KY

Part I		Summary	
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities THE CENTER'S MISSION IS TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT _____ _____ _____		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	15
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	5
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . .	<b>5</b>	2,684
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	223
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . .	<b>7a</b>	1,421,979
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . .	<b>7b</b>	-314,839
Revenue		<b>Prior Year</b>	<b>Current Year</b>
	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	352,146	363,597
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	338,216,599	385,376,490
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	1,236,269	554,182
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,631,548	11,747,236
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	351,436,562	398,041,505
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . .	94,068	176,467
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	160,481,295	179,449,038
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	159,881,424	195,894,960
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	320,456,787	375,520,465
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	30,979,775	22,521,040
Net Assets or Fund Balances		<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16) . . . . .	384,559,071	426,453,584
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	174,114,008	193,391,387
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	210,445,063	233,062,197

**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.

<b>Sign Here</b>	***** Signature of officer			2013-08-15 Date
	MICHELLE HAGY CFO Type or print name and title			
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN
				Phone no

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

Part III

Statement of Program Service Accomplishments

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

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1

Briefly describe the organization's mission

PIKEVILLE MEDICAL CENTER'S MISSION IS TO PROVIDE QUALITY REGIONAL HEALTHCARE IN A CHRISTIAN ENVIRONMENT

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 \$ 76,115,807 including grants of \$ ) (Revenue \$ 38,499,114 )
PHYSICIAN PRACTICES CURRENTLY, MORE THAN 250 HEALTH CARE PROVIDERS ARE CREDENTIAL TO PRACTICE MEDICINE AT PIKEVILLE MEDICAL CENTER (PMC) IN FY 2012, PMC WELCOMED 30 ADDITIONAL PHYSICIANS, THREE ADDITIONAL NURSE PRACTITIONERS AND ONE ADDITIONAL PHYSICIAN ASSISTANT TO ITS PHYSICIAN PRACTICE TEAM THREE NEW SERVICES WERE ALSO ADDED - GASTROENTEROLOGY, INTERVENTIONAL RADIOLOGY AND ORTHOPEDIC TRAUMA SURGERY THE MEDICAL PROFESSIONALS RECRUITED DURING THAT TIME PERIOD CONSIST OF FIVE ANESTHESIOLOGISTS, ONE BARIATRIC SURGEON, ONE CARDIOTHORACIC SURGEON, ONE DERMATOPATHOLOGIST, ONE ENDOCRINOLOGIST, ONE GASTROENTEROLOGIST, ONE GENERAL SURGEON, SIX HOSPITALISTS, ONE INTERVENTIONAL RADIOLOGIST, TWO NEONATOLOGISTS, THREE OBSTETRICIANS/GYNECOLOGISTS, ONE OPHTHALMOLOGIST, ONE ORTHOPEDIC TRAUMA SURGEON, ONE PAIN MANAGEMENT PHYSICIAN, ONE PLASTIC RECONSTRUCTIVE SURGEON, TWO PULMONOLOGY/CRITICAL CARE PHYSICIANS AND ONE VASCULAR SURGEON THE HOSPITAL IS COMMITTED TO MEETING ITS PATIENTS' HEALTH CARE NEEDS CLOSE TO HOME, BY PROVIDING HIGH-QUALITY, SPECIALTY SERVICES WITH THE ADDITION OF THESE NEW PHYSICIANS, PMC OFFERS MORE THAN 400 SERVICES, INCLUDING EVERY SPECIALTY AND MOST SUB-SPECIALTIES IN MAY 2013, PIKEVILLE MEDICAL CENTER ANNOUNCED THAT IS NOW A MEMBER OF THE MAYO CLINIC CARE NETWORK THROUGH THIS COLLABORATION, THE MAYO CLINIC CARE NETWORK WILL EXTEND MAYO CLINIC'S KNOWLEDGE AND EXPERTISE TO PHYSICIANS AND PROVIDERS INTERESTED IN WORKING TOGETHER IN THE BEST INTEREST OF THE PATIENT PMC PHYSICIANS ARE ABLE TO CONNECT WITH MAYO CLINIC SPECIALISTS ON QUESTIONS OF COMPLEX MEDICAL CARE, USING AN ELECTRONIC CONSULTING TECHNIQUE CALLED ECONSULTS THIS ALLOWS PATIENTS WHO DESIRE A SECOND OPINION ABOUT THEIR CARE TO GET IT FROM MAYO CLINIC PMC PHYSICIANS WILL ALSO HAVE ACCESS TO MAYO-VETTED MEDICAL INFORMATION WITH THE ASKMAYOEXPERT TOOL AS A MEMBER OF THE MAYO CLINIC CARE NETWORK, PMC HAS ACCESS TO THE LATEST INFORMATION, TOOLS AND TECHNOLOGIES TO PROVIDE THE BEST CARE FOR ITS PATIENTS AS WELL AS IMPROVE ITS SYSTEMS AND THE OVERALL HEALTH OF THE COMMUNITY PMC'S VAST PHYSICIAN PRACTICE NETWORK INCLUDES FAMILY PHYSICIAN PRACTICES IN HAROLD, PIKEVILLE AND SHELBY VALLEY (KENTUCKY), UROLOGY, GYNECOLOGICAL ONCOLOGY, PHYSIATRY, NEUROSURGERY, GENERAL SURGERY, GASTROENTEROLOGY, BARIATRIC SURGERY, OBSTETRICS AND GYNECOLOGY PRACTICES IN HAROLD AND PIKEVILLE, CARDIOTHORACIC SURGERY, INTERVENTIONAL RADIOLOGY, INFECTIOUS DISEASE, NEPHROLOGY, PLASTIC SURGERY, INTERVENTIONAL RADIOLOGY, CONGESTIVE HEART FAILURE, RADIOLOGY PRACTICES IN PIKEVILLE, HAZARD, LEXINGTON, PRESTONSBURG AND WHITESBURG (KENTUCKY) AND GRUNDY (VIRGINIA), ORTHOPEDIC SURGERY, SPORTS MEDICINE, RHEUMATOLOGY, PEDIATRIC ENDOCRINOLOGY, PAIN MANAGEMENT, OPHTHALMOLOGY, OTOLARYNGOLOGY, ONCOLOGY PRACTICES IN PIKEVILLE AND WHITESBURG (KENTUCKY) AND GRUNDY (VIRGINIA), PULMONOLOGY AND PULMONARY REHABILITATION NEWLY RECRUITED PHYSICIANS, ALONG WITH EXISTING EMPLOYED PHYSICIANS, COMPLETED MORE THAN 190,500 PATIENT VISITS/CONSULTATIONS DURING FY 2012 THIS IS AN INCREASE OF 30% FROM VISITS DURING THE PREVIOUS YEAR DURING THIS SAME TIME FRAME, PMC'S PHYSICIAN PRACTICES BECAME PAPERLESS WHEN STAFF SUCCESSFULLY COMPLETED THE IMPLEMENTATION OF NEXTGEN NEXTGEN IS A NEW ELECTRONIC MEDICAL RECORDS SYSTEM THAT ALLOWS EVERYONE INVOLVED IN A PATIENT'S CARE TO RECEIVE IMMEDIATE DOCUMENTATION IN ORDER TO MAKE HEALTH CARE MORE ACCESSIBLE, PMC IS CURRENTLY UNDERGOING A \$150 MILLION EXPANSION ADDING AN 11-STORY CLINIC AND A 10-STORY PARKING GARAGE THE CLINIC WILL HOUSE MOST OF PMC'S PHYSICIAN OFFICES, MAKING IT EASIER FOR PHYSICIANS TO SHARE INFORMATION AND INCREASING PATIENT CONVENIENCE THE ENCLOSED PARKING GARAGE WILL HAVE SPACES FOR 1,162 VEHICLES	

4b	(Code ) (Expenses \$ 17,952,450 including grants of \$ ) (Revenue \$ 29,794,996 )
CARDIAC SERVICES HEART DISEASE IS ONE OF THE MOST PREVALENT HEALTH PROBLEMS AFFECTING THE NATION AND OUR REGION PIKEVILLE MEDICAL CENTER HAS MADE A COMMITMENT TO BUILD A WORLD-CLASS HEART PROGRAM IN MAY 2012, THE SOCIETY OF CHEST PAIN CENTERS RECOGNIZED PMC AS A LEVEL IV CHEST PAIN ACCREDITED CENTER WITH PERCUTANEOUS CORONARY INTERVENTION (PCI) THIS HIGHLY ACCLAIMED DISTINCTION MADE PMC THE FIRST HOSPITAL IN THE STATE OF KENTUCKY AND ONE OF THE FIRST FIVE IN THE NATION TO RECEIVE THIS ACCREDITATION THIS ACCREDITATION VALIDATES THAT PMC PROVIDES A CONTINUUM OF CARDIAC CARE, FROM DIAGNOSTICS TO HEART SURGERY PROCEDURES, ON SITE SOME OF THE SERVICES OFFERED BY PMC'S HEART AND VASCULAR INSTITUTE INCLUDE RADIOLOGY, INTERVENTIONAL RADIOLOGY AND ELECTROPHYSIOLOGY AND AN EXTENSIVE CARDIAC REHABILITATION PROGRAM WITH THE ADDITION OF AN INTERVENTIONAL RADIOLOGIST, CARDIOTHORACIC SURGEON AND VASCULAR SURGEON IN FY 2012, PMC'S HEART AND VASCULAR INSTITUTE CONTINUES TO EXPAND CURRENTLY, THE HEART AND VASCULAR INSTITUTE EMPLOYS THREE RADIOLOGISTS, TWO INVASIVE RADIOLOGISTS, TWO INTERVENTIONAL RADIOLOGISTS, THREE CARDIOTHORACIC AND VASCULAR SURGEONS, TWO INTERVENTIONAL RADIOLOGISTS AND TWO ELECTROPHYSIOLOGISTS, AS WELL AS SEVERAL PHYSICIAN ASSISTANTS, NURSE PRACTITIONERS AND NURSES PIKEVILLE MEDICAL CENTER IS COMMITTED TO PROVIDING THE MOST ADVANCED TECHNOLOGY AND FACILITIES AVAILABLE ANYWHERE DURING FY 2012, PIKEVILLE MEDICAL CENTER'S HEART AND VASCULAR INSTITUTE COMPLETED A RENOVATION TO ITS EXISTING CATH LAB TO INSTALL A NEW ELECTROPHYSIOLOGY CATH LAB THE ADDITION OF THE NEW CATH LAB AND NEW EQUIPMENT NEEDED TO PROVIDE THIS SERVICE WAS AN INVESTMENT OF NEARLY \$1,528,000 RENOVATIONS TOTALING \$427,000 WERE ALSO MADE TO THE HOSPITAL'S CARDIOTHORACIC VASCULAR UNIT THIS CONSTRUCTION PROJECT PROVIDED SPACE FOR A NEW NURSE'S STATION AND ADDITIONAL PRIVATE CARDIAC PATIENT ROOMS ALSO IN FY 2012, PMC REPLACED FIVE EXISTING ECHOCARDIOGRAPHY MACHINES WITH THE NEW PHILIPS-IE33 XMATRIX ECHOCARDIOGRAPHY ULTRASOUND SYSTEM THIS UPGRADE COST MORE THAN \$962,000 AND ENSURES PATIENTS ACCESS TO THE MOST ADVANCED TECHNOLOGY WITH ADDITIONAL SPECIALISTS AND THE EXPANSIONS OF HEART-RELATED SERVICES, THE HOSPITAL COMPLETED NEARLY 46,000 CARDIAC CASES DURING FY 2012, INCLUDING 133 OPEN HEART CASES	

4c	(Code ) (Expenses \$ 12,239,535 including grants of \$ ) (Revenue \$ 25,402,047 )
EMERGENCY SERVICES PIKEVILLE MEDICAL CENTER RECENTLY COMPLETED A NEARLY \$11 MILLION EXPANSION AND RENOVATION TO ITS EMERGENCY DEPARTMENT (ED) THE NEW FACILITY ENCOMPASSES NEARLY 23,000 SQUARE FEET AND INCLUDES TWO SPECIALTY TRAUMA BAYS AND THREE TRIAGE BAYS, AS WELL AS A RADIOLOGY SUITE WITH ON-SITE CT SCANNING AND DIGITAL X-RAY ALSO IN FY 2012, WELLSOFT, A NEW COMPUTER SOFTWARE SYSTEM, WAS INSTALLED TO CREATE MORE EFFICIENT WORKFLOW IN THE ED THIS NEW SYSTEM ALLOWS FOR AUTOMATIC FEEDBACK PERTAINING TO PATIENTS' CARE AND TREATMENT INTERIOR RENOVATIONS WERE ALSO COMPLETED TO HOUSE A NEW TOSHIBA 320-SLICE CT SCANNER THIS NEW ADDITION, ALONG WITH THE COMPUTER SOFTWARE PROGRAM, COST THE HOSPITAL NEARLY \$3 5 MILLION RECENTLY, THE HOSPITAL WELCOMED A TEAM OF SIX TRAUMA SURGEONS WHO HAVE MORE THAN 100 YEARS EXPERIENCE COMBINED IN TREATING TRAUMA VICTIMS PMC'S COMPREHENSIVE TRAUMA STAFF INCLUDES NEUROSURGEONS, ORTHOPEDIC TRAUMA SURGEONS, PLASTIC SURGEONS, EMERGENCY MEDICINE PHYSICIANS AND INTERVENTIONAL RADIOLOGISTS IN FY 2012, THE ED RECEIVED 640 TRAUMA CASES AND INCREASED ITS ANNUAL VISITS BY 10%, TREATING A TOTAL OF 44,753 PATIENTS PMC IS CURRENTLY PURSUING A LEVEL II TRAUMA CENTER DESIGNATION AND PROVIDES 24/7 TRAUMA COVERAGE	





















	(Code ) (Expenses \$ 228,379,719 including grants of \$ 176,467 ) (Revenue \$ 298,619,876 )
PIKEVILLE MEDICAL CENTER IS A 261-BED FACILITY OFFERING MORE THAN 400 SERVICES AND EMPLOYING MORE THAN 2,300 PEOPLE THE NATION'S ONLY REPEAT WINNER OF NATIONAL HOSPITAL OF THE YEAR, PMC HAS BEEN NAMED ONE OF THE BEST PLACES TO WORK IN KENTUCKY FOR SIX YEARS, AS OF 2013 IN 2012, MODERN HEALTHCARE RANKED PMC THE #1 BEST PLACE TO WORK IN KENTUCKY AND 3RD IN THE NATION PMC'S COMPASSIONATE EMPLOYEES AND DEDICATED PHYSICIANS PROVIDE UNSURPASSED SERVICE WITH STATE-OF-THE-ART TECHNOLOGY KNOWN AS THE PREMIER HOSPITAL IN A MULTI-STATE REGION, PMC PROVIDES UNMATCHED GENEROSITY TO THE COMMUNITY AND IS CONTINUALLY GROWING AND LOOKING FOR NEW WAYS TO PROVIDE THE MOST ADVANCED HEALTH CARE AVAILABLE PIKEVILLE MEDICAL LEONARD LAWSON CANCER CENTER (LLCC)PMC RECENTLY COMPLETED THE LEONARD LAWSON CANCER CENTER'S RELOCATION AND RENOVATIONS PATIENTS NOW ENJOY EASY ACCESS, CONVENIENT PARKING AND A FACILITY DESIGNED WITH THE PATIENT IN MIND THE NEW FACILITY INCLUDES 18 STATE-OF-THE-ART EXAM ROOMS, 18 CHEMOTHERAPY STATIONS, A TEAM OF 10 EXPERIENCED ONCOLOGISTS, PHYSICIAN OFFICES, AN ONCOLOGY LABORATORY, AN INFUSION ROOM AND AN ON-SITE PHARMACY THE TOTAL RELOCATION COST WAS MORE THAN \$3 7 MILLION LLCC RECENTLY RECEIVED A THREE-YEAR ACCREDITATION WITH COMMENDATION FROM THE COMMISSION ON CANCER AND THE AMERICAN COLLEGE OF SURGEONS THIS IS THE EIGHTH CONSECUTIVE TIME PMC HAS RECEIVED THIS STATUS AND THE THIRD CONSECUTIVE TIME THE STATUS HAS BEEN GIVEN WITH COMMENDATION THIS ACCREDITATION DISTINGUISHES PMC AS A CANCER PROGRAM THAT NOT ONLY MEETS, BUT EXCEEDS NATIONAL STANDARDS THE LLCC OFFERS COMPREHENSIVE CANCER CARE, BY PROVIDING PATIENTS WITH STATE-OF-THE-ART SERVICES AND EQUIPMENT, A MULTISPECIALTY CANCER CARE TEAM, ACCESS TO INFORMATION FROM CLINICAL TRIALS, NEW TREATMENT OPTIONS, PSYCHO-SOCIAL SUPPORT, SURVIVORSHIP CARE AND LIFELONG MONITORING OF CARE MANY DEPARTMENTS WORK TOGETHER TO COMPRISE PMC'S AWARD-WINNING CANCER PROGRAM THESE DEPARTMENTS INCLUDE THE LEONARD LAWSON CANCER CENTER, INPATIENT ONCOLOGY, MEDICAL, RADIATION AND SURGICAL ONCOLOGY, PATIENT NAVIGATION, PATHOLOGY, CHAPLAINCY SERVICES, PALLIATIVE CARE AND CASE MANAGEMENT PIKEVILLE MEDICAL ORTHOPEDIC CENTERPIKEVILLE MEDICAL CENTER RECENTLY RELOCATED ITS ORTHOPEDIC CENTER TO A MORE CONVENIENT, SPACIOUS FACILITY AS A MUCH NEEDED SERVICE TO THE AREA, THIS NEW LOCATION ALLOWED FOR MORE PATIENT ROOMS AND SPACE TO GROW PMC'S ORTHOPEDIC CENTER IS HOME TO SIX EXPERIENCED SPECIALISTS INCLUDING, ONE HAND SURGEON, ONE SPORTS MEDICINE PHYSICIAN, TWO ORTHOPEDIC SURGEONS AND TWO ORTHOPEDIC TRAUMA SURGEONS STEADILY INCREASING ITS PATIENT VOLUMES, THESE PHYSICIANS TREATED 16,000 ORTHOPEDIC CASES IN FY 2012, AN INCREASE OF 14% FROM FY 2011 OPHTHALMOLOGY SERVICESIN AUGUST 2012, PMC COMPLETED RENOVATIONS TO ITS OPHTHALMOLOGY PHYSICIAN PRACTICE TO INSTALL A NEW ALCON WAVELIGHT LASER SYSTEM AND OFFER LASIK SURGERY TO ITS PATIENTS ALLOWING FOR CUSTOMIZED TREATMENT, WAVELIGHT PROVIDES 100 PERCENT ALL LASER LASIK AND IS ONE OF THE FASTEST PLATFORMS ON THE MARKET THIS INSTALLATION COST NEARLY \$860,000 IN ADDITION TO PROVIDING LASIK SURGERY, THE HOSPITAL OFFERS COMPREHENSIVE GENERAL AND RETINAL OPHTHALMOLOGY SERVICES SOME OF THE SERVICES PROVIDED INCLUDE THE DIAGNOSIS AND TREATMENT OF CATARACTS, GLAUCOMA, MACULAR DEGENERATION, DIABETIC RETINOPATHY AND VITREOUS DISEASES PMC TREATED 3,560 OPHTHALMOLOGY CASES IN FY 2012 PHYSICAL INPATIENT REHABILITATION HOSPITALPIKEVILLE MEDICAL CENTER'S STATE-OF-THE-ART INPATIENT PHYSICAL REHABILITATION (IPR) HOSPITAL CONSISTS OF 40 LICENSED BEDS AND COVERS 23,000 SQUARE FEET OF SPACE INCLUDING A DINING HALL, FULLY EQUIPPED KITCHEN AND LAUNDRY FACILITIES BEING RANKED #1 IN PATIENT SATISFACTION OUT OF MORE THAN 400 HOSPITALS SURVEYED BY HEALTHSTREAM RESEARCH, PMC'S INPATIENT PHYSICAL REHABILITATION HOSPITAL IS DEDICATED TO HELPING PATIENTS WHO ARE DISABLED BY DISEASE OR INJURY THE HOSPITAL'S FULLY STAFFED REHABILITATION TEAM CONSISTS OF MANY SPECIALISTS, INCLUDING PHYSIATRISTS OCCUPATIONAL, SPEECH AND PHYSICAL THERAPISTS, REHABILITATION NURSES, CASE MANAGERS, SOCIAL WORKERS AND DIETICIANS THE TEAM WORKS WITH THE PATIENT AND HIS/HER FAMILY TO DESIGN AND EXECUTE AN INDIVIDUALIZED, CAREFULLY MONITORED TREATMENT PLAN THE GOAL OF PMC'S INPATIENT REHABILITATION HOSPITAL IS TO HELP PATIENTS REGAIN THE HIGHEST LEVEL OF INDEPENDENCE POSSIBLE DURING FY 2012, PMC'S REHABILITATION PHYSICIAN PRACTICES HAD 964 CASES AND EXPERIENCED A 14% INCREASE IN PATIENT VISITS NATIONAL RECOGNITIONPIKEVILLE MEDICAL CENTER, A PROUD MEMBER OF THE MAYO CLINIC CARE NETWORK, HAS ACHIEVED NATIONAL RECOGNITION MANY WOULD THINK UNATTAINABLE THE HOSPITAL'S BOARD OF DIRECTORS, MORE THAN 350 CREDENTIALLED PHYSICIANS AND MORE THAN 2,300 EMPLOYEES BELIEVE AND CARRY OUT THE HOSPITAL'S MISSION STATEMENT EVERYDAY "TO PROVIDE QUALITY, REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT " IT IS BECAUSE OF THIS WORK ETHIC THAT PIKEVILLE MEDICAL CENTER REGULARLY RECEIVES RECOGNITION AND AWARDS SUCH AS APRIL '13 - THREE YEAR ACCREDITATION WITH COMMENDATION FROM THE COMMISSION ON CANCER AND THE AMERICAN COLLEGE OF SURGEONSMARCH '13 - BARIATRIC SURGERY CENTER OF EXCELLENCE BY THE AMERICAN SOCIETY FOR METABOLIC AND BARIATRIC SURGERYMARCH '13 - GET WITH THE GUIDELINES GOLD PLUS STROKE AWARD BY THE AMERICAN HEART ASSOCIATION AND THE AMERICAN STROKE ASSOCIATIONMARCH '13 - BEST HOSPITALS FOR PATIENT EXPERIENCE IN ORTHOPEDICS BY WOMENCERTIFIEDFEBRUARY '13 - 18 AWARDS FROM THE KENTUCKY PRESS ASSOCIATION (MEDICAL LEADER - PMC WEEKLY NEWSPAPER)FEBRUARY '13 - BEST PLACES TO WORK IN KENTUCKY BY THE KENTUCKY CHAMBER OF COMMERCEJANUARY '13 - BEST HOSPITALS FOR PATIENT EXPERIENCE IN OBSTETRICS BY WOMENCERTIFIEDNOVEMBER '12 - DISTINGUISHED COMMUNITY EMPLOYER BY NATIONAL COLLEGE - PIKEVILLE CAMPUSOCTOBER '12 - HEALTHCARE ORGANIZATION OF THE MONTH BY STUDER GROUPOCTOBER '12 - EXCELLENCE IN PATIENT CARE AWARD FOR DOCTOR COMMUNICATION BY STUDER GROUPOCTOBER '12 - #1 BEST PLACE TO WORK IN HEALTHCARE IN KY AND #3 IN THE NATION BY MODERN HEALTHCARE MAGAZINESEPTEMBER '12 - HEALTHCARE'S HOTTEST COMPANIES BY MODERN HEALTHCARE MAGAZINE SEPTEMBER '12 - AMERICA'S BEST HOSPITALS FOR PATIENT EXPERIENCE BY WOMENCERTIFIEDJUNE '12 - NATIONAL HOSPITAL OF THE YEAR FOR AN UNPRECEDENTED THIRD CONSECUTIVE TIME AND HOSPITAL OF CHOICE EMERITUS THROUGH HARD WORK AND A FIRM COMMITMENT TO PLACE PATIENTS' NEEDS FIRST, PMC WILL CONTINUE TO GROW AND REDEFINE THE HEALTH CARE MODEL	

