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

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If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

4a (Code) (Expenses \$ 508,969,754 including grants of \$ 572,960) (Revenue \$ 584,479,319)

AS THE REGIONAL HEALTH CARE LEADER, CENTRA HEALTH, INC 'S COMMITMENT TO THE CENTRAL VIRGINIA REGION EXTENDS FAR BEYOND THE WALLS OF ITS HEALTH SYSTEM FACILITIES. CENTRA HEALTH, INC (CENTRA) HAS BEEN BRINGING BABIES INTO THE WORLD, TREATING THE ILL AND INJURED, SAVING LIVES AND ENHANCING HEALTH FOR 25 YEARS, AND HAS EARNED MANY NATIONAL AWARDS AND ACCOLADES FOR ITS QUALITY OF CARE. PLEASE SEE THE CONTINUATION OF OUR PROGRAM SERVICE ACCOMPLISHMENTS ON SCHEDULE O.

[illegible][illegible]

4e	Total program service expenses	508,969,754
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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)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	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 United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	407	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	6,330	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
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?	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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		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?		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?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	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		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?		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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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	Yes	
b	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	VA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	Lewis C Addison 1920 Atherholt Road Lynchburg, VA (434) 200-4708

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

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

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

[illegible]

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								12,082,040	255,287	929,379

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 309

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 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)	(B)	(C)
Name and business address	Description of services	Compensation
Medical Associates of Central Virgi , 2215 Landover Place Lynchburg VA 24501	Physician Services	9,002,954
Heritage Healthcare , 536 Old Howell Road Greenville SC 29615	Therapy Mgmt Svcs	4,473,329
Virginia Hospital Laundry , 1601 Oliver Hill Way Richmond VA 23219	Laundry/Linen Svcs	2,322,334
McDermott Will Emery , 227 West Monroe St Suite 4400 Chicago IL 60606	Attorneys	1,979,395
Lynchburg Pulmonary Associates , 2011 Bates Springs Road Lynchburg VA 24501	Physician Services	1,585,125

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 ►25

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	2,886,881			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	914,699			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		3,801,580			
Program Service Revenue			Business Code				
	2a	Net Patient Service Revenue	621400	566,411,723	556,921,091	9,490,632	
	b	Ancillary Services	900099	16,584,979	16,584,979		
	c	Tuition & Education	611600	13,491,442	13,491,442		
	d	Controlled Entities	900099	-2,522,193	-2,522,193		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		593,965,951			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		6,491,084		6,491,084	
	4	Income from investment of tax-exempt bond proceeds . . .		0			
	5	Royalties		0			
	6a	Gross rents	(i) Real	(ii) Personal			
			1,405,608				
			1,144,502				
			261,106	0			
	d	Net rental income or (loss)		261,106		261,106	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			21,503,593	13,140			
			21,503,593	13,140			
	d	Net gain or (loss)		21,516,733		21,516,733	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events . . .		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities . . .		0			
	10a	Gross sales of inventory, less returns and allowances	a				
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory . . .		0				
Miscellaneous Revenue		Business Code					
11a	Cafeteria/Vending/Dietary	722210	2,503,847			2,503,847	
b	SUBSIDIARY MGMT FEE	541610	405,628			405,628	
c							
d	All other revenue						
e	Total. Add lines 11a-11d		2,909,475				
12	Total revenue. See Instructions		628,945,929	584,475,319	9,490,632	31,178,398	

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).

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

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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.	572,960	572,960		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	6,945,207	1,246,446	5,698,761	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	250,336,634	241,110,884	9,225,750	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	8,983,257	8,320,086	663,171	
9	Other employee benefits.	41,684,627	38,511,277	3,173,350	
10	Payroll taxes.	22,724,786	21,047,174	1,677,612	
11	Fees for services (non-employees):				
a	Management.	1,784,292	1,577,007	207,285	
b	Legal.	5,114,782	2,121,971	2,992,811	
c	Accounting.	166,612	27,019	139,593	
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	1,153,948		1,153,948	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	59,454,607	47,806,410	11,648,197	
12	Advertising and promotion.	2,633,015	2,458,407	174,608	
13	Office expenses.	28,988,660	27,805,217	1,183,443	
14	Information technology.	14,745,066		14,745,066	
15	Royalties.	0			
16	Occupancy.	8,288,360	7,850,870	437,490	
17	Travel.	1,475,843	1,414,393	61,450	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	2,004,253	1,680,994	323,259	
20	Interest.	5,482,503	5,482,503		
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	35,005,721	21,972,195	13,033,526	
23	Insurance.	3,758,745	3,714,362	44,383	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Medical Supplies	54,550,311	54,537,836	12,475	
b	DRUGS	18,099,925	18,099,925		
c	BOND COST AMORTIZATION	1,611,818	1,611,818		
d					
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	575,565,932	508,969,754	66,596,178	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		39,049,580	1	36,625,883
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		55,972,775	4	55,697,323
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	711
	7	Notes and loans receivable, net		144,188	7	144,188
	8	Inventories for sale or use		12,845,821	8	13,039,209
	9	Prepaid expenses and deferred charges		2,282,407	9	3,951,635
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a688,978,768			
	b	Less accumulated depreciation	10b441,642,842	243,080,047	10c	247,335,926
	11	Investments—publicly traded securities		274,845,806	11	307,966,129
	12	Investments—other securities See Part IV, line 11		99,082,682	12	117,608,871
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		12,098,305	15	19,197,371
	16	Total assets. Add lines 1 through 15 (must equal line 34)		739,401,611	16	801,567,246
Liabilities	17	Accounts payable and accrued expenses		59,515,625	17	60,433,237
	18	Grants payable		0	18	0
	19	Deferred revenue		802,131	19	957,905
	20	Tax-exempt bond liabilities		219,322,395	20	211,963,596
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		111,384,033	25	117,432,854
	26	Total liabilities. Add lines 17 through 25		391,024,184	26	390,787,592
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		300,220,897	27	359,013,094
	28	Temporarily restricted net assets		18,358,152	28	21,968,182
	29	Permanently restricted net assets		29,798,378	29	29,798,378
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		348,377,427	33	410,779,654
	34	Total liabilities and net assets/fund balances		739,401,611	34	801,567,246

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	628,945,929
2	Total expenses (must equal Part IX, column (A), line 25)	2	575,565,932
3	Revenue less expenses Subtract line 2 from line 1	3	53,379,997
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	348,377,427
5	Net unrealized gains (losses) on investments	5	8,542,384
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	479,846
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	410,779,654

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?	Yes	
3b	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	Yes	

Additional Data

Software ID:

Software Version:

EIN: 54-0715569

Name: Centra Health Inc

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Kirsten Huber MD Director	0 0 50 0	X						0	255,287	14,212
Kenneth S White Chairman of the Board	2 0 0 0	X		X				0	0	0
Thomas W Nygaard MD Vice Chairman of the Board	50 0 0 0	X		X				403,802	0	25,065
Albert M Baker MD Director	2 0 0 0	X						0	0	0
Michael V Bradford Director	2 0 0 0	X						0	0	0
Rev William Coleman Director	2 0 0 0	X						0	0	0
Robert D Cook MD Director	50 0 0 0	X						367,030	0	21,533
Michael Diminick MD Director	2 0 0 0	X						0	0	0
Julie P Doyle Director	2 0 0 0	X						0	0	0
Rodger W Fauber Director	2 0 0 0	X						0	0	0
Stuart C Fauber Director	2 0 0 0	X						0	0	0
John A Fees Director THROUGH 5/12	2 0 0 0	X						0	0	0
Laura L Hamilton Director	2 0 0 0	X						0	0	0
Sharon L Harrup Director	2 0 0 0	X						0	0	0
Terry H Jamerson Director	2 0 0 0	X						0	0	0
Stephen C Keith EdD Director	2 0 0 0	X						0	0	0
Augustus A Petticolas Jr DDS Director	2 0 0 0	X						0	0	0
Charles W Pryor Jr PhD Director	2 0 0 0	X						0	0	0
Amy G Ray Director	2 0 0 0	X						0	0	0
Marc A Schewel Director	2 0 0 0	X						0	0	0
Kirkham W Sydnor III MD Director	2 0 0 0	X						0	0	0
Walker P Sydnor Director	2 0 0 0	X						0	0	0
Chris Thomson MD Director	50 0 0 0	X						389,343	0	39,674
J Scott Wade MD Director	2 0 0 0	X						0	0	0
R Sackett Wood Director	2 0 0 0	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Consuella K Woods Director	2 0 0 0	X						0	0	0
W Michael Bryant President/CEO	50 0 0 0	X		X				696,459	0	138,509
Lewis C Addison Treasurer & Senior VP/CFO	50 0 0 0			X				545,928	0	80,642
Thomas C Jividen Secretary/Executive VP	50 0 0 0			X				867,384	0	28,517
David D Adams Sr VP-Post Acute Care & CSO	50 0 0 0				X			400,683	0	65,451
Patti S McCue ScEd Sr VP-Patient Care Svcs	50 0 0 0				X			399,169	0	47,460
E W Tibbs Sr VP of Operations	50 0 0 0				X			459,940	0	92,603
David W Frantz MD MD Cardiovascular	50 0 0 0				X			597,395	0	33,347
Christopher W Lewis MD MD Cardiovascular	50 0 0 0				X			664,503	0	30,168
Harry E Meador VP-Cardiovascular Services	50 0 0 0				X			240,305	0	48,718
David B Truitte MD MD Cardiovascular	50 0 0 0				X			573,235	0	55,753
Carl M Valentine MD MD Cardiovascular	50 0 0 0					X		653,261	0	50,200
Daniel Carey MD MD Cardiovascular	50 0 0 0					X		668,458	0	48,529
Matthew C Sackett MD MD Cardiovascular	50 0 0 0					X		682,197	0	39,930
Katrina Murphy MD MD Neurosurgery	50 0 0 0					X		724,972	0	30,708
Dilantha Ellegala MD MD Neurosurgery	50 0 0 0					X		874,630	0	35,691
George W Dawson Former Centra CEO & Officer	0 0 0 0						X	1,873,346	0	2,669

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

2012

Open to Public Inspection

Name of the organization
Centra Health Inc

Employer identification number
54-0715569

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

An organization that normally receives (1) more than 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

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 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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14		
15 Public support percentage for 2011 Schedule A, Part II, line 14	15		
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			▶
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			▶
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			▶

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15		
16 Public support percentage from 2011 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2012. 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—2011. 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Centra Health Inc	Employer identification number 54-0715569
---	--

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

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If “Yes,” describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	☐ Yes ☐ No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

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?		☐ Yes	☐ No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		40,295
j	Total. Add lines 1c through 1i.			40,295
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1(I)	ATTENDANCE AT VIRGINIA HOSPITAL & HEALTHCARE ASSOCIATION 2012 LEGISLATIVE ISSUES CONFERENCES (REGISTRATION EXPENSES, HOTEL, TRAVEL, & MEALS) \$ 1,217. A PORTION OF THE ORGANIZATION'S HOSPITAL ASSOCIATION DUES FOR 2012 WERE ATTRIBUTABLE TO LOBBYING EXPENSES. THIS AMOUNT WAS \$ 39,078.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization Centra Health Inc	Employer identification number 54-0715569
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes☐ No	

Part II

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

1

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

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

2

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

	Held at the End of the 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, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes☐ No

6

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

7

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

8

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

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶\$ _____

(ii) Assets included in Form 990, Part X

▶\$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶\$ _____

b

Assets included in Form 990, Part X

▶\$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

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 XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance	29,734,229	29,734,229	29,734,229	43,467,313
b	Contributions				420,000
c	Net investment earnings, gains, and losses	293,321	374,984	336,616	324,058
d	Grants or scholarships				
e	Other expenditures for facilities and programs	293,321	374,984	336,616	324,058
f	Administrative expenses				
g	End of year balance	29,734,229	29,734,229	29,734,229	29,734,229

2

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

a

Board designated or quasi-endowment

3 090 %

b

Permanent endowment

96 910 %

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	11,902,554		11,902,554
b	Buildings	336,685,679	192,653,267	144,032,412
c	Leasehold improvements	16,770,845	9,982,202	6,788,643
d	Equipment	307,047,001	239,007,373	68,039,628
e	Other	16,572,689		16,572,689
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				247,335,926