4d	Other program services (Describe in Schedule O )
	(Expenses \$ 228,379,719 including grants of \$ 176,467 ) (Revenue \$ 298,619,876 )

4e	Total program service expenses➤\$ 334,687,511
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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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (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? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> 	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? <i>If "Yes," complete Schedule C, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	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, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Part I.</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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i> . . . . .	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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i> . . . . .	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? <i>If "Yes," complete Schedule G, Part I.</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> . . . . .	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> . . . . .	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> 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? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	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? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b		No
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
		<b>Yes</b>	<b>No</b>		
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	<b>1a</b>	128		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b>	0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes		
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	<b>2a</b>	2,684		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	Yes		
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	Yes		
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	Yes		
<b>4a</b>	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)?	<b>4a</b>			No
<b>b</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.				
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>			No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>			No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>			
<b>6a</b>	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?	<b>6a</b>			No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>			
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>				
<b>a</b>	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?	<b>7a</b>	Yes		
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	Yes		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>			No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>			
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>			No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>			No
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>			
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>			
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>			
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>				
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>			
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>			
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter				
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>			
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>			
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter				
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>			
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>			
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>			
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>			
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>				
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> 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.	<b>13a</b>			
<b>b</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.	<b>13b</b>			
<b>c</b>	Enter the aggregate amount of reserves on hand.	<b>13c</b>			
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>			No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>			

Part VI

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	1b	5
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	Yes
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	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . . . .	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	No
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	No
	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	No
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	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ▶ _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ MICHELLE HAGY CFO 911 BYPASS ROAD PIKEVILLE, KY 41501 (606) 218-3974

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

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

Form **990** (2011)



## Part VII

<b>1b</b>	<b>Sub-Total</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A</b>			
<b>d</b>	<b>Total (add lines 1b and 1c)</b>	8,926,355	0	647,733

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 163

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

## Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MESSER CONSTRUCTION CO INC 5158 FISHWICK DR CINCINNATI, OH 45216	CONSTRUCTION SERVICES	15,395,810
ROSE BUILDERS 7 STACY STREET HAROLD, KY 41635	CONSTRUCTION SERVICES	4,241,587
PRECYSE SOLUTIONS LLC 1275 DRUMMERS LANE WAYNE, PA 19087	HIM SERVICES	2,440,304
GENERAL ELECTRIC PO BOX 96483 CHICAGO, IL 60693	PROFESSIONAL SERVICES	1,995,156
MCKESSON HBOC PO BOX 98347 CHICAGO, IL 60693	PROFESSIONAL SERVICES	1,859,518

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 ▶50

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a						
	b	Membership dues . . . . .	1b						
	c	Fundraising events . . . . .	1c	280,221					
	d	Related organizations . . . .	1d						
	e	Government grants (contributions)	1e						
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	83,376					
	g	Noncash contributions included in lines 1a-1f \$ 30,293							
	h	Total. Add lines 1a-1f . . . . .		363,597					
Program Service Revenue	2a	PATIENT SERVICE REVENUE	Business Code 621110	385,376,490	385,376,490				
	b								
	c								
	d								
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f . . . . .		385,376,490					
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		1,228,939			1,228,939	
4		Income from investment of tax-exempt bond proceeds . .							
5		Royalties . . . . .		9,155			9,155		
6a		Gross rents	(i) Real	(ii) Personal					
			371,679	708,150					
			565,229	0					
			-193,550	708,150					
d		Net rental income or (loss) . . . . .		514,600	-193,550	708,150			
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
				64,695					
				739,452					
				-674,757					
d		Net gain or (loss) . . . . .		-674,757			-674,757		
8a		Gross income from fundraising events (not including \$ 280,221 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a	114,030					
			b	Less direct expenses . . . . .	b	148,451			
			c	Net income or (loss) from fundraising events . .		-34,421			-34,421
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	9,739,183					
	b		Less cost of goods sold . . . . .	b	8,334,124				
	c		Net income or (loss) from sales of inventory . .		1,405,059		397,300	1,007,759	
Miscellaneous Revenue		Business Code							
11a	EHR REVENUE	900099	3,479,766	3,479,766					
b	INSURANCE SETTLEMENT	900099	2,665,034	2,665,034					
c	CAFETERIA	900099	2,403,221			2,403,221			
d	All other revenue . . . . .		1,304,822	988,293	316,529				
e	Total. Add lines 11a-11d . . . . .		9,852,843						
12	Total revenue. See Instructions . . . . .		398,041,505	392,316,033	1,421,979	3,939,896			

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	126,618	126,618		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	49,849	49,849		
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	2,952,272		2,952,272	
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	130,953,473	114,944,658	16,008,815	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,855,099	1,628,317	226,782	
9	Other employee benefits	35,439,751	31,107,308	4,332,443	
10	Payroll taxes	8,248,443	7,023,769	1,224,674	
11	Fees for services (non-employees)				
a	Management	553,151	333,214	219,937	
b	Legal	1,390,313		1,390,313	
c	Accounting	91,578		91,578	
d	Lobbying	61,779		61,779	
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	59,076		59,076	
g	Other	10,488,392	8,016,456	2,471,936	
12	Advertising and promotion	2,898,939	87,334	2,811,605	
13	Office expenses	933,829	673,169	260,660	
14	Information technology	2,907,007	2,495,374	411,633	
15	Royalties				
16	Occupancy	4,074,057	3,591,095	482,962	
17	Travel	621,242	359,341	261,901	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	225,774	186,680	39,094	
20	Interest	4,667,208	4,006,330	660,878	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	17,587,297	15,096,931	2,490,366	
23	Insurance	4,911,099	4,864,166	46,933	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	SUPPLIES & DRUGS	61,274,475	60,978,695	295,780	
b	BAD DEBT EXPENSE	59,915,274	59,915,274		
c	MISCELLANEOUS	9,794,150	6,142,457	3,651,693	
d	EQUIPMENT RENTAL & MAIN	6,556,121	6,176,277	379,844	
e					
f	All other expenses	6,884,199	6,884,199		
25	Total functional expenses. Add lines 1 through 24f	375,520,465	334,687,511	40,832,954	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			12,255	1	12,155
	2	Savings and temporary cash investments . . . . .			120,750,346	2	121,311,526
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			40,695,824	4	60,612,948
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .			31,995	5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .			10,703,096	8	11,313,528
	9	Prepaid expenses and deferred charges . . . . .			2,867,950	9	3,273,243
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	319,843,705			
	b	Less: accumulated depreciation . . . . .	10b	119,798,797	142,713,314	10c	200,044,908
	11	Investments—publicly traded securities . . . . .				11	
	12	Investments—other securities. See Part IV, line 11 . . . . .			1,741,318	12	2,233,472
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			65,042,973	15	27,651,804
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			384,559,071	16	426,453,584
Liabilities	17	Accounts payable and accrued expenses . . . . .			31,417,884	17	42,822,459
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .			135,795,572	20	133,738,775
	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 . . . . .			209,362	23	8,083,054
	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 . . . . .			6,691,190	25	8,747,099
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			174,114,008	26	193,391,387
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>						
	27	Unrestricted net assets . . . . .			210,239,063	27	232,856,197
	28	Temporarily restricted net assets . . . . .				28	
	29	Permanently restricted net assets . . . . .			206,000	29	206,000
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>						
	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	<b>Total net assets or fund balances</b> . . . . .			210,445,063	33	233,062,197
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .			384,559,071	34	426,453,584

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	398,041,505
2	Total expenses (must equal Part IX, column (A), line 25)	2	375,520,465
3	Revenue less expenses Subtract line 2 from line 1	3	22,521,040
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	210,445,063
5	Other changes in net assets or fund balances (explain in Schedule O)	5	96,094
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	233,062,197

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:  
Software Version:  
EIN: 61-0458376  
Name: PIKEVILLE MEDICAL CENTER INC

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

4d. Other program services						
(Code	(Expenses \$	228,379,719	including grants of \$	176,467 )	(Revenue \$	298,619,876 )
PIKEVILLE MEDICAL CENTER IS A 261-BED FACILITY OFFERING MORE THAN 400 SERVICES AND EMPLOYING MORE THAN 2,300 PEOPLE THE NATION'S ONLY REPEAT WINNER OF NATIONAL HOSPITAL OF THE YEAR, PMC HAS BEEN NAMED ONE OF THE BEST PLACES TO WORK IN KENTUCKY FOR SIX YEARS, AS OF 2013 IN 2012, MODERN HEALTHCARE RANKED PMC THE #1 BEST PLACE TO WORK IN KENTUCKY AND 3RD IN THE NATION PMC'S COMPASSIONATE EMPLOYEES AND DEDICATED PHYSICIANS PROVIDE UNSURPASSED SERVICE WITH STATE-OF-THE-ART TECHNOLOGY KNOWN AS THE PREMIER HOSPITAL IN A MULTI-STATE REGION, PMC PROVIDES UNMATCHED GENEROSITY TO THE COMMUNITY AND IS CONTINUALLY GROWING AND LOOKING FOR NEW WAYS TO PROVIDE THE MOST ADVANCED HEALTH CARE AVAILABLE PIKEVILLE MEDICAL LEONARD LAWSON CANCER CENTER (LLCC)PMC RECENTLY COMPLETED THE LEONARD LAWSON CANCER CENTER'S RELOCATION AND RENOVATIONS PATIENTS NOW ENJOY EASY ACCESS, CONVENIENT PARKING AND A FACILITY DESIGNED WITH THE PATIENT IN MIND THE NEW FACILITY INCLUDES 18 STATE-OF-THE-ART EXAM ROOMS, 18 CHEMOTHERAPY STATIONS, A TEAM OF 10 EXPERIENCED ONCOLOGISTS, PHYSICIAN OFFICES, AN ONCOLOGY LABORATORY, AN INFUSION ROOM AND AN ON-SITE PHARMACY THE TOTAL RELOCATION COST WAS MORE THAN \$3 7 MILLION LLCC RECENTLY RECEIVED A THREE-YEAR ACCREDITATION WITH COMMENDATION FROM THE COMMISSION ON CANCER AND THE AMERICAN COLLEGE OF SURGEONS THIS IS THE EIGHTH CONSECUTIVE TIME PMC HAS RECEIVED THIS STATUS AND THE THIRD CONSECUTIVE TIME THE STATUS HAS BEEN GIVEN WITH COMMENDATION THIS ACCREDITATION DISTINGUISHES PMC AS A CANCER PROGRAM THAT NOT ONLY MEETS, BUT EXCEEDS NATIONAL STANDARDS THE LLCC OFFERS COMPREHENSIVE CANCER CARE, BY PROVIDING PATIENTS WITH STATE-OF-THE-ART SERVICES AND EQUIPMENT, A MULTISPECIALTY CANCER CARE TEAM, ACCESS TO INFORMATION FROM CLINICAL TRIALS, NEW TREATMENT OPTIONS, PSYCHO-SOCIAL SUPPORT, SURVIVORSHIP CARE AND LIFELONG MONITORING OF CARE MANY DEPARTMENTS WORK TOGETHER TO COMPRISE PMC'S AWARD-WINNING CANCER PROGRAM THESE DEPARTMENTS INCLUDE THE LEONARD LAWSON CANCER CENTER, INPATIENT ONCOLOGY, MEDICAL, RADIATION AND SURGICAL ONCOLOGY, PATIENT NAVIGATION, PATHOLOGY, CHAPLAINCY SERVICES, PALLIATIVE CARE AND CASE MANAGEMENT PIKEVILLE MEDICAL ORTHOPEDIC CENTERPIKEVILLE MEDICAL CENTER RECENTLY RELOCATED ITS ORTHOPEDIC CENTER TO A MORE CONVENIENT, SPACIOUS FACILITY AS A MUCH NEEDED SERVICE TO THE AREA, THIS NEW LOCATION ALLOWED FOR MORE PATIENT ROOMS AND SPACE TO GROW PMC'S ORTHOPEDIC CENTER IS HOME TO SIX EXPERIENCED SPECIALISTS INCLUDING, ONE HAND SURGEON, ONE SPORTS MEDICINE PHYSICIAN, TWO ORTHOPEDIC SURGEONS AND TWO ORTHOPEDIC TRAUMA SURGEONS STEADILY INCREASING ITS PATIENT VOLUMES, THESE PHYSICIANS TREATED 16,000 ORTHOPEDIC CASES IN FY 2012, AN INCREASE OF 14% FROM FY 2011 OPHTHALMOLOGY SERVICESIN AUGUST 2012, PMC COMPLETED RENOVATIONS TO ITS OPHTHALMOLOGY PHYSICIAN PRACTICE TO INSTALL A NEW ALCON WAVELIGHT LASER SYSTEM AND OFFER LASIK SURGERY TO ITS PATIENTS ALLOWING FOR CUSTOMIZED TREATMENT, WAVELIGHT PROVIDES 100 PERCENT ALL LASER LASIK AND IS ONE OF THE FASTEST PLATFORMS ON THE MARKET THIS INSTALLATION COST NEARLY \$860,000 IN ADDITION TO PROVIDING LASIK SURGERY, THE HOSPITAL OFFERS COMPREHENSIVE GENERAL AND RETINAL OPHTHALMOLOGY SERVICES SOME OF THE SERVICES PROVIDED INCLUDE THE DIAGNOSIS AND TREATMENT OF CATARACTS, GLAUCOMA, MACULAR DEGENERATION, DIABETIC RETINOPATHY AND VITREOUS DISEASES PMC TREATED 3,560 OPHTHALMOLOGY CASES IN FY 2012 PHYSICAL INPATIENT REHABILITATION HOSPITALPIKEVILLE MEDICAL CENTER'S STATE-OF-THE-ART INPATIENT PHYSICAL REHABILITATION (IPR) HOSPITAL CONSISTS OF 40 LICENSED BEDS AND COVERS 23,000 SQUARE FEET OF SPACE INCLUDING A DINING HALL, FULLY EQUIPPED KITCHEN AND LAUNDRY FACILITIES BEING RANKED #1 IN PATIENT SATISFACTION OUT OF MORE THAN 400 HOSPITALS SURVEYED BY HEALTHSTREAM RESEARCH, PMC'S INPATIENT PHYSICAL REHABILITATION HOSPITAL IS DEDICATED TO HELPING PATIENTS WHO ARE DISABLED BY DISEASE OR INJURY THE HOSPITAL'S FULLY STAFFED REHABILITATION TEAM CONSISTS OF MANY SPECIALISTS, INCLUDING PHYSIATRISTS OCCUPATIONAL, SPEECH AND PHYSICAL THERAPISTS, REHABILITATION NURSES, CASE MANAGERS, SOCIAL WORKERS AND DIETICIANS THE TEAM WORKS WITH THE PATIENT AND HIS/HER FAMILY TO DESIGN AND EXECUTE AN INDIVIDUALIZED, CAREFULLY MONITORED TREATMENT PLAN THE GOAL OF PMC'S INPATIENT REHABILITATION HOSPITAL IS TO HELP PATIENTS REGAIN THE HIGHEST LEVEL OF INDEPENDENCE POSSIBLE DURING FY 2012, PMC'S REHABILITATION PHYSICIAN PRACTICES HAD 964 CASES AND EXPERIENCED A 14% INCREASE IN PATIENT VISITS NATIONAL RECOGNITIONPIKEVILLE MEDICAL CENTER, A PROUD MEMBER OF THE MAYO CLINIC CARE NETWORK, HAS ACHIEVED NATIONAL RECOGNITION MANY WOULD THINK UNATTAINABLE THE HOSPITAL'S BOARD OF DIRECTORS, MORE THAN 350 CREDENTIALAED PHYSICIANS AND MORE THAN 2,300 EMPLOYEES BELIEVE AND CARRY OUT THE HOSPITAL'S MISSION STATEMENT EVERYDAY "TO PROVIDE QUALITY, REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT " IT IS BECAUSE OF THIS WORK ETHIC THAT PIKEVILLE MEDICAL CENTER REGULARLY RECEIVES RECOGNITION AND AWARDS SUCH AS APRIL '13 - THREE YEAR ACCREDITATION WITH COMMENDATION FROM THE COMMISSION ON CANCER AND THE AMERICAN COLLEGE OF SURGEONSMARCH '13 - BARIATRIC SURGERY CENTER OF EXCELLENCE BY THE AMERICAN SOCIETY FOR METABOLIC AND BARIATRIC SURGERYMARCH '13 - GET WITH THE GUIDELINES GOLD PLUS STROKE AWARD BY THE AMERICAN HEART ASSOCIATION AND THE AMERICAN STROKE ASSOCIATIONMARCH '13 - BEST HOSPITALS FOR PATIENT EXPERIENCE IN ORTHOPEDICS BY WOMENCERTIFIEDFEBRUARY '13 - 18 AWARDS FROM THE KENTUCKY PRESS ASSOCIATION (MEDICAL LEADER - PMC WEEKLY NEWSPAPER)FEBRUARY '13 - BEST PLACES TO WORK IN KENTUCKY BY THE KENTUCKY CHAMBER OF COMMERCEJANUARY '13 - BEST HOSPITALS FOR PATIENT EXPERIENCE IN OBSTETRICS BY WOMENCERTIFIEDNOVEMBER '12 - DISTINGUISHED COMMUNITY EMPLOYER BY NATIONAL COLLEGE - PIKEVILLE CAMPUSOCTOBER '12 - HEALTHCARE ORGANIZATION OF THE MONTH BY STUDER GROUPOCTOBER '12 - EXCELLENCE IN PATIENT CARE AWARD FOR DOCTOR COMMUNICATION BY STUDER GROUPOCTOBER '12 - #1 BEST PLACE TO WORK IN HEALTHCARE IN KY AND #3 IN THE NATION BY MODERN HEALTHCARE MAGAZINESEPTEMBER '12 - HEALTHCARE'S HOTTEST COMPANIES BY MODERN HEALTHCARE MAGAZINE SEPTEMBER '12 - AMERICA'S BEST HOSPITALS FOR PATIENT EXPERIENCE BY WOMENCERTIFIEDJUNE '12 - NATIONAL HOSPITAL OF THE YEAR FOR AN UNPRECEDENTED THIRD CONSECUTIVE TIME AND HOSPITAL OF CHOICE EMERITUS THROUGH HARD WORK AND A FIRM COMMITMENT TO PLACE PATIENTS' NEEDS FIRST, PMC WILL CONTINUE TO GROW AND REDEFINE THE HEALTH CARE MODEL						