Schedule D (Form 990) 2012

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

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

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

Identifier	Return Reference	Explanation
ENDOWMENT	PART V, LINE 4	THE ENDOWMENT INCLUDES BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS AS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS, INCLUDING FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS, ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR-IMPOSTED RESTRICTIONS. THE FOUNDATION HAS A POLICY OF REQUESTING FOR DISTRIBUTION EACH YEAR EITHER NET INCOME OF THE ASSET OR A PERCENTAGE OF THE ASSETS AVERAGE FAIR VALUE WHICH RESULTS IN AN AVERAGE NET CASH DISTRIBUTION OF 2.4% OF TOTAL ASSETS. ACCORDINGLY, OVER THE LONG TERM, THE FOUNDATION EXPECTS THE CURRENT SPENDING POLICY TO ALLOW ITS ENDOWMENT TO GROW AT AN AVERAGE OF 4.3% ANNUALLY. THIS IS CONSISTENT WITH THE FOUNDATION'S OBJECTIVE TO MAINTAIN THE PURCHASING POWER OF THE ENDOWMENT ASSETS HELD IN PERPETUITY AS WELL AS TO PROVIDE ADDITIONAL REAL GROWTH THROUGH NEW GIFTS AND INVESTMENT RETURN.
PART X, LINE 2		CENTRA HEALTH, INC., CENTRA HEALTH FOUNDATION, CCRC, INC., AND SOUTHSIDE COMMUNITY HOSPITAL INC., ARE EXEMPT FROM INCOME TAX UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE. ACCORDINGLY, NO INCOME TAXES HAVE BEEN PROVIDED FOR THESE ENTITIES IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS EXCEPT FOR TAXES RELATED TO CERTAIN UNRELATED BUSINESS INCOME ENGAGED IN BY CENTRA. CENTRA MEDICAL GROUP LLC, CENTRA HEALTH CARDIOVASCULAR SERVICES LLC, CENTRA HEALTH EMERGENCY SERVICES LLC AND CENTRAL VIRGINIA HOSPITAL FOR RESTORATIVE AND REHABILITATIVE CARE, LLC ARE DISREGARDED FOR FEDERAL INCOME TAX PURPOSES AND THEREFORE ARE INCLUDED UNDER CENTRA'S TAX RETURN. CENTRA HAS ADOPTED RELEVANT ACCOUNTING STANDARDS RELATED TO TAXES FOR ITS SUBSIDIARY, GENERAL BUSINESS CONCERNS, INC. UNDER THE ASSET AND LIABILITY METHOD FOR THESE STANDARDS, DEFERRED TAX ASSETS AND LIABILITIES ARE RECOGNIZED FOR THE TEMPORARY DIFFERENCES BETWEEN THE FINANCIAL STATEMENT CARRYING AMOUNTS AND THE TAX BASIS OF THE SUBSIDIARY'S ASSETS AND LIABILITIES AT INCOME TAX RATES EXPECTED TO BE IN EFFECT WHEN SUCH AMOUNTS ARE REALIZED OR SETTLED. THE EFFECT ON DEFERRED TAX ASSETS AND LIABILITIES OF A CHANGE IN TAX RATES IS RECOGNIZED IN EARNINGS IN THE PERIOD THAT INCLUDES THE ENACTMENT DATE. CENTRA HEALTH INDEMNITY COMPANY LLC IS WHOLLY OWNED BY CENTRA HEALTH, INC. ANY LIABILITY FOR TAXES ARE PASSED THROUGH TO CENTRA HEALTH, INC. A PROVISION WILL BE MADE WHEN OPERATIONS OF THIS SUBSIDIARY INDICATES A LIABILITY FOR TAXES EFFECTIVE JANUARY 1, 2009, CENTRA ADOPTED THE FINANCIAL ACCOUNTING STANDARDS BOARD'S ("FASB") AUTHORITATIVE GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES. THE GUIDANCE CLARIFIES THE ACCOUNTING FOR THE RECOGNITION AND MEASUREMENT OF THE BENEFITS OF INDIVIDUAL TAX POSITIONS IN THE FINANCIAL STATEMENTS. TAX POSITIONS MUST MEET A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT IN ORDER FOR THE BENEFIT OF THOSE TAX POSITIONS TO BE RECOGNIZED IN THE ACCOMPANYING FINANCIAL STATEMENTS. CENTRA HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF DECEMBER 31, 2012. THE ADOPTION OF THE GUIDANCE DID NOT HAVE A MATERIAL EFFECT ON CENTRA'S FINANCIAL POSITION OR RESULTS OF OPERATIONS.

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

2012

Open to Public Inspection

Name of the organization
Centra Health Inc

Employer identification number
54-0715569

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			22,518,165		22,518,165	3 910 %
b Medicaid (from Worksheet 3, column a)			86,077,786	63,729,709	22,348,077	3 880 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .						
d Total Financial Assistance and Means-Tested Government Programs .			108,595,951	63,729,709	44,866,242	7 790 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			410,431		410,431	0 070 %
f Health professions education (from Worksheet 5)			8,334,261	8,077,473	256,788	0 040 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,058,026		1,058,026	0 180 %
j Total. Other Benefits			9,802,718	8,077,473	1,725,245	0 290 %
k Total. Add lines 7d and 7j .			118,398,669	71,807,182	46,591,487	8 080 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements		3,865		3,865	
5	Leadership development and training for community members		211		211	
6	Coalition building		3,451		3,451	
7	Community health improvement advocacy		421		421	
8	Workforce development					
9	Other					
10	Total		7,948		7,948	

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

29,303,233

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

14,757,563

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

255,002,871

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

283,771,238

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-28,768,367

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.
☒ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—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	Piedmont Community H	Health Insurance	50.000 %	50.000 %
2	Central Virginia Ima	Imaging Services	50.000 %	50.000 %
3	The Surgery Center o	Outpatient Surgery	50.000 %	1.000 % 49.000 %
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
3

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Lynchburg General Hospital 1901 Tate Springs Road Lynchburg, VA 24501	X	X					X			
2	Virginia Baptist Hospital 3300 Rivermont Avenue Lynchburg, VA 24503	X	X								
3	Centra Specialty Hospital 3300 Rivermont Avenue Lynchburg, VA 24503	X								Long Term Acute Care	

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Lynchburg General HOSPITAL

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	
a ☐ A definition of the community served by the hospital facility		
b ☐ Demographics of the community		
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☐ How data was obtained		
e ☐ The health needs of the community		
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☐ The process for consulting with persons representing the community's interests		
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 CHNA 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 CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
a ☐ Hospital facility's website		
b ☐ Available upon request from the hospital facility		
c ☐ Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a ☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b ☐ Execution of the implementation strategy		
c ☐ Participation in the development of a community-wide plan		
d ☐ Participation in the execution of a community-wide plan		
e ☐ Inclusion of a community benefit section in operational plans		
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA		
g ☐ Prioritization of health needs in its community		
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i ☐ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a ☒ Income level			
b ☒ Asset level			
c ☒ Medical indigency			
d ☒ Insurance status			
e ☒ Uninsured discount			
f ☒ Medicaid/Medicare			
g ☒ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 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)		14	Yes
a ☒ The policy was posted on the hospital facility's website			
b ☒ The policy was attached to billing invoices			
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☒ The policy was posted in the hospital facility's admissions offices			
e ☒ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☒ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 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		17	No
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

- 18
- Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a

☐

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☐

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☐

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	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	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility's policy was not in writing		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Virginia Baptist Hospital

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

2

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	
a ☐ A definition of the community served by the hospital facility		
b ☐ Demographics of the community		
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☐ How data was obtained		
e ☐ The health needs of the community		
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☐ The process for consulting with persons representing the community's interests		
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 CHNA 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 CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
a ☐ Hospital facility's website		
b ☐ Available upon request from the hospital facility		
c ☐ Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a ☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b ☐ Execution of the implementation strategy		
c ☐ Participation in the development of a community-wide plan		
d ☐ Participation in the execution of a community-wide plan		
e ☐ Inclusion of a community benefit section in operational plans		
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA		
g ☐ Prioritization of health needs in its community		
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i ☐ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9 Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used		10 Yes	
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used		11 Yes	
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12 Yes	
a ☒ Income level			
b ☒ Asset level			
c ☒ Medical indigency			
d ☒ Insurance status			
e ☒ Uninsured discount			
f ☒ Medicaid/Medicare			
g ☒ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13 Yes	
14 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)		14 Yes	
a ☒ The policy was posted on the hospital facility's website			
b ☒ The policy was attached to billing invoices			
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☒ The policy was posted in the hospital facility's admissions offices			
e ☒ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☒ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?		15 Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 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		17	No
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

- 18
- Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a

☐

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☐

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☐

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	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	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility's policy was not in writing		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Centra Specialty Hospital

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

3

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	
a ☐ A definition of the community served by the hospital facility		
b ☐ Demographics of the community		
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☐ How data was obtained		
e ☐ The health needs of the community		
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☐ The process for consulting with persons representing the community's interests		
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 CHNA 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 CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
a ☐ Hospital facility's website		
b ☐ Available upon request from the hospital facility		
c ☐ Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a ☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b ☐ Execution of the implementation strategy		
c ☐ Participation in the development of a community-wide plan		
d ☐ Participation in the execution of a community-wide plan		
e ☐ Inclusion of a community benefit section in operational plans		
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA		
g ☐ Prioritization of health needs in its community		
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i ☐ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a ☒ Income level			
b ☒ Asset level			
c ☒ Medical indigency			
d ☒ Insurance status			
e ☒ Uninsured discount			
f ☒ Medicaid/Medicare			
g ☒ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 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)		14	Yes
a ☒ The policy was posted on the hospital facility's website			
b ☒ The policy was attached to billing invoices			
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☒ The policy was posted in the hospital facility's admissions offices			
e ☒ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☒ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 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		17	No
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

- 18
- Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a

☐

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☐

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☐

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	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		No
a	☒ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility's policy was not in writing		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	☒ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	☐ Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals 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	21	No
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI	22	No

Part V

Facility Information (continued)

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

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

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

47

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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's 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
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
Part II		Centra Health, Inc knows the importance of maintaining a strong relationship with the community it serves Centra continuously works to seek out ways in which we can support the community Here are a fewEXAMPLES CENTRA HEALTH PARTICIPATED IN A BREAST CANCER CLASSIC basketball game to create awareness about breast cancer and to honor its survivors Centra provided staff/volunteers and various supplies (ie catering, bulbs & gardening supplies, etc) for the 24th Annual Walk to Remember (a national pregnancy & infant loss awareness event) A community memorial service, walk, and memorial garden planting were preformed for all community members that wished to attend Centra held a "Clergy & Faith Health Summit" in 2012 Area clergy attended this event to learn what resources are available within the Centra organization which may be beneficial to their parishioners Centra participants answered any questions they may have had regarding the availability of these services and what was provided by the services Also, Centra participated in several HiPE (Healthy people through Prevension and Education) coalition meetings throughout the year These meetings focus on tobacco and substance abuse, childhood obesity, and supporting healthy activities for youth and collaborate with Horizon Behavioral Health, Lynchburg Health Department, area social services, parks & recreations, city schools, family medicine, etc Centra also connected with faith based communities through its Congregational Health programs Centra held several "Congregational Health Promoter" courses throughout 2012 These courses were geared toward all faith based community members in order to provide them with information regarding community resources, chronic illness, and specific strategies to impact the overall health of the community
Part III, Line 4		The organization believes that its procedures concerning the application of its financial assistance policy are sufficiently thorough to exclude all patients who are eligible for charity care from bad debt The organization's financial statements include the following footnote about bad debt "PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR BAD DEBTS/CHARITY THE DIFFERENCE BETWEEN THE DISCOUNTED RATES AND THE AMOUNTS COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR BAD DEBTS/CHARITY "

Identifier	ReturnReference	Explanation
Part III, Line 8		The total amount of Medicare shortfall should be considered a community benefit because Centra Health's mission is to promote health in the community and we do not limit the care available to any of its patients, including those covered by Medicare. We are relieving a government burden by providing care to Medicare patients even though reimbursements were less than the cost to provide service. Total Medicare shortfall for 2012 was \$25,645,144.
Part III, Line 9B		Centra recognizes that medical expenses are often unexpected and cause financial hardship. All accounts with self pay balances will follow the same collection protocols. These protocols are electronically administered through Centra's hospital information system. When an account reaches the end of the system generated collection cycle and meets said criteria, the account balance will be processed as bad debt and reported to a collection agency. Criteria for bad debt will be applied consistently regardless of age, race, or religion.

Identifier	ReturnReference	Explanation
Part V, Section B, Line 18C	Centra Speciality Hospital	Centra Speciality Hospital does not have an Emergency Department due to the nature of the hospital's services
Part VI, Line 2		As a nonprofit health care system, Centra is led by a board of directors of regional community leaders knowledgeable about the health care needs of the population. Centra encourages its executive team and employees to be an integral part of community organizations, not only to offer advice and service, but also to better understand and recognize the needs of the regional community. Centra is working on a formal, in depth Community Health Needs Assessment (CHNA) to better understand how to improve the health of the people it serves. With the assessment, Lynchburg General, Virginia Baptist and Centra Specialty hospitals are in one community and Centra Southside Community Hospital is in the other. Centra is seeking input from the communities and identifying health needs priorities to develop a comprehensive three-year plan to address those needs. Experts say clinical care influences only about 20% of the health of a community. Other influences include social and environmental factors such as education, employment and income levels (40%), health status and behaviors such as diet, smoking and exercise (30%), and physical environment factors such as air/water quality, housing and access to transportation (10%). Through the CHNA, Centra will examine these areas and identify opportunities to make clinical services more responsive to community need and to collaborate with other like minded organizations to improve the other factors that affect the health of the community. The information gleaned can support the strategic plan, ensure Centra's long-range plans are responsive and help guide the awarding of community grants. Centra also has a Community Advisory Board from diverse demographic backgrounds comprised of representatives and leaders from the business, education, government, social services, religious and other communities. Health care needs and requests also are assessed through focus groups, and surveys of community residents and civic leaders as well as hospital and health care system patients. Centra also teams up with agencies and organizations to study community needs and propose the best solutions. Centra's Community Education Committee consists of over 30 community educators who are making continuous contacts in the region and reporting back to the monthly committee meeting. The Physician Advisory Board consists of over 10 community physicians who meet quarterly to discuss community needs and plan to fulfill the need. In addition, a Call Center receives calls and reports to the marketing department for additional requests from the community. CentraHealth.com provides constant feedback from the community, which is addressed immediately. Surveys are conducted at every community event on which the community is able to offer feedback.