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			
WALTER BLANKENSHIP BOARD MEMBER	2 00	X						0	0	0
TT COLLEY BOARD MEMBER	2 00	X						0	0	22,385
DAVID COLLINS CPA BOARD MEMBER	2 00	X						0	0	0
DENNIS HALBERT MD BOARD MEMBER	4 00	X						0	0	22,385
JUDITH HINKLE BOARD MEMBER	2 00	X						0	0	0
HOBART CLAY JOHNSON BOARD MEMBER	2 00	X						0	0	0
JOHN LABRECHE BOARD MEMBER	4 00	X						0	0	265
ALEX POULOS MD BOARD MEMBER	4 00	X						0	0	22,385
JO NELL ROBINSON BOARD MEMBER	4 00	X						0	0	8,443
MARY SIMPSON PHD BOARD MEMBER	2 00	X						0	0	0
SUE SMALLWOOD BOARD MEMBER	4 00	X						0	0	8,443
JOE DEAN ANDERSON BOARD SECRETARY	4 00	X		X				0	0	22,385
RONALD BURCHETT BOARD VICE-PRESIDENT	4 00	X		X				0	0	0
NAVEED AHMED MD BOARD-CHIEF OF STAFF- 1 1 12-9 30 12	2 00	X						0	0	0
WILLIAM GAUNT MD BOARD-CHIEF OF STAFF- 10 1 11-12 31 11	2 00	X						165,843	0	14,569
LACY PUCKETT EMERITUS BOARD MEMBER	0 00	X						0	0	0
BURLIN COLEMAN EMERITUS BOARD MEMBER	0 00	X						0	0	0
WALTER E MAY PRESIDENT/CEO	40 00	X		X				596,180	0	37,245
MICHELLE HAGY CFO-VP FINANCE	40 00			X				234,432	0	30,957
JUANITA DESKINS CHIEF OPERATING OFFICER	40 00			X				301,160	0	30,529
CHERYL HICKMAN ASSISTANT TO PRESIDENT	40 00				X			225,717	0	38,192
WILLIAM JOHNSON MD CHIEF MEDICAL OFFICER	40 00				X			270,890	0	47,982
ESTELLA CLARK CHIEF NURSING OFFICER	40 00				X			159,085	0	30,834
PEGGY JUSTICE VP PHYSICIAN NETWORK	40 00				X			165,658	0	33,434
TERENCE FARRELL VP PROF/SUPPORT SERVICES	40 00				X			189,492	0	21,382

**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			
DEBORAH PUCKETT VP REHAB/WOUND CARE SERVIC	40 00				X			157,749	0	33,321
TIM MARTIN AVP IMAGING SERVICES	40 00				X			176,728	0	29,102
MARCUS CONLEY ACFO-PHYSICIAN NETWORK	40 00				X			154,945	0	29,428
MARK SWOFFORD MD UROLOGIST	40 00					X		1,030,292	0	10,314
DUANE DENSLER MD NEUROSURGEON	40 00					X		1,360,791	0	32,699
NORMAN MAYER MD NEUROSURGEON	40 00					X		1,460,791	0	32,699
KEITH HALL MD ORTHOPEDIC SURGEON	40 00					X		1,098,623	0	33,955
KEVIN PUGH MD ORTHOPEDIC SURGEON	40 00					X		1,033,708	0	33,955
SUSAN SCHELL FORMER ACFO-PHYSICIAN NETWORK	40 00						X	144,271	0	20,445



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 PIKEVILLE MEDICAL CENTER INC	Employer identification number  61-0458376
--	--

Part I Reason for Public Charity Status

(All organizations must complete this part.) See instructions

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions )					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a	<b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization		
b	<b>33 1/3% support test—2010.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization		
17a	<b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b	<b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18	<b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIIPart III

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE 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 PIKEVILLE MEDICAL CENTER INC	Employer identification number  61-0458376
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> 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)		(b)
		Yes	No	Amount
<b>1</b>	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			
	<b>a</b> Volunteers?		No	
	<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	<b>c</b> Media advertisements?		No	
	<b>d</b> Mailings to members, legislators, or the public?		No	
	<b>e</b> Publications, or published or broadcast statements?		No	
	<b>f</b> Grants to other organizations for lobbying purposes?		No	
	<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		61,779
	<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		16,452
<b>j</b>	Total lines 1c through 1i			78,231
<b>2a</b>	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
	<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
	<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
	<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	PIKEVILLE MEDICAL CENTER ENGAGES THE SERVICES OF MCCARTHY STRATEGIC SOLUTIONS, LLC TO KEEP THEM UPDATED ON RELATED HEALTHCARE AND GOVERNMENT HAPPENINGS. OTHER ACTIVITY COSTS ARE THE CORPORATION'S PORTION OF TRADE DUES (I.E. KENTUCKY HOSPITAL ASSOCIATION).

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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.

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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?	
	<input type="checkbox"/> Yes <input type="checkbox"/> 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	
	<input type="checkbox"/> Yes <input type="checkbox"/> 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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

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

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

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

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

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

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

Part III

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_



**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
- d**

☐ Loan or exchange programs
- b**

☐ Scholarly research
- e**

☐ Other
- c**

☐ Preservation for future generations

**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
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

**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
<b>1a</b> Beginning of year balance . . . . .	206,000	226,845	226,346	331,000	
<b>b</b> Contributions . . . . .			25,000	479,000	
<b>c</b> Investment earnings or losses . . . . .					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .		20,845	24,501	583,654	
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .	206,000	206,000	226,845	226,346	

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


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

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

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

**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
<b>1a</b> Land . . . . .		7,343,349		7,343,349
<b>b</b> Buildings . . . . .	5,601,324	115,393,684	41,954,651	79,040,357
<b>c</b> Leasehold improvements . . . . .		5,642,127	1,401,095	4,241,032
<b>d</b> Equipment . . . . .		117,071,615	76,443,051	40,628,564
<b>e</b> Other . . . . .		68,791,606		68,791,606
<b>Total.</b> Add lines 1a-1e <i>(Column (d) should equal Form 990, Part X, column (B), line 10(c).)</i> . . . . . 				200,044,908



Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1398,041,505
2	Total expenses (Form 990, Part IX, column (A), line 25)	2375,520,465
3	Excess or (deficit) for the year Subtract line 2 from line 1	322,521,040
4	Net unrealized gains (losses) on investments	496,091
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	83
9	Total adjustments (net) Add lines 4 - 8	996,094
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1022,617,134

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements . . . . .	1407,222,025
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments . . . . .	2a96,091
b	Donated services and use of facilities . . . . .	2b36,624
c	Recoveries of prior year grants . . . . .	2c
d	Other (Describe in Part XIV) . . . . .	2d9,047,805
e	Add lines 2a through 2d . . . . .	2e9,180,520
3	Subtract line 2e from line 1 . . . . .	3398,041,505
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 . . . . .	4c0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5398,041,505

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements . . . . .	1384,604,892
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities . . . . .	2a36,624
b	Prior year adjustments . . . . .	2b
c	Other losses . . . . .	2c
d	Other (Describe in Part XIV) . . . . .	2d9,047,803
e	Add lines 2a through 2d . . . . .	2e9,084,427
3	Subtract line 2e from line 1 . . . . .	3375,520,465
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 . . . . .	4c0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5375,520,465

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE AMOUNT OF \$206,000 IS A PERMANENT RESTRICTED ENDOWMENT-HERBERT FABER ENDOWMENT FUND
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL HAS RECEIVED A DETERMINATION FROM THE INTERNAL REVENUE SERVICE THAT IT IS A NOT-FOR-PROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE FOUNDATION AND THE PIKEVILLE MEDICAL CENTER DEVELOPMENT CORPORATION ARE TAXABLE ENTITIES TO WHICH APPLICABLE CORPORATE INCOME TAXES APPLY. NO INCOME TAXES WERE OWED BY THE FOUNDATION OR THE PIKEVILLE MEDICAL CENTER DEVELOPMENT CORPORATION FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011. THE HOSPITAL HAD NO UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2012 AND 2011.
PART XI, LINE 8 - OTHER ADJUSTMENTS		ROUNDING 3
PART XII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES RECLASSED TO REVENUE SECTION 8,899,353 FUNDRAISING EXPENSES 148,451. ROUNDING 1.
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES RECLASSED TO REVENUE SECTION 8,899,353 FUNDRAISING EXPENSES 148,451. ROUNDING -1.
		FORM 990, PART IV LINE 12 HAS BEEN CHECKED NO PER 990 INSTRUCTIONS. PART XI, XII, AND XIII ARE NOT REQUIRED AS THE ORGANIZATION IS PART OF A CONSOLIDATED FINANCIAL STATEMENT. THE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM AND PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. HOWEVER, THE ORGANIZATION OPTED TO VOLUNTARILY COMPLETE THESE SECTIONS.

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  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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

1

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

a

☐ Mail solicitations

b

☐ Internet and e-mail solicitations

c

☐ Phone solicitations

d

☐ In-person solicitations

e

☐ Solicitation of non-government grants

f

☐ Solicitation of government grants

g

☐ Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☐ No

b

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

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

3

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

Part II Fundraising Events.

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

		(a) Event #1  NEW YEARS EVE GALA (event type)	(b) Event #2  (event type)	(c) Other Events  (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1	Gross receipts . . . .	394,251		394,251
	2	Less Charitable contributions . . . .	280,221		280,221
	3	Gross income (line 1 minus line 2) . . . .	114,030		114,030
Direct Expenses	4	Cash prizes . . . .			
	5	Non-cash prizes . . .			
	6	Rent/facility costs . .	56,321		56,321
	7	Food and beverages . .	55,757		55,757
	8	Entertainment . . . .	11,199		11,199
	9	Other direct expenses .	25,174		25,174
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			
	11	Net income summary Combine lines 3 and 10 in column (d). . . . . ▶			
					( 148,451 )
					-34,421

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 . . . .	<div><input type="checkbox"/> Yes <div></div><input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes <div></div><input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes <div></div><input type="checkbox"/> No</div>
	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**  
PIKEVILLE MEDICAL CENTER INC

**Employer identification number**  
61-0458376

Part I

Charity Care and Certain Other Community Benefits at Cost

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

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) . . . . .			13,324,464	2,543,408	10,781,056	2 870 %
b Medicaid (from Worksheet 3, column a) . . . . .			55,978,178	34,134,281	21,843,897	5 820 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .			69,302,642	36,677,689	32,624,953	8 690 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .	298	6,073	387,258		387,258	0 100 %
f Health professions education (from Worksheet 5) . . . . .	19		1,265,184	442,117	823,067	0 220 %
g Subsidized health services (from Worksheet 6) . . . . .						
h Research (from Worksheet 7) . . . . .						
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .	55	596	129,129		129,129	0 030 %
j <b>Total</b> Other Benefits . . . . .	372	6,669	1,781,571	442,117	1,339,454	0 350 %
k <b>Total.</b> Add lines 7d and 7j . . . . .	372	6,669	71,084,213	37,119,806	33,964,407	9 040 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support	94	13,825	227,926	2,119	225,807	0 060 %
4Environmental improvements						
5Leadership development and training for community members	3	104	453		453	0 %
6Coalition building						
7Community health improvement advocacy	3	444	5,716		5,716	0 %
8Workforce development	29		886,440		886,440	0 240 %
9Other						
10Total	129	14,373	1,120,535	2,119	1,118,416	0 300 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2Enter the amount of the organization's bad debt expense	2	14,434,059	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	721,703	
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5	100,015,406	
6Enter Medicare allowable costs of care relating to payments on line 5	6	91,650,104	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	8,365,302	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
bIf "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 IVManagement Companies and Joint Ventures (see instructions)

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



## Section A. Hospital Facilities

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

## Name and address

[illegible]

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

PIKEVILLE MEDICAL CENTER

Name of Hospital Facility:

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

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

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 0000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance? . . . . .	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

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? 38

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

Identifier	ReturnReference	Explanation
		PART II THE HOSPITAL'S MISSION STATEMENT, "TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT" DRIVES PMC'S EFFORTS AS WE CONCENTRATE ON THE PHYSICAL, MENTAL AND SPIRITUAL WELL BEING OF THE PUBLIC DURING FY 2012, PIKEVILLE MEDICAL CENTER REPORTED TAKING PART IN 129 DIFFERENT COMMUNITY BUILDING ACTIVITIES, AFFECTING OVER 14,373 PEOPLE AND TOTALING MORE THAN \$1,118,000 THESE ACTIVITIES FOCUSED ON PROMOTING THE HEALTH AND WELLNESS OF THE COMMUNITIES WE SERVE THROUGH HEALTH EDUCATION, AWARENESS, PREVENTION AND TREATMENT, AS WELL AS, WORKFORCE DEVELOPMENT, ECONOMIC DEVELOPMENT AND FUTURE PLANNING SOME OF THESE EVENTS LISTED UNDER THE COMMUNITY BUILDING ACTIVITIES SECTION INCLUDED A VETERAN'S DAY TRIBUTE TO VETERAN'S AND FIRST RESPONDERS, A TORNADO RELIEF RADIO-THON FOR EASTERN KENTUCKY, RELAY FOR LIFE CANCER SURVIVOR'S DINNER, EASTER SUNRISE SERVICE AND HOLY WEEK SERVICES, A CHRISTMAS LIVE NATIVITY AND AN AVERAGE OF 485 MEALS PER MONTH PROVIDED TO MEALS ON WHEELS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE HOSPITAL HAS A POLICY OF PROVIDING CHARITY CARE TO PATIENTS WHO ARE UNABLE TO PAY SUCH PATIENTS ARE IDENTIFIED BASED ON FINANCIAL INFORMATION OBTAINED FROM THE PATIENT AND SUBSEQUENT ANALYSIS SINCE THE HOSPITAL DOES NOT EXPECT PAYMENT, ESTIMATED CHARGES FOR CHARITY ARE NOT REPORTED IN REVENUE THE COST TO CHARGE FACTOR USED IS 0.242 FROM WORKSHEET 2

Identifier	ReturnReference	Explanation
		PART III, LINE 8 NO SHORTFALL EXISTED IN FY 2012 THE SOURCE USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COSTS REPORTED FOR PART III, SECTION B, MEDICARE HAS BEEN PROVIDED FROM THE YEAR ENDED SEPT 30, 2012 REPORT HOSPITAL STATEMENT OF REIMBURSABLE COST



Identifier	ReturnReference	Explanation
		PART III, LINE 9B IF DETERMINED THAT A PATIENT MIGHT QUALIFY FOR AN INDIGENT PROGRAM, THE PATIENT IS SENT THE REQUIRED FORMS (FINANCIAL ASSISTANCE APPLICATION) TO APPLY FOR CHARITY ASSISTANCE WHEN THE PAPERWORK IS RETURNED BY THE PATIENT, THE APPLICATION IS SENT THROUGH THE ELIGIBILITY DETERMINATION REVIEW PROCESS IF THE APPLICATION IS APPROVED, THE ACCOUNT BALANCE IS THEN ADJUSTED BY THE AMOUNT ALLOWED BY THE CHARITY ELIGIBILITY GUIDELINES

Identifier	ReturnReference	Explanation
PIKEVILLE MEDICAL CENTER		PART V, SECTION B, LINE 19D PIKEVILLE MEDICAL CENTER FOLLOWS THE SAME CHARGING STRUCTURE FOR ALL PATIENTS, HOWEVER, IF A PATIENT PRESENTS AS A SELF PAY PATIENT, PMC HAS A SELF PAY DISCOUNT POLICY OF 70% OFF ESTIMATED GROSS CHARGES IF A PATIENT IS ABLE TO PAY ANY TIME PRIOR TO OR ON DAY OF SERVICE IF IT IS AFTER THE DAY OF SERVICE THAT THEY ARE ABLE TO PAY, PMC OFFERS A 50% DISCOUNT OFF GROSS CHARGES, A PAYMENT PLAN, OR IF CANNOT PAY IN FULL WITH DISCOUNTS OR PAYMENT PLANS THEN THE PATIENT IS REFERRED TO THE FINANCIAL COUNSELOR WHERE PATIENT IS FURTHER NOTIFIED OF DSH PROGRAMS, MEDICAID ELIGIBILITY REQUIREMENTS OR PMC INTERNAL FINANCIAL ASSISTANCE PROGRAM

Identifier	ReturnReference	Explanation
PIKEVILLE MEDICAL CENTER		PART V, SECTION B, LINE 21 PIKEVILLE MEDICAL CENTER FOLLOWS THE SAME CHARGING STRUCTURE FOR ALL PATIENTS, HOWEVER, IF A PATIENT PRESENTS AS A SELF PAY PATIENT, PMC HAS A SELF PAY DISCOUNT POLICY OF 70% OFF ESTIMATED GROSS CHARGES IF A PATIENT IS ABLE TO PAY ANY TIME PRIOR TO OR ON DAY OF SERVICE IF IT IS AFTER THE DAY OF SERVICE THAT THEY ARE ABLE TO PAY, PMC OFFERS A 50% DISCOUNT OFF GROSS CHARGES, A PAYMENT PLAN, OR IF CANNOT PAY IN FULL WITH DISCOUNTS OR PAYMENT PLANS THEN THE PATIENT IS REFERRED TO THE FINANCIAL COUNSELOR WHERE PATIENT IS FURTHER NOTIFIED OF DSH PROGRAMS, MEDICAID ELIGIBILITY REQUIREMENTS OR PMC INTERNAL FINANCIAL ASSISTANCE PROGRAM