Identifier	ReturnReference	Explanation
Part VI, Line 3		Centra takes a multidisciplinary approach to informing our patients and community about financial assistance. Information about financial assistance and charity can be found on Centra's internet page providing full disclosure about qualifications and the application process. Individuals may obtain information and an application from any registration point or customer service unit in person or by phone. Signs are posted in conspicuous locations alerting individuals that financial assistance is available and where to obtain additional information. Brochures about financial assistance are made available in registration and customer service. While patients are hospitalized, a financial counselor provides financial assistance information, screens patients for federal and state programs and gives an opportunity to ask questions. Additionally, an insert about financial assistance is mailed in every uninsured bill and every patient bill, whether uninsured or insured, references availability of financial assistance with contact information on where to obtain more information.
Part VI, Line 4		Centra is a comprehensive health care system covering a service area of 431,373 people. Centra's primary service area (PSA) includes the cities of Lynchburg and Bedford, and the counties of Amherst, Appomattox, Bedford, Campbell, and Pittsylvania. Centra's secondary service area (SSA) includes the counties of Buckingham, Charlotte, Halifax, Nelson, and Prince Edward. The population for the total service area is 431,373, with an ethnic mix of 17.9% black and 77.8% white. The percent of the total PSA/SSA population that is 65 years of age and older is 16.2%. It is projected that by 2017, this same age range of 65 plus will account for 18% of the total PSA/SSA population. The average household income in the PSA/SSA is \$43,831. The current unemployment rate is approximately 6.7% for this service area. Centra promotes the necessity of having a culturally sensitive workforce and provides an overview of the population mix for orientation of new employees. Centra hosts workshops on cultural competence, provides reference books for each patient care area and provides a lesson on cultural diversity as part of yearly mandatory education. There are also chaplains available with experience and training to support clinical staff who might have needs with culturally sensitive issues.

Identifier	ReturnReference	Explanation
Part VI, Line 5		In addition to health education programs and resources, Centra uses its hospital-based departments to implement new ways to improve health care for the region. Here are three examples. (1) Centra started the first nationally certified program to help people receiving treatment and cancer survivors as they heal and recover. With this program, called STAR, cancer patients and survivors can lessen pain, weakness, fatigue, depression and memory loss that can occur with cancer. (2) Centra established its PACE (Program of All-Inclusive Care for the Elderly) in the Lynchburg and Farmville areas to offer adults 55 years of age and older medical care and education that allows them to stay in their own homes. With long-term care expertise gained through hospital-based centers, Centra professionals focus on disease prevention, intervention and wellness. The program is based on the knowledge of professionals who advocate that it is better for seniors with chronic care needs and their families to be served in the community for as long as it is medically safe. Comprehensive services are delivered by an interdisciplinary team of professionals, including a primary care physician, registered nurses, rehabilitation therapists, dietitians and recreation/activity staff. (3) Centra has leveraged its high-bandwidth connectivity across facilities and physician practices to improve the health of the population through the sharing of medical records. With this connectivity, Centra also is able to establish a clinical repository that can be mined to perform true population-based analytics. Also, Centra participates in numerous health fairs throughout the community at local employers, colleges, churches, etc., in order to provide screenings and information on many health issues. For example, blood pressure/diabetes/PSA/bladder screenings, etc., are provided to those who wish to attend. Centra's Mental Health division participates in numerous conferences and meetings throughout the community to lend guidance and support. Some examples of these conferences/meetings are VSHMPR (Virginia Society for Healthcare Marketing & Public Relations), VADAP (Virginia Drug and Alcohol Programs), Lynchburg Junior League, Ethics Conferences, Psychiatric Society of Virginia Distinguished Fellowship Committee, and Gerontology Conferences, etc. These events usually deal with mental health/substance abuse care. An important part of what Centra's Mental Health division does is to serve on boards and committees, and support other organizations who also strive for community health and well-being. Centra's Pathways Treatment Center holds relationship building events between the alums and the program which is used to encourage the alums to continue in their sobriety and lets them know that even though they are alums, we are still connected and invested in them.
Part VI, Line 6		Whether bringing babies into the world, treating the ill and injured, saving lives, enhancing health or providing needed regional programs and support, Centra serves as a key partner in managing and promoting health care throughout its system to ensure care to the regional communities it serves. Disease prevention, treatment and health education are integral parts of what Centra provides to the region. From outstanding medical services to free screenings and programs, Centra expands its hospital walls to offer national award winning health care for its patients while seeking to enhance the health and wellness of residents in its service area. As the regional health care leader, Centra brings a continuous flow of health care services designed to ensure that patients receive care that meets their identified need. Patient care encompasses wellness and prevention, recognition of disease and health problems, patient teaching, patient advocacy, spirituality and research throughout the continuum. This care is delivered through organized and systematic processes designed to ensure safe, effective and timely care and treatment. Due to the way the health care system manages care, Centra continues to move to a higher level by evaluating specific patient outcomes and participating in voluntary national certification programs that examine processes and proficiency. Centra is a major partner in the health of its regional population and takes great pride in providing the facilities, resources, expertise and people to improve the health and wellness of the people of central Virginia. For example, Centra has been instrumental in establishing and supporting medical clinics for the underserved population. These include services for pregnant women and children who otherwise may not receive critical preventive care. Centra also donates laboratory testing, radiology services and equipment. Multidisciplinary teams, including physicians from Centra practices and experts in long-term care and rehabilitation, offer professional health education classes, lectures, seminars, health fairs and health screenings. The health care system also partners with community organizations to co-sponsor dozens of regional events. In addition, dietitians, diabetic instructors and other Centra professionals provide one-on-one health counseling and education for hospital and system patients. The health care system offers a Health Care Careers Camp for teenagers. Students gain hands-on experience with tools in the operating room, enjoy a tour of the hospital's helicopter and hangar and are exposed to many career opportunities. Centra distributes a wealth of printed and online health information through its publications, media stories and interactive website. This information is produced specifically for the regional population and to meet identified needs. As the sole health care system in its service area, Centra uses its hospital-based resources as a valuable vehicle for managing and promoting health care as part of its nonprofit mission.

Identifier	ReturnReference	Explanation
Rosemary and George Dawson Inn		In December 2012, Centra Health opened their new 20-room Rosemary and George Dawson Inn, located in close proximity to Lynchburg General and Virginia Baptist hospitals and the Alan B Pearson Regional Cancer Center. The Inn was designed to provide home-like lodging to patients and their family members who are receiving medical treatment in the Lynchburg area. The operation of the Inn enables family members to be close to their loved ones during their stay at the hospital, likely helping in treatment and recovery from sickness and injury. Demand for more complex surgeries and treatments can require longer hospital stays and a need to find hotel lodging near Lynchburg. Early surgical cases mean an early wake up for patients and families. Some patients wake up before 4 a.m. for a 6 a.m. surgery. Lodging on Centra property for the night before or after can lessen patient anxiety and exhaustion. The Dawson Inn offers families a refuge away from the critical care feel of the hospital while still allowing close proximity.
STATE FILING OF COMMUNITY BENEFIT REPORT	990 SCHEDULE H, PART VI	VA,

Additional Data

Software ID:

Software Version:

EIN: 54-0715569

Name: Centra Health Inc

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

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

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

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

47

Name and address	Type of Facility (describe)
Mammography Center-Timberlake Timberlake Road Lynchburg,VA 24502	Mammography Center
Mammography Center-Tate Springs 1900 Tate Springs Road Suite 1 Lynchburg,VA 24501	Mammography Center
Centra Alan B Pearson Cancer Center 1701 Thompson Drive Lynchburg,VA 24501	Mammography Center
Centra Lab Phlebotomy Center 1900 Tate Springs Road Suite 9 Lynchburg,VA 24501	Mammography Center
Guggenheimer Health & Rehabilitation Ctr 1902 Grace Street Lynchburg,VA 24504	Mammography Center
Fairmont Corssing Health & Rehab Center 173 Brockman Park Drive Amherst,VA 24521	Mammography Center
Summit Health & Rehabilitation Center 1300 Enterprise Drive Lynchburg,VA 24502	Mammography Center
Summit Assisted Living 1320 Enterprise Drive Lynchburg,VA 24502	Mammography Center
Centra Hospice-Lynchburg 2097 Langhorne Road Lynchburg,VA 24501	Mammography Center
Centra Hospice-Farmville 713 Oak Street Farmville,VA 23901	Mammography Center
Centra PACE 407 Federal Street Lynchburg,VA 24504	Mammography Center
Piedmont Psychiatric Center 3300 Rivermont Avenue Lynchburg,VA 24503	Mammography Center
Bridges Treatment Center 693 Leesville Road Lynchburg,VA 24502	Mammography Center
Bridges at Brightwell 1410 Kentmore Farm Rd Madison Heights,VA 24572	Mammography Center
Altavista Medical Center 1280A Main Street Altavista,VA 24517	Mammography Center
Brookneal Medical Center 104 Caroline Ave PO Box 120 Brookneal,VA 24528	Mammography Center
Centra Medical Group - Danville 404 Airport Road Suite C Danville,VA 24540	Mammography Center
Gretna Medical Center 1220 West Gretna Road Gretna,VA 24557	Mammography Center
Lynchburg Internal Medicine 1901 Thomson Drive Lynchburg,VA 24501	Mammography Center
Village Practice - Moneta 4830 Rucker Road Moneta,VA 24121	Mammography Center
Center for Pain Management 3300 Rivermont Avenue Lynchburg,VA 24503	Mammography Center
Wound Care Center 3300 Rivermont Avenue Lynchburg,VA 24503	Mammography Center
Seven Hills Urology 2542 Langhorne Road Lynchburg,VA 24501	Mammography Center
Seven Hills Urology-Oak Vassar Office 1330 Oak Lane Suite 203 Lynchburg,VA 24503	Mammography Center
Seven HILLs Urology-Danville Office 173 Executive Drive Danville,VA 24540	Mammography Center
Seven Hills Urology-Moneta Office 1039 Mayberry Crossing Drive Moneta,VA 24121	Mammography Center
Danville Specialty Clinic 173 Executive Drive Danville,VA 24540	Mammography Center
Dominion Primary Care 110 Exchange St Suite F Danville,VA 24540	Mammography Center
Forest Womens Center 2007 Graves Mill Road Forest,VA 24551	Mammography Center
Liberty University Health Services 1971 University Blvd Lynchburg,VA 24502	Mammography Center

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

How many non-hospital health care facilities did the organization operate during the tax year?
47

Name and address	Type of Facility (describe)
Jamerson YMCA Rehab Center 801 Wyndhurst Drive Lynchburg, VA 24502	Mammography Center
Cardiothoracic Surgery Inc 2015 Tate Springs Road Lynchburg, VA 24501	Mammography Center
The Cardiovascular Group - Main Office 2410 Atherholt Road Lynchburg, VA 24501	Mammography Center
The Cardiovascular Group-Bedford Campus 1613 Oakwood Avenue Bedford, VA 24523	Mammography Center
The Cardiovascular Group-Farmville Campu 900 West Third Street Farmville, VA 23901	Mammography Center
The Cardiovascular Group-Moneta Campus 1039 Mayberry Crossing Drive Suite Moneta, VA 24121	Mammography Center
The Cardiovascular Group-Gretna Campus 1220 West Gretna Road Gretna, VA 24557	Mammography Center
The Cardiovascular Group-Danville Campus 173 Executive Drive Danville, VA 24540	Mammography Center
Vascular Surgery 2410 Atherholt Road Lynchburg, VA 24501	Mammography Center
Centra Health Emergency Physicians 1901 Tate Springs Road Lynchburg, VA 24501	Mammography Center
Central Virginia Imaging LLC 113 Nationwide Drive Lynchburg, VA 24502	Mammography Center
Surgery Center of Lynchburg LLC 2401 Atherholt Road Lynchburg, VA 24501	Mammography Center
Rehab & Geriatric Services 3300 Rivermont Avenue Lynchburg, VA 24503	Mammography Center
Mammography 3300 Rivermont Avenue Lynchburg, VA 24503	Mammography Center
Piedmont PrimeCare-Main 130 Enterprise Drive Danville, VA 24540	Mammography Center
Piedmont PrimeCare-East 404 Airport Drive Suite A Danville, VA 24540	Mammography Center
Village Practice - North 1618 Oakwood Ave Suite 202 Bedford, VA 24523	Mammography Center