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN ORDER TO ASSESS OUR COMMUNITY'S HEALTH-RELATED NEEDS, PIKEVILLE MEDICAL CENTER UTILIZES SEVERAL REPORTS LOOKING AT THE SERVICES THEY PROVIDE, IN COMPARISON TO OTHER HOSPITALS, AS WELL AS, REPORTS INDICATING THE SPECIALTIES THAT ARE IMPACTED BY PHYSICIAN REFERRALS PMC ALSO KEEPS A RECORD OF PREVIOUS COMMUNITY EVENTS HOSTED, TRACKING THEIR SUCCESS FOR EXAMPLE WHEN A FREE HEALTH SCREENING EVENT IS HELD, A RECORD IS KEPT OF THE NUMBER OF ATTENDEES INCLUDING THEIR RESULTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PIKEVILLE MEDICAL CENTER USES SEVERAL DIFFERENT MEANS TO COMMUNICATE AND EDUCATE OUR PATIENTS ON ELIGIBILITY FOR FINANCIAL ASSISTANCE UNDER FEDERAL, STATE AND LOCAL GOVERNMENTS FIRST, A HANDOUT LABELED, "FINANCIAL SERVICES AND CONSULTATIONS" IS AVAILABLE TO EVERY PATIENT UPON REGISTRATION SECOND, THE MANDATORY CONSENT FORM HAS THE PATIENT'S ACKNOWLEDGEMENT STATEMENT, "I ACKNOWLEDGE RECEIPT OF INFORMATION ON DSH, KCHIP, BILLING AND INSURANCE PROCEDURES AND AIDS QUESTIONS / ANSWERS " THIRD, THE FIRST BILL A PATIENT RECEIVES INCLUDES A STATEMENT REGARDING HOW ONE CAN CONTACT A COUNSELOR, IF THE FINANCIAL ASSISTANCE IS NEEDED LASTLY, THE PATIENT ACCOUNTS STAFF AND PATIENT FINANCIAL COUNSELORS REGULARLY MAIL OUT DSH/PMC CHARITY APPLICATIONS THESE APPLICATIONS, ALONG WITH DIRECTIONS, ARE ALSO AUTOMATICALLY PRINTED OFF WHEN REGISTERING A SELF-PAY PATIENT THE PATIENT IS THEN DIRECTED TO OUR FINANCIAL COUNSELORS FOR FURTHER ASSISTANCE IN THE EVENT A PATIENT IS ADMITTED TO THE FACILITY, FINANCIAL COUNSELORS MEET WITH EACH TO DISCUSS POSSIBLE FINANCIAL ASSISTANCE OPPORTUNITIES ASSISTANCE FROM THE COUNSELORS BEGINS WITH THE APPLICATION AND CONTINUES THROUGH THE VERIFICATION PROCESS TO ALLOW EACH PATIENT TO TAKE ADVANTAGE OF THE AVAILABLE PROGRAMS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 PIKEVILLE MEDICAL CENTER USES THE MOST RECENT U S CENSUS BUREAU DATA AND INFORMATION FROM THE KY STATE DATA CENTER WHEN TAKING INTO ACCOUNT THE GEOGRAPHIC AREA AND DEMOGRAPHIC CONSTITUENTS IT SERVES INFORMATION IS PULLED FROM OUR IMMEDIATE SERVICE AREA ENCOMPASSING A SEVEN COUNTY REGION - PIKE, FLOYD, LETCHER, JOHNSON, MAGOFFIN AND MARTIN COUNTIES IN KENTUCKY AND WEST VIRGINIA'S MINGO COUNTY ALL DATA PRESENTED HERE IS CURRENT AS OF THE 2011 U S CENSUS BUREAU AVAILABLE STATISTICS THE SEVEN COUNTY AREA CONTAINS A TOTAL POPULATION OF 204,483 INDIVIDUALSWITH A RELATIVELY EVEN DISTRIBUTION OF MALES (100,401) TO FEMALES (104,082) THE MEDIAN POPULATION AGE IS 40 1 YEARS OLD AND THE AVERAGE HOUSEHOLD SIZE IS 2 53 INDIVIDUALS PIKEVILLE MEDICAL CENTER RESIDES IN A MEDICALLY UNDERSERVED AND IMPOVERISHED AREA THE MEDIAN HOUSEHOLD INCOME FOR OUR REGION WAS \$33,148 IN 2011 WITH 30% OF THE REGION'S CHILDREN UNDER AGE 18 AND 18 1% OF ALL FAMILIES LIVING UNDER THE POVERTY LINE PIKEVILLE MEDICAL CENTER SERVES AS A BEACON OF HOPE AND AN ECONOMIC BOOST TO THE MOUNTAIN COMMUNITY IN WHICH IT RESIDES THE CITY OF PIKEVILLE, KY WHERE THE HOSPITAL IS CENTERED IS HOME TO 6,903 INDIVIDUALS OVER 37 6% OF THE CITY'S RESIDENTS POSSESS A BACHELORS DEGREE OR HIGHER 39 2% OF THE CITY'S POPULATION WORKS IN EDUCATION, HEALTH CARE, OR SOCIAL SERVICES

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 PIKEVILLE MEDICAL CENTER (PMC) IS KNOWN FOR ITS COMPASSIONATE EMPLOYEES, UNSURPASSED SERVICE, STATE-OF-THE-ART TECHNOLOGY AND UNMATCHED GENEROSITY TO THE COMMUNITY KNOWN AS THE PREMIER HOSPITAL IN A MULTI-STATE REGION, PMC IS CONTINUALLY GROWING AND LO OKING FOR NEW WAYS TO OFFER THE VERY BEST IN HEALTH CARE TO ITS PATIENTS AND THE BROADER P OPULATION PMC'S MISSION "TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONME NT" IS FULFILLED ON A DAILY BASIS AS THE STAFF EMPLOYS TEAMWORK WITH A SINCERE PASSION TO HELP OTHERS PMC HAS UNDERGONE SUBSTANTIAL CHANGES THROUGHOUT ITS 88-YEAR HISTORY THE MEDI CAL CENTER BEGAN AS A SMALL, RURAL, 50-BED FACILITY IN 1924 TODAY, THE HOSPITAL IS A COMP REHENSIVE 261-BED FACILITY ENCOMPASSING 1,180,000 SQUARE FEET INCLUDING BOTH THE MAIN FACI LITY AND SURROUNDING SUPPORTIVE SERVICES CURRENTLY PMC EMPLOYS OVER 2,300 PEOPLE, HAVING HIRED 614 EMPLOYEES OVER THE PAST YEAR PMC OFFERS MORE THAN 400 SERVICES, INCLUDING EVERY MAJOR SPECIALTY AND MOST SUBSPECIALTIES, AND IS A PROUD MEMBER OF THE MAYO CLINIC CARE NE TWORK THIS TREMENDOUS PHYSICAL GROWTH, ALONG WITH A STRONG FINANCIAL POSITION, HAS ALLOWE D PMC TO SIGNIFICANTLY EXPAND ITS SERVICE LINES CURRENT SERVICES INCLUDE AN AWARD-WINNING , FULL-SERVICE CANCER CENTER, A LEVEL IIII CHEST PAIN ACCREDITED HEART AND VASCULAR INSTIT UTE, A 40-BED INPATIENT PHYSICAL REHABILITATION HOSPITAL, AN ACCREDITED GOLD PLUS STROKE C ENTER, STATE-OF-THE-ART EMERGENCY DEPARTMENT, NEUROSCIENCE CENTER, LEVEL III NEONATAL INTE NSIVE CARE UNIT, WOUND CARE CENTER, ORTHOPEDIC CENTER, WEIGHT LOSS SURGERY CENTER, SLEEP C ENTERS, A DIAGNOSTIC CENTER, AND PRIMARY AND SPECIALTY PHYSICIAN PRACTICES PMC'S STATE-OF -THE-ART DIAGNOSTIC AND THERAPEUTIC RADIOLOGY EQUIPMENT CONSISTS OF TWO LINEAR ACCELERATOR S, ONE 32-SLICE LARGE BORE CT SCANNER, TWO 64-SLICE CT SCANNERS, TWO 320-SLICE CT SCANNERS , A PET/CT SCANNER, A SPECT/CT SCANNER, TWO 1 5T OPEN MRIS, A 3 0T OPEN MRI AND THE MOST M ODERN COMPUTER CALCULATION SYSTEM AVAILABLE NOT ONLY HAS PMC'S CONTINUOUS GROWTH INCREASE D THE RANGE AND COMPLEXITY OF HEALTH CARE SERVICES IT PROVIDES, IT HAS ALSO ALLOWED THE HO SPITAL TO ENHANCE ITS COMMUNITY OUTREACH EFFORTS FOR THE PAST THREE YEARS, PMC HAS BEEN N AMED NATIONAL HOSPITAL OF THE YEAR BY THE AMERICAN ALLIANCE OF HEALTHCARE PROVIDERS NO OT HER HEALTH CARE FACILITY HAS EARNED THIS DISTINCTION THE RECOGNITION FROM THIS AWARD HAS CONTRIBUTED TO THE HOSPITAL'S INCREASING PATIENT VOLUMES PMC TAKES PRIDE IN KEEPING THE P UBLIC INFORMED ABOUT INNOVATIVE MEDICAL ADVANCEMENTS AS WELL AS COMMUNITY NEWS THROUGH THE PUBLICATION OF A FREE WEEKLY NEWSPAPER CALLED MEDICAL LEADER - THE REGION'S ONLY "GOOD NE WS" NEWSPAPER MORE THAN 8,700 NEWSPAPERS ARE DISTRIBUTED WEEKLY TO 150+ LOCATIONS THROUGH OUT THE COUNTIES OF PIKE, FLOYD, LETCHER (KENTUCKY) AND MINGO (WEST VIRGINIA) THE PUBLICA TION HAS NEARLY 4,000 EMAIL SUBSCRIBERS AND 2,500 SOCIAL MEDIA FOLLOWERS MEDICAL LEADER A LLOWED PMC TO GIVE BACK MORE THAN \$211,000 COMMUNITY BENEFIT EXPENSE DURING FY 2012 PMC A LSO PROVIDES A VARIETY OF EDUCATIONAL, WELLNESS AND PREVENTIVE HEALTH SERVICES SUCH AS IND IGEN T CARE ASSISTANCE, EDUCATIONAL/TRAINING SESSIONS, SUPPORT GROUPS, HEALTH FAIRS, FREE H EALTH SCREENINGS AND OTHER COMMUNITY EVENTS PMC CONSIDERS ITS OUTREACH EFFORTS AN ESSENTI AL PART OF ITS CHRISTIAN MISSION CHARITY CARE PIKEVILLE MEDICAL CENTER SET A NEW RECORD F OR CHARITY CARE IN FY 2012 THROUGH DEFINED POLICIES AND PROCEDURES, PMC RECORDED UNCOMPEN SATED CHARITY OF MORE THAN \$41 6 MILLION (SERVICES AT HOSPITAL'S ESTABLISHED RATES) HEALT H CARE SUPPORT SERVICES BLOOD DRIVES - PIKEVILLE MEDICAL CENTER HOSTS A BLOOD DRIVE ONCE A QUARTER PREPARATION FOR BLOOD DRIVES INCLUDES PUBLICITY BEFORE AND AFTER THE EVENT, RES ERVING A LOCATION, HELPING WITH SET-UP AND TAKE-DOWN, PRE-REGISTERING DONORS AND ASSURING THE EVENT'S SUCCESS BLOOD DRIVES ARE CONDUCTED IN ACCORDANCE WITH THE KENTUCKY BLOOD CENT ER (KBC) IN FY 2012, 122 DONORS PARTICIPATED IN PMC'S FOUR BLOOD DRIVES AND DONATED 107 U NITS OF BLOOD, WHICH HELPED SAVE UP TO 321 LIVES THESE QUARTERLY EVENTS COST THE HOSPITAL MORE THAN \$1,500 MEALS ON WHEELS - PMC PROVIDED 5,831 MEALS DURING FY 2012 AND INCURRED M ORE THAN \$35,782 IN EXPENSES RELATED TO THIS PROGRAM FOOD DONATIONS - DURING FY 2012, PIK EVILLE MEDICAL CENTER DONATED 11,128 GUEST TRAYS AND/OR FOOD VOUCHERS THIS SERVICE ALLOWE D PMC TO GIVE BACK MORE THAN \$74,000 TO ITS PATRONS IN MAY 2012, THE HOSPITAL BEGAN A NEW PROGRAM BENEFITING NEW MOTHERS AND THEIR SIGNIFICANT OTHER AFTER THE BIRTH OF THEIR NEWBO RN BABY THE NEW MOM AND GUEST RECEIVE A COMPLIMENTARY MEAL WITH THEIR CHOICE OF LOBSTER T AIL, STEAK OR SHRIMP, SERVED ALONGSIDE THEIR CHOICE OF MASHED, BAKED OR OVEN ROASTED POTAT OES ALSO INCLUDED IN THE MEAL IS BROCCOLI, SALAD, DESSERT AND A DRINK INDIGENT SUPPORT SE RVICES - MANY PATIENTS NEED FINANCIAL ASSISTANCE WITH PRESCRIBED MEDICATIONS AND HEALTH CA RE EQUIPMENT AT THE TIME OF DISCHARGE IN HOPES OF</p>

Identifier	ReturnReference	Explanation
		<p>RELIEVING FINANCIAL BURDEN, PMC'S CHAPLAIN SERVICES AND CASE MANAGEMENT DEPARTMENTS PROVIDED ASSISTANCE TO 184 PATIENTS TOTALING MORE THAN \$39,000 THE HOSPITAL ALSO HELPED SEVERAL PATIENTS WITH TRANSPORTATION BETWEEN THE HOSPITAL, PHYSICIAN'S OFFICE AND THEIR RESIDENCE SPIRITUAL -PMC'S CHAPLAINCY DEPARTMENT STAFF WORK HARD TO MAKE SURE THE PATIENTS' SPIRITUAL NEEDS ARE MET DURING THEIR HOSPITAL STAY THEY ROUND DAILY ON EACH PATIENT, OFFERING WORDS OF ENCOURAGEMENT AND PRAYER IN FY 2012, 2,000 HEALING WORD DEVOTIONALS AND 1,043 BIBLES FOR NEWBORNS WERE DISTRIBUTED THIS SERVICE PROVIDED A COMMUNITY BENEFIT OF MORE THAN \$4,000 COMMUNITY FINANCIAL DONATIONS IN FY 2012, PIKEVILLE MEDICAL CENTER ONCE AGAIN PROVIDED TO BE AN ESTABLISHED COMMUNITY LEADER ENCOURAGING EMPLOYEE PARTICIPATION IN LOCAL ACTIVITIES AND EVENTS, THE HOSPITAL OFFERED FINANCIAL SUPPORT TO AREA ORGANIZATIONS AND IMPORTANT CAUSES, GIVING NEARLY \$128,000 PMC WAS PROUD TO HELP THE FOLLOWING ORGANIZATIONS AMERICAN CANCER SOCIETYAMERICAN HEART ASSOCIATIONEASTERN KENTUCKY EXPOSITION CENTERHABITAT FOR HUMANITYHILLBILLY CHRISTMAS IN JULY INC JENNY WILEY THEATRETHE KENNETH HUFFMAN MEMORIAL TENNIS FOUNDATIONKENTUCKY CHAMBER OF FOUNDATIONKENTUCKY CHAMBER OF COMMERCELETCHER COUNTY CENTRAL COUGAR BASKETBALLLIVING MEMORIAL FUND FLOYD COUNTYMARCH OF DIMESPIKE MINISTERIAL ASSOCIATION INC PRICHARD COMMITTEE SOUTHEAST KENTUCKY CHAMBER OF COMMERCEUNITE FOUNDATIONUNIVERSITY OF KENTUCKY WYMT-TV MOUNTAIN CLASSIC ACADEMIC SCHOLARSHIP FUNDHEALTH SCREENINGS PIKEVILLE MEDICAL CENTER HELD 18 FREE, COMMUNITY HEALTH SCREENINGS DURING FY 2012 AMONG THE SCREENINGS OFFERED WERE BLOOD PRESSURE, BLOOD SUGAR, CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD), BODY MASS INDEX (BMI) AND CHOLESTEROL CHECKS, AS WELL AS PROSTATE AND COLORECTAL CANCER SCREENINGS FREE HEALTH-RELATED EDUCATIONAL MATERIALS WERE DISTRIBUTED AT EACH EVENT ALL SCREENINGS WERE HOSTED BY PMC PHYSICIANS, NURSES AND/OR SUPPORT STAFF MORE THAN 3,700 PEOPLE PARTICIPATED IN THESE SCREENINGS, COSTING THE HOSPITAL NEARLY \$93,500 EVENTS DURING WHICH PMC HOSTED FREE HEALTH SCREENINGS INCLUDED - BE RED-Y FOR HEART HEALTH, HEART HEALTH AWARENESS RUNWAY SHOW- COLORECTAL CANCER SCREENING- PROSTATE CANCER SCREENING - PARTNERSHIP FOR A FIT PIKE COUNTY HEALTHY MONDAY- HAZARD SENIOR CITIZENS HEALTH FAIR- DIABETES AWARENESS MONTH- PCDP BOOTH AT SHELBY VALLEY HIGH SCHOOL - SENIOR DIABETES HEALTH FAIR- FIRST-AID BOOTH AT HILLBILLY DAYS- TRIBUTE TO VETERANS AND FIRST RESPONDERS- TORNADO RELIEF CLINIC IN SALYERSVILLE, KY- EAST KENTUCKY EXPOSITION CENTER HEALTH FAIR- HEALTHY FUN FAIR AT NATIONAL COLLEGE- MARROWBONE &amp; PIKEVILLE SENIOR CITIZEN HEALTH FAIR- PMC STROKE AWARENESS DAY - WHITESBURG DAYS FREE HEALTH SCREENING- KID'S HEALTH FAIR AT PCCBE RED-Y FOR HEART HEALTH - PIKEVILLE MEDICAL CENTER CELEBRATED HEART HEALTH AWARENESS MONTH BY HOSTING AN EDUCATIONAL HEART HEALTH FASHION SHOW AND HEALTH SCREENING DURING THE EVENT, LADIES SHOWCASED THE LATEST STYLES IN RED FASHIONS, PROVIDED BY LOCAL VENDORS, WHILE PHYSICIANS MINGLED WITH THE CROWD AND DISCUSSED THE IMPORTANCE OF HEART HEALTH PMC'S INTERVENTIONAL CARDIOLOGIST DR BILL HARRIS WAS THE GUEST SPEAKER THE HEALTH SCREENINGS OFFERED AT THIS EVENT WERE BLOOD PRESSURE, BLOOD SUGAR, AND BODY MASS INDEX (BMI) FREE REFRESHMENTS WERE PROVIDED TOTAL COMMUNITY BENEFIT COST WAS MORE THAN \$500 TRIBUTE TO VETERANS AND FIRST RESPONDERS - DURING FY 2012, PMC HELD ITS FIRST TRIBUTE TO VETERANS ON NOVEMBER 10, 2011 PEOPLE FROM ALL OVER THE REGION GATHERED TO WATCH A PARADE, ORGANIZED BY PMC, WHICH ENDED WITH A MILITARY FLYOVER AND A 21 GUN SALUTE THE PARADE WAS FOLLOWED BY A FREE PERFORMANCE BY COUNTRY MUSIC ARTIST LEE GREENWOOD AND SPECIAL PRESENTATION OF A MEDAL OF HONOR RECIPIENT</p>



Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 HEALTH PROFESSIONS EDUCATION STUDENT ROTATIONS - PMC SERVES AS A CLINICAL TRAINING SITE FOR HEALTH CARE STUDENTS FROM REGIONAL UNIVERSITIES AND COLLEGES DURING FY 2012, PMC TRAINED 513 STUDENTS AFFILIATED WITH 64 INSTITUTIONS SCHOOLS AFFILIATED WITH PMC INCLUDE AT STILL UNIVERSITY - ARIZONA SCHOOL OF MEDICINEBECKFIELD COLLEGEBELFRY AREA TECHNOLOGY CENTERBELLARMINE UNIVERSITYCHATHAM UNIVERSITYDEVRY UNIVERSITYDUKE UNIVERSITYEASTERN KENTUCKY UNIVERSITYEDWARD VIA VIRGINIA COLLEGE OF OSTEOPATHIC MEDICINEEMERGENCY MEDICAL EDUCATORSFRONTIER SCHOOL OF MIDWIFERY AND FAMILY NURSINGHUNTINGTON JUNIOR COLLEGEHUTCHINSON COMMUNITY COLLEGEIOWA COLLEGE ACQUISITION CORP D/B/A KAPLAN UNIVERSITYJEFFERSON COLLEGE OF HEALTH SCIENCESKANSAS CITY UNIVERSITY OF MEDICINE AND BIOSCIENCEKENTUCKY COMMUNITY TECHNICAL COLLEGE SYSTEMLAKE ERIE COLLEGE OF OSTEOPATHIC MEDICINELETCHER COUNTY AREA TECHNOLOGY CENTERLIBERTY UNIVERSITYLINCOLN MEMORIAL UNIVERSITYLINDSEY WILSON COLLEGEMARIETTA COLLEGEMARSHALL UNIVERSITYMERIDIAN INSTITUTE OF SURGICAL ASSISTINGMILLIGAN COLLEGEMOREHEAD STATE UNIVERSITYNATIONAL COLLEGE OF BUSINESS - LEXINGTON CAMPUSNATIONAL COLLEGE OF BUSINESS - PIKEVILLE CAMPUSNORTON RESIDENCY PROGRAMNORTHERN KENTUCKY UNIVERSITYNOVA SOUTHEASTERN UNIVERSITYOHIO UNIVERSITY COLLEGE OF OSTEOPATHIC MEDICINEPHLEBOTOMY EDUCATION INC PHELPS VOCATIONAL SCHOOLROSS UNIVERSITYSAINT LOUIS UNIVERSITYST JAMES SCHOOL OF MEDICINESHAWNEE STATE UNIVERSITYSOUTHERN WEST VIRGINIA COMMUNITY &amp; TECHNICAL COLLEGESOUTHWEST VIRGINIA COMMUNITY COLLEGESPENCERIAN COLLEGESULLIVAN UNIVERSITY COLLEGE OF PHARMACYTENNESSEE TECHNOLOGY CENTER AT ELIZABETHTONTONTOURO UNIVERSITY NEVADATRANSTAR TRAINING ACADEMYUNION UNIVERSITYUNIVERSITY OF APPALACHIA COLLEGE OF PHARMACYUNIVERSITY OF CHARLESTONUNIVERSITY OF CINCINNATIUNIVERSITY OF CUMBERLANDSUNIVERSITY OF KENTUCKYUNIVERSITY OF LOUISVILLEUNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINEUNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTERUNIVERSITY OF NORTH CAROLINAUNIVERSITY OF PIKEVILLEVIRGINIA COMMONWEALTH UNIVERSITYWASHBURN UNIVERSITYWEBER STATE UNIVERSITYWEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINEWEST VIRGINIA UNIVERSITY BOARD OF GOVERNORSWHEELING JESUIT UNIVERSITYWINDSOR UNIVERSITY SCHOOL OF MEDICINE RESIDENCY PROGRAM-A-OPTIC (APPALACHIAN OSTEOPATHIC POSTGRADUATE TRAINING INSTITUTE CONSORTIUM) PMC OPERATES THE ONLY FAMILY PRACTICE/NEUROMUSCULAR MEDICINE RESIDENCY PROGRAM IN KENTUCKY, THE ONLY ONE YEAR PLUS ONE NEUROMUSCULAR MEDICINE/OSTEOPATHIC MANIPULATIVE MEDICINE (PLUS ONE) RESIDENCY PROGRAM IN KENTUCKY, AND ONE OF ONLY FOUR FAMILY PRACTICE AND OSTEOPATHIC MANIPULATIVE TREATMENT MEDICINE RESIDENCY PROGRAMS IN KENTUCKY THE HOSPITAL, IN CONJUNCTION WITH THE RESIDENCY PROGRAM, OPERATES A FAMILY PRACTICE CLINIC WHICH SEES APPROXIMATELY 9,100 PATIENTS ANNUALLY THIS SERVICE ALLOWS PMC TO EDUCATE AND RETAIN COMPETENT/SKILLED PHYSICIANS IN THE REGION IN 2012, PMC TRAINED 18 RESIDENTS (RESIDENCY YEAR SPANS FROM JUNE TO JULY), COSTING THE HOSPITAL NEARLY \$810,402 PHYSICIAN RECRUITMENT THE PRIMARY GOAL OF PMC'S PHYSICIAN RECRUITMENT PROGRAM IS TO PROVIDE THE COMMUNITY WITH A HIGH QUALITY OF MEDICAL CARE THESE RECRUITMENT EFFORTS ARE ESSENTIAL TO ENHANCING THE HEALTH AND WELL BEING OF THE REGION OTHER LOCAL HOSPITALS LOOK TO PMC TO OFFER THE SPECIALTIES AND SUBSPECIALTIES THEY ARE NOT ABLE TO PROVIDE DURING FY 2012, PMC PHYSICIAN RECRUITERS ATTENDED 20 RECRUITMENT CONFERENCES AND SIGNED 30 NEW PHYSICIANS THE TOTAL COMMUNITY BENEFIT ASSOCIATED WITH PHYSICIAN RECRUITMENT DURING THIS TIME PERIOD WAS \$871,696 THE HOSPITAL ALSO WELCOMED THREE NEW NURSE PRACTITIONERS AND ONE PHYSICIAN ASSISTANT THE RECRUITED PHYSICIANS PRACTICE IN THE FOLLOWING SPECIALTIES - ANESTHESIOLOGY- BARIATRIC SURGERY- CARDIOTHORACIC SURGERY- DERMATOPATHOLOGY- ENDOCRINOLOGY- GASTROENTEROLOGY- GENERAL SURGERY- INTERNAL MEDICINE (HOSPITALISTS)- INTERVENTIONAL RADIOLOGY- FAMILY PRACTICE- NEONATOLOGIST- OBSTETRICS/GYNECOLOGY- OPHTHALMOLOGY- ORTHOPEDIC TRAUMA SURGERY- PAIN MANAGEMENT- PLASTIC RECONSTRUCTIVE SURGERY- PULMONARY/CRITICAL CARECONTINUING HEALTH PROFESSIONALS EDUCATION PIKEVILLE MEDICAL CENTER HAS AN ACTIVE MEDICAL LIBRARY STAFF THAT COORDINATES AND OVERSEES MANY OF THE CONTINUING MEDICAL EDUCATION (CME) HOURS OFFERED AT THE HOSPITAL MOST CMES ARE OPEN TO NOT ONLY OUR STAFF, BUT TO OTHER MEDICAL PROFESSIONALS THROUGHOUT THE REGION IN FY 2012, PMC OFFERED 25 CME PRESENTATIONS, REACHING 139 PHYSICIANS AND NEARLY 400 NON-PHYSICIANS THIS SERVICE COST THE HOSPITAL NEARLY \$13,000 THE EDUCATIONAL OPPORTUNITIES OFFERED BY THE HOSPITAL DURING FY 2012 COVERED THE FOLLOWING TOPICS - ACUTE CORONARY SYNDROME MANAGEMENT- EFFECTS OF VENOM ON SNAKEBITE TREATMENT - WHEN TIME MAKES A DIFFERENCE GOLDEN HOUR EMERGENCIES- CANCER CASE CONFERENCE (HELD MONTHLY)- INFECTIOUS DISEASE CONFERENCE (SIX EVENTS)SUPPORT GROUPS PMC SPONSORS AND PARTICIPATES IN SEVERAL COMMUNITY SUPPORT GROUPS IN FY 2012, PMC TOOK PART IN 60 LOCAL SUPPORT GROUPS,</p>

Identifier	ReturnReference	Explanation
		REACHING 1,963 PEOPLE AND GIVING NEARLY \$9,500 IN COMMUNITY BENEFITS BELOW IS A LIST OF THE SUPPORT GROUPS PMC HOSTED/SPONSORED - COPING WITH DIABETES SUPPORT GROUP- AFTER BREAST CANCER (ABC) SUPPORT GROUP- MAN TO MAN PROSTATE CANCER SUPPORT GROUP- STROKE SUPPORT GROUP- WEIGHT LOSS SURGERY SUPPORT GROUP- GRIEF GROUP OTHER COMMUNITY SUPPORT THROUGHOUT THE YEAR, PIKEVILLE MEDICAL CENTER AND ITS EMPLOYEES PARTICIPATED IN SEVERAL EVENTS TO HELP THE COMMUNITY SOME OF THE EVENTS AND COMMUNITY GROUPS THE HOSPITAL HELPED DURING FY 2012 INCLUDE - TORNADO RELIEF RADIO-THON- COMMUNITY DINNERS- LIVE NATIVITY- DISASTER RECOVERY- NATIONAL DAY OF PRAYER- PASTOR'S APPRECIATION BRUNCH- RELAY FOR LIFE- PIKEVILLE MINISTERIAL ASSOCIATION- SCHOLAR HOUSE OF APPALACHIA- CHILD FATALITY REVIEW BOARD- CHILDREN'S PROJECT ON PALLIATIVE/HOSPICE SERVICES- PIKE COUNTY AFFORDABLE HOUSING BOARD - SANDY VALLEY HABITAT FOR HUMANITY- UNITED HELPING HANDS BOARD TORNADO RELIEF RADIO-THON - IN MARCH 2012, PMC WORKED TOGETHER WITH OTHER LOCAL ORGANIZATIONS TO HOST THE TORNADO RELIEF RADIO-THON MANY EMPLOYEES GAVE UP TIME TO ORGANIZE AND PUBLICIZE THE EVENT, SET-UP, TAKE PHONE CALLS, COLLECT DRIVE-BY DONATIONS, TALLY THE RESULTS AND CLEAN UP NEARLY \$180,000 IN DONATIONS WERE RECEIVED ALL PROCEEDS WENT TOWARD HELPING TORNADO VICTIMS IN MAGOFFIN, JOHNSON, MARTIN AND MORGAN COUNTIES

Identifier	ReturnReference	Explanation
DESCRIPTION OF COMMUNITY HEALTH PROMOTION (CONTINUED)	SCH H PART VI LINE 5	VETERANS DATING BACK TO WWII WERE PERSONALLY RECOGNIZED AND THANKED FOR THEIR SERVICE DURING THIS EVENT AFTER THE FESTIVITIES, FREE REFRESHMENTS AND HEALTH SCREENINGS WERE OFFERED TO THE PUBLIC FREE SCREENINGS INCLUDED BLOOD SUGAR, BLOOD PRESSURE, CHOLESTEROL AND BODY MASS INDEX (BMI) REPRESENTATIVES FROM DIABETES EDUCATION, THE HEART AND VASCULAR INSTITUTE AND THE WEIGHT LOSS SURGERY CENTER WERE PRESENT TO DISCUSS PATIENTS' SCREENING RESULTS AND ANSWER QUESTIONS THIS EVENT CONTRIBUTED \$80,995 55 TOWARD COMMUNITY BENEFITS TORNADO RELIEF CLINIC - IN MARCH 2012, PMC'S ENDOCRINOLOGY DEPARTMENT TRAVELED TO SALYERSVILLE, KY TO PROVIDE FREE DIABETES SCREENINGS, GLUCOSE METERS AND TESTING STRIPS TO TORNADO VICTIMS WHO LOST THESE SUPPLIES THIS WAS A COMMUNITY BENEFIT OF NEARLY \$700 COMMUNITY HEALTH EDUCATION PIKEVILLE MEDICAL CENTER'S STAFF REMAINS ACTIVE IN EDUCATING THE LOCAL COMMUNITY ON SEVERAL BENEFICIAL, HEALTH CARE TOPICS THROUGHOUT THE YEAR, HOSPITAL REPRESENTATIVES FROM VARIOUS DEPARTMENTS SPEAK TO LOCAL CIVIC CLUBS, SCHOOLS, MEDICAL PROFESSIONALS AND THE PUBLIC AT LARGE THROUGH PMC'S 140 COMMUNITY EDUCATION EFFORTS IN FY 2012, THE HOSPITAL REACHED NEARLY 3,000 PEOPLE THIS WAS A COMMUNITY BENEFIT OF MORE THAN \$118,500 PMC EMPLOYEES TOOK PART IN THE FOLLOWING LECTURES/PRESENTATIONS DURING FY 2012 - 44 CHILDBIRTH CLASSES - BICYCLE/ATV AWARENESS PRESENTATION AT DORTON ELEMENTARY- BOONE FORK SENIOR CITIZEN DIABETES PRESENTATION- DIABETES EDUCATION AT LOCAL KIWANIS MEETING- PCHD HELP OVERCOME TOBACCO YOUTH CONFERENCE- PIKEVILLE YMCA WELLNESS WEDNESDAY- 46 HEALTH TALKS - SENIOR CITIZEN HEALTH PRESENTATION - DIABETES EDUCATION- ELKHORN CITY & PIKEVILLE SENIOR CITIZEN STROKE EDUCATION/INPATIENT REHABILITATION DAY- DIABETES ALERT DAY- BLACKBERRY/MCCARR SENIOR CITIZEN HEART ATTACK EDUCATION/INPATIENT PHYSICAL REHAB DAY - MODEL CITY DAYCARE SNAKE BITE PREVENTION AND TREATMENT IN-SERVICE- STROKE AWARENESS VENDOR BOOTH AT JENNY WILEY - 38 WEIGHT LOSS SURGERY SEMINARSCHILDBIRTH CLASSES - PMC'S EDUCATION DEPARTMENT HOSTS FOUR CHILDBIRTH CLASSES A MONTH TO EDUCATE PARENTS-TO-BE ON WHAT TO EXPECT DURING LABOR AND AFTER BRINGING THEIR BABY HOME INFORMATION DISCUSSED INCLUDES WHAT TO BRING TO THE HOSPITAL, HOSPITAL SERVICES, AVAILABLE PEDIATRICIANS, KANGAROO CARE, MANAGING LABOR PAIN AND EPIDURALS, BASIC NEWBORN CARE, CIRCUMCISION, CORD CARE, INFANT CPR, IMMUNIZATIONS AND BREASTFEEDING ATTENDEES ALSO RECEIVE A TOUR OF THE LABOR AND DELIVERY FLOOR THIS SERVICE COST NEARLY \$5,000 IN FY 2012 HEALTH TALK - EACH WEEK, PMC'S PUBLIC RELATIONS DEPARTMENT RECORDS A 30 MINUTE RADIO SHOW THAT IS AIRED ON NINE LOCAL RADIO STATIONS COVERING PIKE, FLOYD, LETCHER, JOHNSON, KNOTT, MAGOFFIN AND MARTIN COUNTIES IN KENTUCKY AND MINGO COUNTY, WV THROUGH THIS SHOW, PMC INFORMS LISTENERS OF NEW HEALTH SERVICES, PHYSICIANS AND TECHNOLOGY AT THE HOSPITAL THIS PROGRAM ALSO EDUCATES THE PUBLIC ON OTHER HEALTH TOPICS OF INTEREST WHICH HAVE INCLUDED FAMILY MEDICINE SERVICES, FLU, PULMONARY REHABILITATION, CANCER SYMPTOMS, PREVENTION AND TREATMENT, AND DIABETES EDUCATION IN FY 2012, THE TOTAL COST FOR THIS SERVICE WAS NEARLY \$54,000 WEIGHT LOSS SURGERY SEMINARS - PMC'S WEIGHT LOSS SURGERY CENTER STAFF TRAVELS WEEKLY ACROSS THE REGION, EDUCATING THE PUBLIC ON THE BENEFITS OF BARIATRIC SURGERY SEMINARS ARE ADVERTISED PRIOR TO THE EVENT, FOR MAXIMUM ATTENDANCE DURING FY 2012, THIS COMMUNITY BENEFIT TOTALED NEARLY \$59,000

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 61-0458376  
**Name:** PIKEVILLE MEDICAL CENTER INC

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

[illegible]

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

[illegible]

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

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

Employer identification number  
61-0458376

Part IGeneral Information on Grants and Assistance

1

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

☒ Yes☐ No

2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SMG FOOD AND BEVERAGE LLC DBA EASTERN KY EXPOSITION CENTER126 MAIN STREET PIKEVILLE,KY 41501	23-2511871		29,611				PRESENTING SPONSORSHIP "LANDAU MURPHY SHOW"
(2) UNITED HELPING HANDS OF PIKEVILLE INC PO BOX 342 PIKEVILLE,KY 41502	31-1075698	501C3	25,000				DONATION FOR EASTERN KY TORNADO VICTIM RELIEF
(3) UNITE FOUNDATION INC2292 SOUTH HWY 27 SOMERSET,KY 42501	56-2338443	501C3	12,500				SPONSORSHIP NATIONAL RX DRUG ABUSE SUMMIT EVENT
(4) JENNY WILEY DRAMA ASSOCIATION INCPO BOX 22 PRESTONSBURG,KY 41653	61-0667976	501C3	10,000				SPONSORSHIP FOR "THE MARVELOUS WONDERETTES"
(5) AMERICAN HEART ASSOCIATION545 NORTH HIGH ST COLUMBUS,OH 43214	13-5613797	501C3	10,000				DONATION FOR 2012 CENTRAL KY HEART BALL
(6) SOUTHEAST KENTUCKY CHAMBER OF COMMERCE 787 HAMBLEY BLVD PIKEVILLE,KY 41501	61-0544068	501C3	5,000				PLATINUM SPONSORSHIP FOR ANNUAL AWARDS CEREMONY & BANQUET
(7) KENTUCKY CHAMBER OF COMMERCE464 CHENAULT ROAD FRANKFORT,KY 40601	61-0405718	501C6	10,000				SILVER SPONSORSHIP 8TH ANNUAL BEST PLACES TO WORK & LEADERSHIP INSTITUTE SPONSORSHIP FOR PIKE COUNTY SCHOOL PRINCIPALS
(8) KENTUCKY CHAMBER FOUNDATION INC464 CHENAULT ROAD FRANKFORT,KY 40601	61-1284992	501C3	9,000				LEADERSHIP INSTITUTE SPONSORSHIP FOR PIKE COUNTY SCHOOL PRINCIPALS
(9) AMERICAN CANCER SOCIETY INC4324 13TH STREET ASHLAND,KY 41102	13-1788491	501C3	5,000				RELAY FOR LIFE PIKE COUNTY SPONSORSHIP

2

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

8

3

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

1

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) ASSISTANCE FOR UNINSURED PATIENTS FOR PRESCRIPTIONS, CAFE VOUCHERS, TRANSPORTATION, MEDICAL EQUIPMENT, AND CANCER TREATMENT TRAVEL ASSISTANCE THERE WERE 441 PRESCRIPTIONS PROVIDED, 703 CAFE VOUCHERS PROVIDED, AND 67 RECIPIENTS OF TRAVEL ASSISTANCE	1215	49,746			

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ALL GRANTS ARE PROVIDED TO PUBLIC CHARITIES FOR GENERAL SUPPORT PIKEVILLE MEDICAL CENTER, INC DOES NOT MONITOR THE USE OF THESE FUNDS BY THESE PUBLIC CHARITIES

Software ID:  
Software Version:  
EIN: 61-0458376  
Name: PIKEVILLE MEDICAL CENTER INC

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SMG FOOD AND BEVERAGE LLC DBA EASTERN KY EXPOSITION CENTER126 MAIN STREET PIKEVILLE,KY 41501	23-2511871		29,611				PRESENTING SPONSORSHIP "LANDAU MURPHY SHOW"
UNITED HELPING HANDS OF PIKEVILLE INCPO BOX 342 PIKEVILLE,KY 41502	31-1075698	501C3	25,000				DONATION FOR EASTERN KY TORNADO VICTIM RELIEF



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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNITE FOUNDATION INC2292 SOUTH HWY 27 SOMERSET,KY 42501	56- 2338443	501C3	12,500				SPONSORSHIP NATIONAL RX DRUG ABUSE SUMMIT EVENT
JENNY WILEY DRAMA ASSOCIATION INC PO BOX 22 PRESTONSBURG,KY 41653	61- 0667976	501C3	10,000				SPONSORSHIP FOR "THE MARVELOUS WONDERETTES"

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AMERICAN HEART ASSOCIATION545 NORTH HIGH ST COLUMBUS, OH 43214	13-5613797	501C3	10,000				DONATION FOR 2012 CENTRAL KY HEART BALL
SOUTHEAST KENTUCKY CHAMBER OF COMMERCE787 HAMBLEY BLVD PIKEVILLE, KY 41501	61-0544068	501C3	5,000				PLATINUM SPONSORSHIP FOR ANNUAL AWARDS CEREMONY & BANQUET

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
KENTUCKY CHAMBER OF COMMERCE464 CHENAULT ROAD FRANKFORT, KY 40601	61-0405718	501C6	10,000				SILVER SPONSORSHIP 8TH ANNUAL BEST PLACES TO WORK & LEADERSHIP INSTITUTE SPONSORSHIP FOR PIKE COUNTY SCHOOL PRINCIPALS
KENTUCKY CHAMBER FOUNDATION INC 464 CHENAULT ROAD FRANKFORT, KY 40601	61-1284992	501C3	9,000				LEADERSHIP INSTITUTE SPONSORSHIP FOR PIKE COUNTY SCHOOL PRINCIPALS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY INC 4324 13TH STREET ASHLAND, KY 41102	13- 1788491	501C3	5,000				RELAY FOR LIFE PIKE COUNTY SPONSORSHIP

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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.