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As Filed Data -

DLN: 93493319007433

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
Centra Health Inc

Employer identification number
54-0715569

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes

☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated 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) Amazement Square 27 9th Street Lynchburg, VA 24504	54-1713204	501(c)(3)	10,600	0 N/A		N/A	Charitable contribution
(2) American Cancer Society 2316 Atherholt Road Lynchburg, VA 24501	58-0659875	501(c)(3)	20,000	0 N/A		N/A	Charitable contribution
(3) Big BrothersBig Sisters of Central Virginia 2901 Langhorne Rd Lynchburg, VA 24501	54-0908680	501(c)(3)	12,400	0 N/A		N/A	Charitable contribution
(4) Region 2000 Technology Council 828 Main Street 12th Floor Lynchburg, VA 24504	42-1541117	501(c)(6)	10,000	0 N/A		N/A	COMMUNITY contribution
(5) United Way of Central Virginia 1010 Miller Park Square Lynchburg, VA 24501	54-0505923	501(c)(3)	50,000	0 N/A		N/A	Charitable contribution
(6) Virginia's Region 2000 828 Main Street 12th Floor Lynchburg, VA 24504	54-1859984	501(c)(3)	30,000	0 N/A		N/A	Charitable contribution
(7) Centra Health Foundation 1920 Atherholt Road Lynchburg, VA 24501	54-1604094	501(c)(3)	255,443	0 N/A		N/A	Charitable contribution
(8) Johnson Health Center 320 Federal Street Lynchburg, VA 24504	54-1287905	501(c)(3)	160,000	0 N/A		N/A	Rental contribution

2

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

7

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.
Part III can be duplicated if additional space is needed.

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

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Sch I, Part I, Line 2		Throughout the year, grant requests are submitted to the Executive COMMITTEE FOR THEIR REVIEW AND APPROVAL

Software ID:

Software Version:

EIN: 54-0715569

Name: Centra Health 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
Amazement Square27 9th Street Lynchburg,VA 24504	54-1713204	501(c)(3)	10,600	0	N/A	N/A	Charitable contribution
American Cancer Society 2316 Atherholt Road Lynchburg,VA 24501	58-0659875	501(c)(3)	20,000	0	N/A	N/A	Charitable contribution

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
Big BrothersBig Sisters of Central Virginia2901 Langhorne Rd Lynchburg,VA 24501	54-0908680	501(c)(3)	12,400	0	N/A	N/A	Charitable contribution
Region 2000 Technology Council828 Main Street 12th Floor Lynchburg,VA 24504	42-1541117	501(c)(6)	10,000	0	N/A	N/A	COMMUNITY contribution

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
United Way of Central Virginia1010 Miller Park Square Lynchburg, VA 24501	54-0505923	501(c)(3)	50,000	0	N/A	N/A	Charitable contribution
Virginia's Region 2000828 Main Street 12th Floor Lynchburg, VA 24504	54-1859984	501(c)(3)	30,000	0	N/A	N/A	Charitable contribution

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
Centra Health Foundation 1920 Atherholt Road Lynchburg,VA 24501	54-1604094	501(c)(3)	255,443	0	N/A	N/A	Charitable contribution
Johnson Health Center320 Federal Street Lynchburg,VA 24504	54-1287905	501(c)(3)	160,000	0	N/A	N/A	Rental contribution

Schedule J (Form 990) Department of the Treasury Internal Revenue Service	Compensation Information For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23. ▶ Attach to Form 990. ▶ See separate instructions.	OMB No 1545-0047
		2012
		Open to Public Inspection

Name of the organization Centra Health Inc	Employer identification number 54-0715569
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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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
1b	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 of the expenses described above? If "No," complete Part III to explain			
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?			
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
4a	Receive a severance payment or change-of-control payment?			No
4b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes		
4c	Participate in, or receive payment from, an equity-based compensation arrangement?			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			
5a	The organization?			No
5b	Any related organization?			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			
6a	The organization?			No
6b	Any related organization?			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			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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III			No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?			

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Sch J Supp Info	Part 1 Line 4b	The following individuals received a payout from a Nonqualified Retirement Plan during FY 2012. The amount was included in their W-2 wages. NAME TITLE AMOUNT OF PAYOUT DAVID ADAMS CHIEF STRATEGY OFFICER \$ 22,482 LEWIS ADDISON CENTRA SR VP & CFO \$ 60,922 WILLIAM L BASS, JR CENTRA SOUTHSIDE COMMUNITY HOSPITAL COO & VP (RELATED ORGANIZATION) \$ 17,149 W MICHAEL BRYANT CENTRA PRESIDENT & CEO NONE GEORGE DAWSON FORMER CENTRA PRESIDENT & CEO \$937,248 THOMAS C JIVIDEN CENTRA EXECUTIVE VP \$ 54,534 PATTI S MCCUE CENTRA SR VP, PATIENT CARE SERVICES \$ 30,091 HARRY E MEADOR CENTRA VP, BUSINESS DEVELOPMENT \$ 22,927 KATHRYN M PUMPHREY CENTRA FOUNDTION EXEC VP (RELATED ORG) AND CENTRA VP OF DEVELOPMENT \$ 11,908 E W TIBBS CENTRA SR VP, ACUTE CARE & COO/CENTRA SOUTHSIDE COMMUNITY HOSPITAL PRESIDENT \$ 35,554 The following individuals had amounts deferred into a Nonqualified Retirement Plan in FY 2012. NAME TITLE AMOUNT DEFERRED DAVID ADAMS CHIEF STRATEGY OFFICER \$ 36,900 LEWIS ADDISON CENTRA SR VP & CFO \$ 53,690 WILLIAM L BASS, JR CENTRA SOUTH SIDE COMMUNITY HOSPITAL COO & VP (RELATED ORGANIZATION) \$ 18,420 W MICHAEL BRYANT CENTRA PRESIDENT & CEO \$100,650 GEORGE DAWSON FORMER CENTRA PRESIDENT & CEO NONE THOMAS C JIVIDEN CENTRA EXECUTIVE VP NONE PATTI S MCCUE CENTRA SR VP, PATIENT CARE SERVICES \$ 34,146 HARRY E MEADOR CENTRA VP, BUSINESS DEVELOPMENT \$ 19,420 KATHRYN M PUMPHREY CENTRA FOUNDATION EXEC VP (RELATED ORG) AND CENTRA VP OF DEVELOPMENT \$ 20,000 E W TIBBS CENTRA SR VP, ACUTE CARE & OO/CENTRA SOUTHSIDE COMMUNITY HOSPITAL PRESIDENT \$ 43,156
PART II, COLUMN B(III)		CENTRA HEALTH'S PRESIDENT AND CEO, GEORGE DAWSON, RETIRED IN 2011 AFTER THREE DECADES OF LEADERSHIP. THE AMOUNT REPORTED IN SCHEDULE J, COLUMN B(III) REPRESENTS A PAYOUT OF DEFERRED COMPENSATION EARNED OVER THREE DECADES OF SERVICE TO CENTRA HEALTH AND SUBSIDIARIES.