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
  
61-0458376

Part I

Questions Regarding Compensation

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

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.

[illegible]

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 4A	SUSAN SCHNELL RECEIVED SEVERANCE PAYMENTS TOTALING \$38,154 DURING THE 2011 CALENDAR YEAR
	PART I, LINE 5	DR. HALL AND DR. PUGH EARN QUARTERLY BONUSES BASED ON A PERCENTAGE OF THE NET COLLECTIONS OF THE PHYSICIANS PRACTICES OVER 150% OF THEIR BASE COMPENSATION
SUPPLEMENTAL INFORMATION	PART III	PART II: DR. WILLIAM GAUNT RECEIVED COMPENSATION AND BENEFITS FROM THE HOSPITAL FOR HIS EMPLOYMENT AT PIKEVILLE MEDICAL CENTER AS A GENERAL SURGEON. HE WAS NOT COMPENSATED FOR HIS POSITION ON THE BOARD.

Software ID:

Software Version:

EIN: 61-0458376

Name: PIKEVILLE MEDICAL CENTER INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
WILLIAM GAUNT MD	(i) (ii)	142,862 0	22,831 0	150 0	0 0	14,569 0	180,412 0	0 0
WALTER E MAY	(i) (ii)	495,000 0	95,000 0	6,180 0	11,000 0	26,245 0	633,425 0	0 0
MICHELLE HAGY	(i) (ii)	218,909 0	14,724 0	799 0	4,990 0	25,967 0	265,389 0	2,430 0
JUANITA DESKINS	(i) (ii)	250,862 0	48,671 0	1,627 0	4,477 0	26,052 0	331,689 0	2,796 0
CHERYL HICKMAN	(i) (ii)	182,541 0	41,531 0	1,645 0	11,132 0	27,060 0	263,909 0	2,042 0
WILLIAM JOHNSON MD	(i) (ii)	265,525 0	100 0	5,265 0	22,257 0	25,725 0	318,872 0	0 0
ESTELLA CLARK	(i) (ii)	150,000 0	7,999 0	1,086 0	1,949 0	28,885 0	189,919 0	141 0
PEGGY JUSTICE	(i) (ii)	155,000 0	9,867 0	791 0	9,764 0	23,670 0	199,092 0	1,747 0
TERENCE FARRELL	(i) (ii)	179,291 0	9,971 0	230 0	1,346 0	20,036 0	210,874 0	2,255 0
DEBORAH PUCKETT	(i) (ii)	147,014 0	9,359 0	1,376 0	9,261 0	24,060 0	191,070 0	1,657 0
TIM MARTIN	(i) (ii)	165,000 0	10,503 0	1,225 0	3,794 0	25,308 0	205,830 0	1,860 0
MARCUS CONLEY	(i) (ii)	145,000 0	9,230 0	715 0	4,059 0	25,369 0	184,373 0	1,635 0
MARK SWOFFORD MD	(i) (ii)	600,000 0	429,842 0	450 0	8,250 0	2,064 0	1,040,606 0	0 0
DUANE DENSLER MD	(i) (ii)	805,000 0	555,491 0	300 0	8,250 0	24,449 0	1,393,490 0	0 0
NORMAN MAYER MD	(i) (ii)	805,000 0	620,293 0	35,498 0	8,250 0	24,449 0	1,493,490 0	0 0
KEITH HALL MD	(i) (ii)	1,040,273 0	58,080 0	270 0	8,250 0	25,705 0	1,132,578 0	0 0
KEVIN PUGH MD	(i) (ii)	1,033,338 0	100 0	270 0	8,250 0	25,705 0	1,067,663 0	0 0
SUSAN SCHELL	(i) (ii)	98,143 0	7,727 0	38,401 0	0 0	20,445 0	164,716 0	1,747 0



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  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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 CITY OF PIKEVILLE KY	61-6001897	72134PAR3	04-27-2011	90,370,651	SEE BELOW		X		X		X
B CITY OF PIKEVILLE KY	61-6001897	72134PAS1	04-27-2011	45,615,542	SEE BELOW		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds defeased								
3	Total proceeds of issue	90,370,651		45,615,542					
4	Gross proceeds in reserve funds	3,563,671							
5	Capitalized interest from proceeds			1,798,867					
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	1,328,586		297,917					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	28,107,242		42,180,758					
11	Other spent proceeds	44,236,511							
12	Other unspent proceeds	13,134,641		1,338,000					
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?		X		X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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				
2	Are there any lease arrangements that may result in private business use of bond-financed property?				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				
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							
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	1 750 %		0 %					
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	0 %		0 %					
6	Total of lines 4 and 5	1 750 %		0 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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				
2	Is the bond issue a variable rate issue?		X		X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		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
		THE BONDS AND NOTES WERE ISSUED FOR THE PURPOSES OF PROVIDING FUNDS TO BE USED TO 1)FINANCE A PORTION OF THE COSTS OF CERTAIN ADDITIONS, RENOVATIONS, IMPROVEMENTS AND EQUIPMENT FOR PIKEVILLE MEDICAL CENTER 2)REFUND KY ECONOMIC DEVELOPMENT FINANCE AUTHORITY HOSPITAL REVENUE AND REFUND REVENUE BONDS, SERIES 1997 3)RETIRE CERTAIN OUTSTANDING TAXABLE DEBT 4)FUND A DEBT SERVICE RESERVE FUND 5)FUND CAPITALIZED INTEREST DURING CONSTRUCTION OF THE PROJECT AND 6)PAY COST OF ISSUANCE OF THE BONDS

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  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.  
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV

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

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

Part V

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:  
Software Version:  
EIN: 61-0458376  
Name: PIKEVILLE MEDICAL CENTER INC

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
VICKI BELL	DAUGHTER-IN-LAW OF HOBART JOHNSON, PMC BOARD MEMBER	10,142	PIKEVILLE MEDICAL CENTER PURCHASES CATERING SERVICES FOR HOSPITAL FUNCTIONS FROM THIS VENDOR		No
COMMUNITY TRUST BANK	ENTITY OF WHICH BOARD MEMBERS HAVE BUSINESS RELATIONSHIPS	9,693,199	HOBART JOHNSON AND DAVID COLLINS SERVE AS BOARD MEMBERS OF BOTH ENTITIES SERVICES PROVIDED BY COMMUNITY TRUST BANK TO PIKEVILLE MEDICAL CENTER -INTEREST INCOME BANKING SERVICES & FUNDS IN TRUST, \$959,183 19 -SAFE DEPOSIT BOX FEES/LINE OF CREDIT FEES/BOND ACCT MGMT FEES, \$8,065 00 -INSTALLMENT LOAN PAYMENTS, \$8,709,020 79 -ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PIKEVILLE MEDICAL CENTER, \$16,930 00		No
CREATIVE LIGHTING & BATH	HUSBAND OF PATTY THOMPSON, PMC KEY EMPLOYEE OWNS BUSINESS	520,794	PIKEVILLE MEDICAL CENTER PURCHASES CONSTRUCTION/RENOVATION SERVICES AND FURNISHINGS FROM THIS ENTITY - \$520,474 75 -ENTITY PROVIDES ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PIKEVILLE MEDICAL CENTER, \$319 00		No
EAST KY BROADCASTING AND EAST KY RADIO NETWORK (TOTAL OF NINE RADIO STATION	ENTITIES MORE THAN 35% OWNED BY WALTER E MAY, PMC PRESIDENT/CEO	618,933	ENTITIES PROVIDE ADVERTISING SERVICES TO PMC, \$611,681 10 -ENTITIES PROVIDE ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PIKEVILLE MEDICAL CENTER, \$7,251 40		No
KVVW TRAFFIC CONTROL	ENTITY OF WHICH T T COLLEY'S SON IS THE OWNER	12,263	ENTITY PROVIDES PARKING LOT STRIPING SERVICES TO PIKEVILLE MEDICAL CENTER		No
MESA-ER PHYSICIAN GROUP	ENTITY OF WHICH SUE SMALLWOOD'S STEP GRANDSON IS THE MEDICAL DIRECTOR	521,670	THE STEP GRANDSON OF PMC BOARD MEMBER SUE SMALLWOOD IS PIKEVILLE MEDICAL CENTER EMERGENCY DEAPARTMENT MEDICAL DIRECTOR AND AN EMPLOYEE FOR MESA MESA PROVIDES EMERGENCY DEPARTMENT PHYSICIAN SERVICES FOR PIKEVILLE MEDICAL CENTER		No
PAM MAY LAW FIRM PSC	ENTITY MORE THAN 35% OWNED BY WIFE OF WALTER E MAY, PMC PRESIDENT/CEO	1,147,424	FIRM PROVIDES LEGAL SERVICES TO PIKEVILLE MEDICAL CENTER		No
PIKEVILLE RADIOLOGY	ENTITY MORE THAN 35% OWNED BY TWO PMC BOARD MEMBERS	43,246	ALEX POULOS, M D & DENNIS HALBERT, M D ARE PARTNERS OF PIKEVILLE RADIOLOGY WITH WHOM PIKEVILLE MEDICAL CENTER CONTRACTS WITH FOR RADIOLOGY SERVICES		No
US BANK	ENTITY OF WHICH ALEX POULOS, M D IS A BOARD MEMBER	748,485	SERVICES PROVIDED BY US BANK TO PIKEVILLE MEDICAL CENTER -INSTALLMENT LOAN PAYMENTS, \$645,585 69 - RENT, \$102,427 36 - ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PMC, \$472 00		No
ANDREA ALLARA	DAUGHTER OF JOE DEAN ANDERSON, PMC BOARD MEMBER	42,708	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS RADIOLOGY COORDINATOR		No
ROBERT BELL	STEP SON OF HOBART JOHNSON, PMC BOARD MEMBER	100,377	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS NUTRITIONAL SERVICES HEAD CHEF		No
CAMILLA DAMRON	DAUGHTER OF JO NELL ROBINSON, PMC BOARD MEMBER	75,989	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS A SPEECH LANGUAGE PATHOLOGIST		No

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
SARAH HARRIS	DAUGHTER OF CHERYL HICKMAN, PMC KEY EMPLOYEE	67,300	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS IT-PRACTICE PROJECT MANAGER		No
ASHLEY COLLINS JOHNSON	DAUGHTER OF DAVID COLLINS, PMC BOARD MEMBER	65,689	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS MANAGER-EMPLOYEE RELATIONS		No
CINDY MAY JOHNSON	DAUGHTER OF WALTER E MAY, PMC PRESIDENT/CEO	95,325	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS DIRECTOR-MEDICAL LEADER/PUBLIC RELATIONS		No
RANDY L JOHNSON	SON IN LAW OF WALTER E MAY, PMC PRESIDENT/CEO	62,534	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS CHAPLAIN		No
BRANDI MAY	DAUGHTER IN LAW OF WALTER E MAY, PMC PRESIDENT/CEO	38,942	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS PI OUTCOME SPECIALIST		No
KAMINSKI ROBINSON	HUSBAND OF JO NELL ROBINSON, PMC BOARD MEMBER	66,439	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS DIRECTOR-CHAPLAIN SERVICES		No
ANDREA ROBINETTE	STEP DAUGHTER OF WALTER E MAY, PMC PRESIDENT/CEO	16,124	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS PHYSICIAN RECRUITER		No
COLLEY STEVENS	GRANDSON OF T T COLLEY, PMC BOARD MEMBER	60,108	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS ASSISTANT DIRECTOR - VALET SERVICES		No
CORDELL WEATHERFORD	GRANDSON IN LAW OF WALTER E MAY, PMC PRESIDENT/CEO	72,537	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS DIRECTOR-CUSTOMER SERVICE/EMPLOYEE DEVELOPMENT		No
CAROLINA WEATHERFORD DBA CLW EDITIN	GRANDDAUGHTER OF WALTER E MAY, PMC PRESIDENT/CEO	18,750	ENTITY PROVIDES PROOFREADING SERVICES FOR PIKEVILLE MEDICAL CENTER'S MEDICAL LEADER PUBLICATION		No
SUMMIT ENGINEERING	ENTITY OF WHICH PEGGY JUSTICE'S BROTHER IS A PARTNER	28,467	ENTITY PROVIDES ENGINEERING SERVICES TO PIKEVILLE MEDICAL CENTER		No
UNIVERSITY OF PIKEVILLE	ENTITY OF WHICH MARY R SIMPSON IS CHAIR OF THE DIVISION OF NURSING	13,464	PMC BOARD MEMBER MARY R SIMPSON PHD IS CHAIR OF THE UNIVERSITY OF PIKEVILLE DIVISION OF NURSING SERVICES PROVIDED BY UNIVERSITY OF PIKEVILLE TO PIKEVILLE MEDICAL CENTER - ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PMC, \$1,464 00 RENT PAYMENTS TO UNIVERSITY OF PIKEVILLE FOR STORAGE LOT, \$12,000 00		No

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  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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 . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .				
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
OFFICE				
25 Other ► ( FURNITURE )	X	1	7,800	FAIR MARKET VALUE
BUILDING				
26 Other ► ( SUPPLIES )	X	1	22,493	FAIR MARKET VALUE
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 . . . . .

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

Yes

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

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

Cat No 51227J

Schedule M (Form 990) 2011

**Part III**

**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
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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 PIKEVILLE MEDICAL CENTER INC	Employer identification number  61-0458376
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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	DR ALEX POULOS & DR DENNIS HALBERT PARTNERS IN PIKEVILLE RADIOLOGY HOBERT JOHNSON & DAVID COLLINS MEMBERS OF COMMUNITY TRUST BANK BOARD OF DIRECTORS
	FORM 990, PART VI, SECTION B, LINE 11	THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW BY THE CFO AND HOSPITAL ATTORNEY PRIOR TO FILING. ADDITIONALLY, THE GOVERNING BODY REVIEWS AND APPROVES THE FINAL FORM 990 INCLUDING REQUESTED SCHEDULES. COPIES ARE PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY UPON REQUEST.
	FORM 990, PART VI, SECTION B, LINE 12C	AS TO BOARD MEMBERS, UPDATES TO THE CONFLICT OF INTEREST FORMS ARE COMPLETED ANNUALLY WITH VOLUNTARY DISCLOSURE OF CONFLICT ON ANY PARTICULAR ISSUE. THERE IS NO PARTICIPATION, DISCUSSION OR VOTE TAKEN ON THESE, HOWEVER, THE BOARD ATTORNEY IS PROVIDED A COPY OF ALL INTERESTS OF EACH MEMBER TO ENSURE COMPLIANCE WITH THE POLICY. THESE ARE REGULARLY AND CONSISTENTLY MONITORED FOR ANY CHANGES. AS TO EMPLOYEES, THERE IS A WRITTEN CONFLICT OF INTEREST POLICY WHICH TOO IS REGULARLY AND CONSISTENTLY MONITORED AND ENFORCED BY HUMAN RESOURCES AND ADMINISTRATION AS NECESSARY. THIS POLICY IS INTENDED TO IDENTIFY AND RESOLVE CONFLICTS OF INTEREST WHICH MAY OCCUR RELATED TO FINANCIAL, BUSINESS, OR PROFESSIONAL INTERESTS. THE POLICY IS IN PLACE TO IDENTIFY AND RESOLVE A CONFLICT OF INTEREST WHICH MAY OCCUR ANY TIME THERE IS A SITUATION IN WHICH ONE'S ABILITY TO MAKE OBJECTIVE, JOB RELATED BUSINESS DECISIONS MAY BE INFLUENCED BY, OR HAVE THE APPEARANCE OF BEING INFLUENCED BY, OUTSIDE ACTIVITIES OR PERSONAL INTERESTS. POTENTIAL CONFLICTS OF INTEREST MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING: 1. WORKING A SECOND JOB AT A COMPETING HEALTHCARE ENTITY WHICH MAY ALLOW THE TRANSFER OF CONFIDENTIAL BUSINESS INFORMATION OR INFLUENCE REFERRAL PATTERNS. 2. ALLOWING THE DEMANDS OF OUTSIDE ACTIVITIES TO HINDER OR DISTRACT YOU FROM THE PERFORMANCE OF YOUR JOB OR CAUSE YOU TO USE PIKEVILLE MEDICAL CENTER RESOURCES FOR OTHER THAN PIKEVILLE MEDICAL CENTER PURPOSES. 3. HOLDING AN OWNERSHIP INTEREST, MANAGEMENT, OR BOARD OF DIRECTORS POSITION IN A COMPANY WITH WHOM PIKEVILLE MEDICAL CENTER DOES BUSINESS WHICH MAY LEAD TO THE INDIVIDUAL'S PERSONAL GAIN/BENEFIT. "OWNERSHIP INTEREST" MEANS SERVING AS A BOARD DIRECTOR OR OFFICER OR OWNING MORE THAN 5% OF THE BUSINESS OR CORPORATION. 4. HAVING AN IMMEDIATE FAMILY MEMBER OR SIGNIFICANT OTHER WHO HOLDS AN OWNERSHIP INTEREST IN A COMPANY WITH WHOM PIKEVILLE MEDICAL CENTER DOES BUSINESS WHICH MAY LEAD TO THE INDIVIDUAL'S PERSONAL GAIN/BENEFIT. "OWNERSHIP INTEREST" MEANS SERVING AS A BOARD DIRECTOR OR OFFICER OR OWNING MORE THAN 5% OF THE BUSINESS OR CORPORATION. 5. HAVING AN IMMEDIATE FAMILY MEMBER OR SIGNIFICANT OTHER EMPLOYED BY THE PIKEVILLE MEDICAL CENTER AND WORKING WITHIN THE SAME DIRECT LINE OF AUTHORITY (ABOVE OR BELOW) AS THE FIRST EMPLOYEE. IMMEDIATE FAMILY MEMBERS INCLUDE SPOUSES, CHILDREN, GRANDCHILDREN, BROTHERS AND SISTERS AND THE SPOUSES OF THOSE INDIVIDUALS. THE SCOPE OF THIS POLICY INCLUDES PIKEVILLE MEDICAL CENTER AND ALL ITS DEPARTMENTS AND SERVICES WHEREVER LOCATED. THE COVERED INDIVIDUALS ARE TO FOLLOW THESE PROCEDURES: 1. ALL LICENSED CLINICAL STAFF, SUPERVISORS, AND MANAGEMENT PERSONNEL SHALL COMPLETE A DUALITY AND CONFLICT OF INTEREST FORM AT THE TIME OF INITIAL EMPLOYMENT AND ANNUALLY THEREAFTER. 2. EMPLOYEE CONFLICT OF INTEREST FORMS SHALL BE FILED IN THEIR PERSONNEL FILES. 3. IN THE EVENT THAT AN EMPLOYEE'S JOB DESCRIPTION OR DUTIES REQUIRES A BUSINESS RELATED DECISION TO BE MADE IN AN AREA IN WHICH A PERSONAL CONFLICT OF INTEREST HAS BEEN IDENTIFIED, THE EMPLOYEE SHALL NOTIFY HIS/HER SUPERVISOR TO ARRANGE FOR AN ALTERNATIVE DECISION MAKING PROCESS WHICH WILL MAINTAIN OBJECTIVITY AND ELIMINATE PERSONAL BIAS, I.E. PERSONAL WITHDRAWAL FROM THE DECISION MAKING PROCESS, SOLICITATION OF CLOSED BIDS, OR UTILIZATION OF A INDEPENDENT SELECTION COMMITTEE. 4. IF AN ACTUAL, APPARENT, OR POTENTIAL CONFLICT OF ETHICS IS IDENTIFIED INVOLVING PATIENT CARE OR TREATMENT, THE EMPLOYEE SHOULD SEEK ASSISTANCE FROM THEIR SUPERVISOR TO FIND A RESOLUTION WHICH WOULD HAVE MINIMUM IMPACT ON PATIENT CARE, TREATMENT, OR SERVICES.
	FORM 990, PART VI, SECTION B, LINE 15A	THE COMPENSATION COMMITTEE REVIEWS AND APPROVES THE SALARY OF THE ORGANIZATION'S CEO. THE COMMITTEE USES COMPARATIVE DATA FROM NATIONAL SALARY SURVEYS. MOTION AND APPROVALS FROM THE COMMITTEE ARE KEPT IN THE MINUTES.
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES MAKE THE FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 96,091. ROUNDING 3. TOTAL TO FORM 990, PART XI, LINE 5 96,094.
OVERSIGHT OF AUDIT	FORM 990, PART XI, LINE 2C	THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND NO PROCESSES HAVE CHANGED FROM THE PRIOR YEAR.

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

Part I

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

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

Part II

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

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

Part III

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

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

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) PIKEVILLE MEDICAL CENTER FOUNDATION INC 911 BYPASS ROAD PIKEVILLE, KY 41501 61-1274046	INACTIVE	KY	N/A	C	-307	47,040	100 000 %
(2) PIKEVILLE MEDICAL DEVELOPMENT CORPORATION 911 BYPASS ROAD PIKEVILLE, KY 41501 20-2487928	INACTIVE	KY	N/A	C	-173	7,616	100 000 %

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

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

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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**PIKEVILLE MEDICAL CENTER, INC.  
AND SUBSIDIARIES**

**Audited Consolidated Financial Statements  
(and Supplemental Schedules)**

**Years Ended September 30, 2012 and 2011**



**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

***Audited Consolidated Financial Statements (and Supplemental Schedules)***

***Years Ended September 30, 2012 and 2011***

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***Audited Consolidated Financial Statements***

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Pikeville  
Medical Center, Inc.:

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

We have also examined, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the Hospital's internal control over financial reporting as of September 30, 2012, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2013, expressed an unqualified opinion on the Hospital's internal control over financial reporting.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Pushing Yearly: Corporate PC*

Knoxville, Tennessee  
February 20, 2013

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES*****Consolidated Balance Sheets***

	<i>September 30,</i>	
	<i>2012</i>	<i>2011</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	<b>\$ 121,378,336</b>	<b>\$ 120,817,736</b>
Assets limited as to use	<b>9,026,725</b>	<b>7,739,277</b>
Patient accounts receivable, less estimated allowances for doubtful accounts of approximately \$25,200,000 and \$17,700,000 for 2012 and 2011, respectively	<b>49,851,236</b>	<b>38,973,556</b>
Inventories	<b>11,313,528</b>	<b>10,703,097</b>
Prepaid expenses and other assets	<b>12,889,172</b>	<b>3,399,689</b>
<b>TOTAL CURRENT ASSETS</b>	<b>204,458,997</b>	<b>181,633,355</b>
<b>INVESTMENTS</b>	<b>1,393,395</b>	<b>901,240</b>
<b>ASSETS LIMITED AS TO USE, less amounts required to meet current obligations</b>	<b>16,364,808</b>	<b>54,379,599</b>
<b>PROPERTY, BUILDINGS AND EQUIPMENT, net</b>	<b>200,044,908</b>	<b>142,713,315</b>
<b>OTHER ASSETS</b>		
Bond issuance costs, net	<b>1,347,497</b>	<b>1,551,370</b>
Other assets	<b>1,375,439</b>	<b>1,912,134</b>
<b>TOTAL OTHER ASSETS</b>	<b>220,526,047</b>	<b>201,457,658</b>
<b>TOTAL ASSETS</b>	<b>\$ 424,985,044</b>	<b>\$ 383,091,013</b>

	<i>September 30,</i>	
	<i>2012</i>	<i>2011</i>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 3,619,000	\$ 1,793,243
Current portion of other liabilities	770,362	602,650
Accounts payable	21,324,096	14,914,903
Accrued expenses	21,498,363	16,502,983
Estimated amounts due to third-party payors, net	2,781,191	1,385,910
<b>CURRENT LIABILITIES</b>	<b>49,993,012</b>	<b>35,199,689</b>
<b>OTHER LIABILITIES</b>		
Long-term debt, less current portion	138,453,561	134,211,691
Other liabilities	4,944,815	4,702,630
<b>TOTAL LIABILITIES</b>	<b>193,391,388</b>	<b>174,114,010</b>
<b>COMMITMENTS AND CONTINGENCIES - Note K</b>		
<b>NET ASSETS</b>		
Unrestricted	231,387,656	208,771,003
Permanently restricted	206,000	206,000
<b>TOTAL NET ASSETS</b>	<b>231,593,656</b>	<b>208,977,003</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 424,985,044</b>	<b>\$ 383,091,013</b>

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES*****Consolidated Statements of Operations and Changes in Net Assets***

	<b><i>Year Ended September 30,</i></b>	
	<b><i>2012</i></b>	<b><i>2011</i></b>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Unrestricted revenue, gains, and support:		
Net patient service revenue	<b>\$ 386,557,936</b>	<b>\$ 338,216,601</b>
Other revenue, gains, and support and release of restrictions	<b>16,674,025</b>	<b>12,899,428</b>
Net investment gain	<b>1,325,038</b>	<b>1,383,680</b>
Gain on insurance settlement - Note K	<b>2,665,034</b>	<b>6,233,814</b>
<b>TOTAL REVENUE, GAINS AND SUPPORT</b>	<b>407,222,033</b>	<b>358,733,523</b>
<b>EXPENSES:</b>		
Salaries and wages	<b>133,552,541</b>	<b>120,540,540</b>
Employee benefits, including payroll taxes	<b>45,949,952</b>	<b>39,983,450</b>
Supplies and drugs	<b>70,543,088</b>	<b>62,162,081</b>
Purchased services	<b>12,742,043</b>	<b>11,702,942</b>
Professional fees	<b>3,634,195</b>	<b>2,942,137</b>
Administrative and other	<b>32,457,365</b>	<b>27,577,905</b>
Depreciation and amortization	<b>17,893,710</b>	<b>16,915,378</b>
Estimated provision for bad debts	<b>59,915,274</b>	<b>38,576,015</b>
Provider taxes	<b>3,250,004</b>	<b>3,256,359</b>
Interest	<b>4,667,208</b>	<b>3,908,426</b>
<b>TOTAL EXPENSES</b>	<b>384,605,380</b>	<b>327,565,233</b>
<b>EXCESS OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES</b>	<b>22,616,653</b>	<b>31,168,290</b>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
Net assets released from restrictions	<b>-</b>	<b>(20,845)</b>
<b>INCREASE IN NET ASSETS</b>	<b>22,616,653</b>	<b>31,147,445</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>208,977,003</b>	<b>177,829,558</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 231,593,656</b>	<b>\$ 208,977,003</b>

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES*****Consolidated Statements of Cash Flows***

	<b><i>Year Ended September 30,</i></b>	
	<b><i>2012</i></b>	<b><i>2011</i></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	<b>\$ 22,616,653</b>	<b>\$ 31,147,445</b>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	<b>17,893,710</b>	<b>16,915,378</b>
Loss on early extinguishment of debt - Note E	<b>-</b>	<b>798,068</b>
Estimated provision for bad debts	<b>59,915,274</b>	<b>38,576,015</b>
Amortization of bond premium	<b>(456,797)</b>	<b>(190,621)</b>
Change in unrealized gains on assets limited as to use and investments	<b>(96,091)</b>	<b>(168,151)</b>
Change in present value of future medical services to other liabilities	<b>194,499</b>	<b>142,494</b>
Loss (gain) on disposal of property, buildings and equipment	<b>674,757</b>	<b>(20,748)</b>
(Increase) decrease in cash due to changes in:		
Patient accounts receivable	<b>(70,792,954)</b>	<b>(47,970,405)</b>
Inventories	<b>(610,431)</b>	<b>(546,698)</b>
Prepaid expenses and other assets	<b>(9,083,640)</b>	<b>(1,108,814)</b>
Other assets	<b>-</b>	<b>4,719</b>
Accounts payable	<b>5,631,143</b>	<b>897,499</b>
Accrued expenses	<b>4,995,380</b>	<b>(1,623,500)</b>
Estimated amounts due to third-party payors, net	<b>1,395,281</b>	<b>138,833</b>
Other liabilities	<b>648,963</b>	<b>393,582</b>
Total adjustments	<b>10,309,094</b>	<b>6,237,651</b>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<b>32,925,747</b>	<b>37,385,096</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, buildings and equipment, net	<b>(74,851,980)</b>	<b>(30,754,920)</b>
Proceeds from disposals of property, buildings and equipment	<b>64,695</b>	<b>694,908</b>
Additions to intangible assets	<b>-</b>	<b>(108,521)</b>
Purchases of assets limited as to use and investments	<b>(9,491,893)</b>	<b>(144,865,804)</b>
Proceeds from sale of assets limited as to use and investments	<b>45,823,172</b>	<b>89,163,838</b>
NET CASH USED IN INVESTING ACTIVITIES	<b>(38,456,006)</b>	<b>(85,870,499)</b>

	<i>Year Ended September 30,</i>	
	<i>2012</i>	<i>2011</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on other liabilities for settlement agreement	<b>(433,565)</b>	(380,494)
Payment of bond issuance costs	-	(1,637,364)
Proceeds from issuance of long-term debt	<b>8,693,652</b>	135,986,193
Principal payments on long-term debt	<b>(2,169,228)</b>	(48,138,015)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<b>6,090,859</b>	85,830,320
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>560,600</b>	37,344,917
CASH AND CASH EQUIVALENTS, beginning of year	<b>120,817,736</b>	83,472,819
CASH AND CASH EQUIVALENTS, end of year	<b>\$ 121,378,336</b>	\$ 120,817,736

**SUPPLEMENTAL INFORMATION AND NON-CASH TRANSACTIONS:  
INFORMATION**

Cash paid for interest	<b>\$ 6,793,566</b>	<b>\$ 4,248,708</b>
Capital related payables in accounts payable	<b>\$ 6,672,787</b>	<b>\$ 5,894,737</b>

## **PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

### ***Notes to Consolidated Financial Statements***

***Years Ended September 30, 2012 and 2011***

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#### **NOTE A--THE ENTITY**

***Organization:*** The consolidated financial statements include the financial statements of Pikeville Medical Center, Inc. and its wholly owned subsidiaries Pikeville Medical Center Foundation, Inc. (the Foundation), and Pikeville Medical Development Corporation (collectively, the Hospital). All significant intercompany balances and transactions have been eliminated in consolidation. Pikeville Medical Center, Inc. was incorporated in 1922 as a Christian benevolent and charitable institution and currently has 261 licensed beds. Patient services include acute, rehabilitative, intensive, neonatal, nursery, and outpatient care. For purposes of display, all transactions are classified as operating as the Hospital considers all transactions to be central to the provision of healthcare services.

#### **NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Cash and Cash Equivalents:*** Cash and cash equivalents include certain investments in highly liquid debt instruments which are stated at fair value. Cash and cash equivalents also include repurchase agreements with a financial institution which have contractual terms in excess of 90 days, but which settle frequently. Cash and cash equivalents designated as assets limited as to use or uninvested amounts included in investment portfolios are not included in the consolidated balance sheets as cash and cash equivalents. Substantially all of the Hospital's cash and cash equivalents are covered by federal depository insurance or collateralized with securities held by the bank.

***Inventories:*** Inventories (primarily medical supplies) are stated at the lower of cost or market on a first-in, first-out basis.

***Assets Limited as to Use and Investments:*** Assets limited as to use consist of investments held by a trustee under the terms of bond indentures. Assets limited as to use that are required for obligations classified as current liabilities or amounts to be paid during the subsequent year are reported as current assets. These funds are invested primarily in cash equivalents and U.S. government and agency securities. Investments consist of mutual funds and other securities held in a 457(b) deferred compensation plan (Note G).

All assets limited as to use and investments with readily determinable market values are reported at fair value. 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. Gains and



## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2012 and 2011*

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#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

losses on the sale of investments and assets whose use is limited are computed using the specific identification method for cost determination.

The Hospital's investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the estimated values of investments could occur in the near term and that such changes could materially affect the investment amounts reported in the accompanying consolidated balance sheets.

*Property, Buildings, and Equipment:* Property, buildings, and equipment are recorded at cost. Property, buildings and equipment acquired in connection with business combinations are recorded at estimated fair value. Depreciation expense is computed primarily by the straight-line method over the estimated useful lives of the related assets (4-40 years for buildings and improvements and 5-15 years for equipment). Renewals and betterments are capitalized and depreciated over their estimated useful lives, whereas repair and maintenance expenditures are expensed as incurred. Interest cost incurred on borrowed funds during the period of construction of capital assets of approximately \$1,755,110 and \$569,000 for the years ended September 30, 2012 and 2011, respectively, is capitalized as a component of the cost of acquiring those assets. When required, impairment losses on assets to be held and used or disposed of other than by sale are recognized based on the estimated fair value of the asset. There was no impairment recognized by the Hospital during the years ended September 30, 2012 and 2011. Property, buildings, and equipment to be disposed of by sale are reported at the lower of their carrying amount or fair value less cost to sell.

*Bond Issuance Costs:* Bond issuance costs are being amortized over the life of the bond issue using a method that approximates the interest method. Bond issuance costs are net of accumulated amortization of approximately \$290,000 and \$86,000 as of September 30, 2012 and 2011, respectively). As discussed in Note E, during 2011 the Hospital wrote-off bond issuance costs of \$2,152,062, net of \$1,353,994 of accumulated amortization, in connection with early extinguishment of debt.

*Net Patient Service Revenue/Receivables:* Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments 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. Laws and regulations governing the Medicare and Medicaid programs are extremely 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.

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### Years Ended September 30, 2012 and 2011

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#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Patient accounts receivable are reported net of both an estimated allowance for doubtful accounts and an allowance for contractual adjustments. The contractual allowance represents the difference between established billing rates and estimated reimbursement from Medicare, Medicaid and other third-party payment programs. Current operations are charged with an estimated provision for bad debts based upon historical experience, aging of receivables and any unusual circumstances which affect the collectibility of receivables, including management's assumptions about conditions it expects to exist and courses of action it expects to take. The Hospital's policy does not require collateral or other security for patient accounts receivable. The Hospital routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies.

*Charity Care:* The Hospital provides charity care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patient and subsequent analysis. Since the Hospital does not expect payment, estimated charges for charity care are not reported in revenue. Charges foregone, based on established rates, totaled approximately \$41,630,000 and \$38,411,000 in 2012 and 2011, respectively. The estimated direct and indirect cost of providing these services totaled approximately \$9,829,000 and \$9,665,000 in 2012 and 2011, respectively. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

*Temporarily and Permanently Restricted Net Assets:* Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

*Donor-Restricted Gifts:* Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Gifts, grants and bequests not restricted by donors are reported as unrestricted donations.

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2012 and 2011*

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#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Provider Tax:* The Hospital is required to pay a healthcare provider tax pursuant to legislation passed by the Commonwealth of Kentucky. The tax levied is for the purpose of providing funding for the Commonwealth of Kentucky Medicaid program.

*Income Taxes:* The Hospital has received a determination from the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation and the Pikeville Medical Center Development Corporation are taxable entities to which applicable corporate income taxes apply. No income taxes were owed by the Foundation or the Pikeville Medical Center Development Corporation for the years ended September 30, 2012 and 2011. The Hospital had no uncertain tax positions at September 30, 2012 and 2011.

*Subsequent Events:* The Hospital evaluated all events or transactions that occurred after October 1, 2012, through February 20, 2013, the date the consolidated financial statements were available to be issued. During this period management did not note any material recognizable subsequent events that required recognition or disclosure in the September 30, 2012 consolidated financial statements, other than as discussed in Note E.

*New Accounting Pronouncements:* In July 2011, the FASB issued ASU 2011-07, *Healthcare Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Healthcare Entities*, which will require certain healthcare entities to reclassify the provision for bad debts associated with providing patient care from an operating expense to a deduction from net patient service revenue in the statement of operations and changes in net assets. Additionally, ASU 2011-07 requires enhanced disclosures about an entity's policies for recognizing revenue and assessing bad debts and qualitative and quantitative information about changes in the allowance for doubtful accounts. The Hospital intends to adopt ASU 2011-07 beginning October 1, 2012. Management does not expect the adoption of ASU 2011-07 to have a material impact on the consolidated financial statements.

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

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities - Presentation of Insurance Claims and Related Insurance Recoveries*. The amendments in ASU 2010-24 clarify that a

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2012 and 2011*

#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

healthcare entity may not net insurance recoveries against related claim liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. The Hospital adopted the provisions of ASU 2010-24 prospectively during 2012. The adoption of ASU 2010-24 increased prepaid expenses and other assets and accrued expenses by approximately \$2,974,000 in the 2012 consolidated balance sheet and had no impact on the 2012 consolidated statement of operations and changes in net assets.

#### NOTE C--CONCENTRATIONS OF RISK

The Hospital is located in Pikeville, Kentucky and the Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. Admitting physicians are primarily practitioners in the local area.

The percentages of gross receivables from patients and third-party payors as of September 30 were as follows:

	<i>2012</i>	<i>2011</i>
Medicare	42%	44%
Medicaid	23%	12%
Other third-party payors	21%	24%
Patients	14%	20%
Total	100%	100%

The percentages of gross revenues from patients and third-party payors for the year ending September 30 were as follows:

	<i>2012</i>	<i>2011</i>
Medicare	50%	49%
Medicaid	17%	18%
Other third-party payors	27%	28%
Patients	6%	5%
Total	100%	100%

During 2012, the Hospital recognized approximately \$2,301,000 and \$1,179,000 from Medicare and the Commonwealth of Kentucky Medicaid program, respectively, related to the implementation and

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements - Continued

### Years Ended September 30, 2012 and 2011

#### NOTE C--CONCENTRATIONS OF RISK - Continued

meaningful use of electronic medical records as provided by the Health Information Technology for Economics and Clinical Health (HITECH) Act. A receivable of approximately \$3,480,000 related to this funding is included in prepaid expenses and other assets in the accompanying 2012 consolidated balance sheet. These amounts are subject to future audit and adjustment. Any future payments under this program are expected to be at a lesser amount.

#### NOTE D--PROPERTY, BUILDINGS AND EQUIPMENT

	2012	2011
Land	\$ 7,343,349	\$ 5,495,937
Buildings and improvement	126,637,135	114,340,518
Equipment	117,071,614	103,937,091
	251,052,098	223,773,546
Less: Accumulated depreciation	(119,798,796)	(107,746,213)
	131,253,302	116,027,333
Construction-in-progress	68,791,606	26,685,982
	<u>\$ 200,044,908</u>	<u>\$ 142,713,315</u>

Depreciation expense for the years ended September 30, 2012 and 2011 was approximately \$16,833,000 and \$15,955,000, respectively. The Hospital had outstanding purchase commitments on capital projects totaling approximately \$57,962,000 at September 30, 2012.

#### NOTE E--LONG-TERM DEBT

Long-term debt consists of the following at September 30:

Description	Maturities	Rates	Outstanding Balance	
			2012	2011
2011 Hospital Improvement and Refunding Revenue Bonds, net of unamortized premium of \$339,812 and \$361,377 at September 30, 2012 and 2011, respectively	\$34,075,000 serially, through March 1, 2024 \$8,190,000 term certificates, due March 1, 2026 \$15,245,000 term certificates, due March 1, 2031 \$30,890,000 term certificates, due March 1, 2041	4.00% to 6.25% 5.75% 6.25% 6.50%	\$ 88,739,812	\$ 90,361,377

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements - Continued

### Years Ended September 30, 2012 and 2011

#### NOTE E--LONG-TERM DEBT - Continued

Description	Maturities	Rates	Outstanding Balance	
			2012	2011
2011 Hospital Improvement Revenue Bond Anticipation Notes, net of unamortized premium of \$398,963 and \$834,195 at September 30, 2012 and 2011, respectively	\$44,600,000 term certificate, due September 1, 2013	3.00%	44,998,963	45,434,195
Note payable, collateralized by vehicles with a net book value of \$129,587 as of September 30, 2012	Due in monthly installments with final payment due October 5, 2012	3.95%	16,142	209,362
Note payable, collateralized by medical equipment with a net book value of \$5,637,578 as of September 30, 2012	Monthly principal and interest payments of \$99,458 beginning July 2012 maturing June 2017	3.90%	5,167,640	-
Notes payable, collateralized by real estate with a net book value of \$2,233,642 as of September 30, 2012	Monthly principal and interest payments of \$10,908 beginning February 2012 maturing January 2032	4.00%	1,760,277	-
Note payable, collateralized by real estate with a net book value of \$7,162,496 as of September 30, 2012	Monthly principal and interest payments of \$22,100 beginning June 2012 maturing May 2017	4.00%	1,127,237	-
Capital lease, collateralized by medical equipment with a net book value of \$235,023 as of September 30, 2012	Monthly payments of \$7,927 beginning August 2012 through July 2015	5.02% (imputed)	250,730	-
Capital lease, collateralized by medical equipment with a net book value of \$46,750 as of September 30, 2012	Semi-annual payments of \$4,185 beginning September 2012 through March 2014	6.59%	11,760	-
			142,072,561	136,004,934
Less current portion			(3,619,000)	(1,793,243)
			<u>\$ 138,453,561</u>	<u>\$ 134,211,691</u>

**Series 2011 Bonds and Notes:** In April 2011, the Hospital issued \$90,000,000 Refunding Revenue Bonds (the Series 2011 Bonds) and \$44,600,000 Revenue Bond Anticipation Notes (the Series 2011 Notes) through the City of Pikeville, Kentucky. Proceeds of the Series 2011 Bonds were used by the Hospital to refinance outstanding indebtedness, including the Series 1997 Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds (the Series 1997 Bonds) and certain bank loans, to finance or refinance the cost of certain additions, extensions and improvements to the Hospital's medical facilities, fund debt service reserve funds and pay costs of issuance. The Series 2011 Bonds are uninsured and subject to optional, mandatory and extraordinary redemption prior to maturity as described in the Master Indenture and require sinking fund payments ranging from \$1,875,000 to \$4,770,000 beginning in 2025 through 2041. Proceeds of the Series 2011 Notes were used to finance the cost of issuance as well as the acquisition, development, construction and maintenance of a medical office building and multi-level parking garage on an interim basis. The Series 2011 Notes are subject to extraordinary redemption prior to maturity as described in the Master Indenture.

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2012 and 2011*

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#### NOTE E--LONG-TERM DEBT - Continued

*Series 1997 Bonds:* The Series 1997 Bonds were subject to optional redemption and were repaid from proceeds of the Series 2011 Bonds. The Hospital recognized a \$798,068 loss in 2011 on early extinguishment of debt representing the write off of previously deferred and unamortized financing costs related to the refinanced Series 1997 issue. The loss is included in administrative and other expenses in the accompanying 2011 consolidated statement of operations and changes in net assets.

The required annual principal payments on long-term debt for the years subsequent to September 30, 2012, excluding principal payments on the Series 2011 Notes which are expected to be refinanced, are as follows:

<i><u>Year Ending September 30,</u></i>	
2013	\$ 3,619,000
2014	3,750,280
2015	3,878,713
2016	3,587,196
2017	3,747,468
Thereafter	<u>78,151,130</u>
	96,733,787
Net premium	<u>339,812</u>
	<u><u>\$ 97,073,599</u></u>

Management anticipates that the Series 2011 Notes will be redeemed and permanent financing in the amount of \$44,602,500 will be provided by the United States Department of Agriculture, Rural Development (USDA) prior to or on August 1, 2013. In December 2012 the Hospital filed a Letter of Intent to Meet Conditions with the USDA to apply for additional funding in the amount of \$45,000,000.

The Hospital has granted and pledged to the Master Trustee a security interest in all gross receipts (as defined in the Master Indenture) and a mortgage on, and security interest in, certain of its medical facilities related to the payment of obligations issued or secured under the Master Indenture. The terms of the Master Indenture and related debt agreements contain financial and other covenants with which the Hospital must comply. Management believes the Hospital was in compliance with all such covenants at September 30, 2012.

In connection with the tax-exempt Series 2011 Bonds and Notes, the Hospital is required every five years, and at maturity, to remit to the Internal Revenue Service amounts which are due related to

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2012 and 2011*

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#### NOTE E--LONG-TERM DEBT - Continued

positive arbitrage on the borrowed funds. The Hospital intends to perform such computations when required and will recognize any liability at that time. Management does not believe there are any significant arbitrage liabilities at September 30, 2012.

#### NOTE F--OPERATING LEASES

The Hospital has certain equipment which is leased under non-cancelable operating leases. Approximate minimum rental payments are as follows:

<i>Year Ending September 30,</i>	
2013	\$ 1,336,000
2014	735,000
2015	539,000
2016	513,000
2017	321,000
Thereafter	227,000
Total	<u>\$ 3,671,000</u>

Rental expense under operating leases was approximately \$1,566,000 and \$1,316,000 in 2012 and 2011, respectively.

#### NOTE G--EMPLOYEE BENEFIT PLANS

The Hospital established a 403(b) defined contribution plan, effective January 1, 2004. The Hospital matches 50% of employees' contributions up to 10% of an employee's salary. The Hospital's expense was approximately \$1,907,000 and \$1,663,000 during 2012 and 2011, respectively.

The Hospital established a 457(b) deferred compensation plan, (the Plan) effective March 1, 2008, for certain employees. Included in investments in the accompanying consolidated balance sheets as of September 30, 2012 and 2011, is approximately \$1,393,000 and \$900,000, respectively, of investments with a corresponding amount of other long-term liabilities for the amount of cumulative employee compensation that was elected by such employees to be deferred for this Plan, as well as the corresponding cumulative gains and losses on such investments. During the years ended September 30, 2012 and 2011, approximately \$418,000 and \$332,000, respectively, was expensed as compensation in connection with this Plan.



## **PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

### ***Notes to Consolidated Financial Statements - Continued***

***Years Ended September 30, 2012 and 2011***

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#### **NOTE H--RELATED PARTY TRANSACTIONS**

The Hospital enters into transactions in the normal course of business with various other companies, certain of whose directors, officers, or immediate family are also directors or immediate family members of the directors at the Hospital. Donations and interest and dividends earned from companies associated with Board members totaled approximately \$1,065,000 and \$1,133,000, in 2012 and 2011, respectively. Purchased services and rental payments associated with Board members totaled approximately \$3,249,000 and \$2,579,000 in 2012 and 2011, respectively. Board members refrain from discussion and abstain from voting on transactions with entities with which they are related.

#### **NOTE I--FUNCTIONAL EXPENSES**

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

#### **NOTE J--FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

*Other Liabilities:* It is not practical to estimate the fair market value of other liabilities due to uncertainty of when these amounts may be paid.

*Long-Term Debt:* The fair value of long-term debt is estimated based upon quotes obtained from brokers for bonds and discounted future cash flows using current market rates for other debt. The estimated fair value and carrying value of long-term debt was approximately \$152,634,000 and \$138,454,000, respectively, at September 30, 2012. The estimated fair value and carrying value of long-term debt was approximately \$142,386,000 and \$135,796,000, respectively, at September 30, 2011.

ASC 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements - Continued

### Years Ended September 30, 2012 and 2011

#### NOTE J--FAIR VALUE OF FINANCIAL INSTRUMENTS – Continued

value measurements. In accordance with ASC 820, the Hospital classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At September 30, 2012 and 2011, the fair value of the Hospital's financial instruments that are required to be measured at fair value on a recurring basis in accordance with ASC 820, disclosed by major category on the basis of the nature and risk, is as follows:

	<i>Quoted Prices in Active Market (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Significant Unobservable Inputs (Level 3)</i>	<i>Total</i>
<b>September 30, 2012</b>				
Cash and cash equivalents	\$ -	\$ 136,110,802	\$ -	\$ 136,110,802
U.S. Treasury and agency obligations	-	11,491,790	-	11,491,790
Mutual funds - Domestic Funds	903,263	-	-	903,263
Mutual funds - International Funds	221,956	-	-	221,956
<b>Total assets</b>	<b>\$ 1,125,219</b>	<b>\$ 147,602,592</b>	<b>\$ -</b>	<b>\$ 148,727,811</b>
<b>September 30, 2011</b>				
Cash and cash equivalents	\$ -	\$ 129,927,427	\$ -	\$ 129,927,427
U.S. Treasury and agency obligations	-	53,966,908	-	53,966,908
Mutual funds - Domestic Funds	584,247	-	-	584,247
Mutual funds - International Funds	148,602	-	-	148,602
Other	-	155,458	-	155,458
<b>Total assets</b>	<b>\$ 732,849</b>	<b>\$ 184,049,793</b>	<b>\$ -</b>	<b>\$ 184,782,642</b>

There were no significant assets or liabilities that were re-measured at fair value on a non-recurring basis during the years ended September 30, 2012 and 2011.

#### NOTE K--COMMITMENTS AND CONTINGENCIES

There are certain lawsuits or claims pending against the Hospital resulting from the ordinary course of its business. The Hospital provides for costs relating to these matters when a loss is probable and the amount is reasonably estimable. While it is not possible to predict with certainty the ultimate

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### Years Ended September 30, 2012 and 2011

#### NOTE K--COMMITMENTS AND CONTINGENCIES - Continued

outcome of these pending matters, management believes that the ultimate resolution of such matters will not have a material adverse effect on the financial position, operations, or cash flows of the Hospital.

*Settlement Agreement:* In 2004, the Hospital entered into a settlement agreement with a patient, providing for a cash payment of \$3,250,000, annual payments of \$300,000 for 11 years, and an agreement to provide certain medical services for the life of the patient. The liability has been reduced by the cost savings of performing the services at the Hospital and is recorded in other liabilities in the accompanying consolidated balance sheets. The liability is updated annually based on payments made and adjustments to net present value.

The summary of activity for the related liability is as follows:

Balance, October 1, 2010	\$ 2,386,410
Payments	(380,494)
Change in present value for future medical services	<u>142,494</u>
Balance, September 30, 2011	2,148,410
Payments	(433,565)
Change in present value for future medical services	<u>194,499</u>
Balance, September 30, 2012	<u><u>\$ 1,909,344</u></u>

*Insurance:* The Hospital maintains commercial insurance on for medical malpractice liabilities. The claims-made policy has a \$250,000 deductible on individual claims up to a maximum liability of \$1,000,000 and \$3,000,000 in the aggregate annually. In addition, the Hospital maintains umbrella policies in the amount of \$11,000,000, individual and in the aggregate.

The Hospital is substantially self-insured for workers' compensation claims and has established estimated liabilities for reported claims. The Hospital has excess coverage insurance covering claims exceeding \$1,000,000. Hospital management has estimated and accrued for the cost of asserted claims based on historical data. No accrual for claims incurred but not reported is recorded in the accompanying consolidated financial statements as management is not able to estimate such amounts.

The Hospital was previously insured for workers' compensation and medical malpractice claims through a commercial insurer which became insolvent prior to 2011. The Hospital recognized settlements of approximately \$2,665,000 and \$6,234,000 in 2012 and 2011, respectively, from this

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2012 and 2011*

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#### NOTE K--COMMITMENTS AND CONTINGENCIES - Continued

insurer for claims asserted during the insured period, which were previously paid by the Hospital. A receivable of approximately \$2,465,000 related to these settlements is included in prepaid expenses and other assets in the accompanying 2012 consolidated balance sheet.

*Employee Benefits:* The Hospital is self-insured for employee health claims under a health insurance program. Claims payable, as well as management's estimate for claims incurred but not reported is included as part of accrued expenses in the accompanying consolidated balance sheets.

*Third Party Reimbursement:* The Hospital has agreements with various third party payors that provide for payments to the Hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third party payors is recorded as a reduction of gross patient service charges. Revenue for patient service charges have been adjusted to the amounts estimated to be receivable under third party payor arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2013. Net patient service revenue for the year ended September 30, 2012 decreased by approximately \$535,000 due to adjustments of estimates or final settlements of prior periods. The impact of adjustments of estimates and final settlements of prior periods on net patient service revenue for the year ended September 30, 2011 was not significant.

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

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

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Consolidating Balance Sheet

September 30, 2012

	Obligated Group*	Pikeville Medical Development Corporation	Pikeville Medical Center Foundation, Inc.	Eliminations	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 121,323,680	\$ 7,616	\$ 47,040	\$ -	\$ 121,378,336
Assets limited as to use	9,026,725	-	-	-	9,026,725
Patient accounts receivable, less estimated allowances for doubtful accounts	49,851,236	-	-	-	49,851,236
Inventories	11,313,528	-	-	-	11,313,528
Prepaid expenses and other assets	13,572,291	-	-	(683,119)	12,889,172
<b>TOTAL CURRENT ASSETS</b>	<b>205,087,460</b>	<b>7,616</b>	<b>47,040</b>	<b>(683,119)</b>	<b>204,458,997</b>
<b>INVESTMENTS</b>					
ASSETS LIMITED AS TO USE, less amounts required to meet current obligations	2,233,473	-	-	(840,078)	1,393,395
<b>PROPERTY, BUILDINGS AND EQUIPMENT, net</b>	<b>16,364,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,364,808</b>
<b>OTHER ASSETS</b>					
Bond issuance costs, net	1,347,497	-	-	-	1,347,497
Other assets	1,375,439	-	-	-	1,375,439
<b>TOTAL OTHER ASSETS</b>	<b>221,366,125</b>	<b>-</b>	<b>-</b>	<b>(840,078)</b>	<b>220,526,047</b>
<b>TOTAL ASSETS</b>	<b>\$ 426,453,585</b>	<b>\$ 7,616</b>	<b>\$ 47,040</b>	<b>\$ (1,523,197)</b>	<b>\$ 424,985,044</b>

\* Pikeville Medical Center, Inc.

See internal control report and note to supplemental schedules.

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Consolidating Balance Sheet - Continued

September 30, 2012

	Obligated Group*	Pikeville Medical Development Corporation	Pikeville Medical Center Foundation, Inc.	Eliminations	Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current portion of long-term debt	\$ 3,619,000	\$ -	\$ -	\$ -	3,619,000
Current portion of other liabilities	770,362	-	-	-	770,362
Accounts payable	21,324,096	-	683,119	(683,119)	21,324,096
Accrued expenses	21,498,363	-	-	-	21,498,363
Estimated amounts due to third-party payors, net	2,781,191	-	-	-	2,781,191
<b>TOTAL CURRENT LIABILITIES</b>	<b>49,993,012</b>	<b>-</b>	<b>683,119</b>	<b>(683,119)</b>	<b>49,993,012</b>
<b>OTHER LIABILITIES</b>					
Long-term debt, less current portion	138,453,561	-	-	-	138,453,561
Other liabilities	4,944,815	-	-	-	4,944,815
<b>TOTAL LIABILITIES</b>	<b>193,391,388</b>	<b>-</b>	<b>683,119</b>	<b>(683,119)</b>	<b>193,391,388</b>
<b>NET ASSETS (DEFICIT)</b>					
Unrestricted	232,856,197	7,616	(636,079)	(840,078)	231,387,656
Permanently restricted	206,000	-	-	-	206,000
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>233,062,197</b>	<b>7,616</b>	<b>(636,079)</b>	<b>(840,078)</b>	<b>231,593,656</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 426,453,585</b>	<b>\$ 7,616</b>	<b>\$ 47,040</b>	<b>\$ (1,523,197)</b>	<b>\$ 424,985,044</b>

\* Pikeville Medical Center, Inc.

See internal control report and note to supplemental schedules.

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

***Consolidating Statement of Operations and Changes in Net Assets***

***Year Ended September 30, 2012***

	<b><i>Obligated Group*</i></b>	<b><i>Pikeville Medical Development Corporation</i></b>	<b><i>Pikeville Medical Center Foundation, Inc.</i></b>	<b><i>Eliminations</i></b>	<b><i>Total</i></b>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>					
Unrestricted revenue, gains and support:					
Net patient service revenue	\$ 386,557,936	\$ -	\$ -	\$ -	\$ 386,557,936
Other revenue, gains, and support and release of restrictions	16,674,025	-	-	-	16,674,025
Net investment gain	1,325,030	8	-	-	1,325,038
Gain on insurance settlement	2,665,034	-	-	-	2,665,034
<b>TOTAL REVENUE, GAINS AND SUPPORT</b>	<b>407,222,025</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>407,222,033</b>
<b>EXPENSES:</b>					
Salaries and wages	133,552,541	-	-	-	133,552,541
Employee benefits, including payroll taxes	45,949,771	181	-	-	45,949,952
Supplies and drugs	70,543,088	-	-	-	70,543,088
Purchased services	12,742,043	-	-	-	12,742,043
Professional fees	3,634,195	-	-	-	3,634,195
Administrative and other	32,457,058	-	307	-	32,457,365
Depreciation and amortization	17,893,710	-	-	-	17,893,710
Estimated provision for bad debts	59,915,274	-	-	-	59,915,274
Provider taxes	3,250,004	-	-	-	3,250,004
Interest	4,667,208	-	-	-	4,667,208
<b>TOTAL EXPENSES</b>	<b>384,604,892</b>	<b>181</b>	<b>307</b>	<b>-</b>	<b>384,605,380</b>
<b>EXCESS (DEFICIT) OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES</b>	<b>22,617,133</b>	<b>(173)</b>	<b>(307)</b>	<b>-</b>	<b>22,616,653</b>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<b>210,445,064</b>	<b>7,789</b>	<b>(635,772)</b>	<b>(840,078)</b>	<b>208,977,003</b>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ 233,062,197</b>	<b>\$ 7,616</b>	<b>\$ (636,079)</b>	<b>\$ (840,078)</b>	<b>\$ 231,593,656</b>

\* Pikeville Medical Center, Inc.

## **PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

### ***Note to Supplemental Schedules***

***Year Ended September 30, 2012***

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#### **NOTE A--OBLIGATED GROUP**

In accordance with the Master Trust Indenture between Pikeville Medical Center, Inc. and Community Trust Bank, Inc., as Master Trustee, Pikeville Medical Center, Inc. (the Hospital) is the sole member of the Obligated Group. As described in Note E to the consolidated financial statements, the Hospital has granted and pledged to the Master Trustee a security interest in all gross receipts (as defined in the Master Indenture) and a mortgage on, and security interest in, certain of its medical facilities related to payment of obligations issued or secured under the Master Indenture.

Wholly owned subsidiaries of the Hospital, Pikeville Medical Center Foundation, Inc. and Pikeville Medical Development Corporation, are not pledged to secure the payment of the outstanding bonds as they are not part of the Obligated Group. As such, the Hospital has not accounted for its investment in these subsidiaries in the supplemental consolidating balance sheet.