Software ID:
Software Version:
EIN: 54-0715569
Name: Centra Health 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				
George W Dawson	(i) (ii)	194,077 0	0 0	1,679,269 0	1,500 0	1,169 0	1,876,015 0	937,248 0
Kirsten Huber MD	(i) (ii)	0 237,521	0 1,500	0 16,266	0 6,187	0 8,025	0 269,499	0 0
Thomas W Nygaard MD	(i) (ii)	378,093 0	6,979 0	18,730 0	7,500 0	17,565 0	428,867 0	0 0
Robert D Cook MD	(i) (ii)	279,096 0	44,000 0	43,934 0	6,465 0	15,068 0	388,563 0	0 0
Chris Thomson MD	(i) (ii)	370,926 0	0 0	18,417 0	7,500 0	32,174 0	429,017 0	0 0
W Michael Bryant	(i) (ii)	671,223 0	0 0	25,236 0	108,150 0	30,359 0	834,968 0	0 0
Lewis C Addison	(i) (ii)	378,664 0	75,600 0	91,664 0	60,722 0	19,920 0	626,570 0	60,922 0
Thomas C Jividen	(i) (ii)	488,635 0	263,880 0	114,869 0	7,500 0	21,017 0	895,901 0	105,622 0
Carl M Valentine MD	(i) (ii)	622,340 0	10,843 0	20,078 0	7,411 0	42,789 0	703,461 0	0 0
Daniel Carey MD	(i) (ii)	637,537 0	10,843 0	20,078 0	7,500 0	41,029 0	716,987 0	0 0
Matthew C Sackett MD	(i) (ii)	650,560 0	10,843 0	20,794 0	7,500 0	32,430 0	722,127 0	0 0
Katrina Murphy MD	(i) (ii)	668,967 0	37,409 0	18,596 0	7,500 0	23,208 0	755,680 0	0 0
Dilantha Ellegala MD	(i) (ii)	826,196 0	30,000 0	18,434 0	7,500 0	28,191 0	910,321 0	0 0
David D Adams	(i) (ii)	313,913 0	56,780 0	29,990 0	44,400 0	21,051 0	466,134 0	22,482 0
Patti S McCue ScEd	(i) (ii)	285,165 0	59,000 0	55,004 0	41,646 0	5,814 0	446,629 0	30,091 0
E W Tibbs	(i) (ii)	330,022 0	69,280 0	60,638 0	50,656 0	41,947 0	552,543 0	35,554 0
David W Frantz MD	(i) (ii)	533,835 0	43,750 0	19,810 0	7,500 0	25,847 0	630,742 0	0 0
Christopher W Lewis MD	(i) (ii)	635,064 0	10,843 0	18,596 0	6,019 0	24,149 0	694,671 0	0 0
Harry E Meador	(i) (ii)	189,484 0	18,850 0	31,971 0	25,233 0	23,485 0	289,023 0	22,927 0
David B Truitte MD	(i) (ii)	540,449 0	10,843 0	21,943 0	9,375 0	46,378 0	628,988 0	0 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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Centra Health Inc

Employer identification number
54-0715569

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 Economic Devel Auth OF THE CITY OF LYNCHBURG VA	54-1225193	999999999	12-17-2010	30,000,000	New Construction & EQUIPMENT 2010		X		X		X
B INDUSTRIAL DEVEL AUTH OF COUNTY OF CAMPBELL VA	52-1309406	999999999	04-27-2007	7,500,000	NEW CONSTRUCTION (COUNTY OF CAMPBE		X		X		X
C INDUSTRIAL DEVEL AUTHO OF THE TOWN OF AMHERST	52-1309406	999999999	06-29-2007	8,000,000	NEW CONSTRUCTION (TOWN OF AMHERST)		X		X		X
D INDUSTRIAL DEVEL AUTH OF COUNTY OF APPOMATTOX	54-1864523	999999999	11-29-2007	7,500,000	NEW CONSTRUCTION (COUNTY OF APPOMA		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	3,534,701		1,465,740		1,564,664		1,320,530	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	30,223,487		7,500,000		8,000,000		7,500,000	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	185,914		50,000		60,000		60,000	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	23,486,196		0		0		0	
10	Capital expenditures from proceeds	0		7,450,000		7,940,000		7,440,000	
11	Other spent proceeds	0		0		0		0	
12	Other unspent proceeds	6,551,377		0		0		0	
13	Year of substantial completion	2013		2008		2008		2007	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X		X		X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?		X	X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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	0 00000%		0 00000%		0 00000%		0 00000%	
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 00000%		0 00000%		0 00000%		0 00000%	
6	Total of lines 4 and 5	0 00000%		0 00000%		0 00000%		0 00000%	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 00000%		0 00000%		0 00000%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X		X	

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X			X		X		X
b	Exception to rebate?		X	X		X		X	
c	No rebate due?		X		X		X		X
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X		X		X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	BRANCH BANKING & TRU		0		0			
c	Term of hedge	7							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider	0		0		0		0	
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has 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?	X		X		X		X	

Part VI

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

Identifier	Return Reference	Explanation
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Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI. ▶ Attach to Form 990. ▶ See separate instructions.	OMB No 1545-0047
		2012
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization Centra Health Inc	Employer identification number 54-0715569
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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 Industrial Devel Auth of City of Lynchburg VA	54-1225193	551245GN7	12-08-2004	126,425,000	2004 B,C,F bonds New CONST / CURRE		X		X		X
B Economic Devel Auth of City of Lynchburg VA	54-1225193	551245HA4	09-29-2009	78,950,000	2004 A,D,E bonds CURRENT REFUNDING		X		X		X

Part II

Proceeds

	A	B	C		D	
1 Amount of bonds retired	43,223,243	3,700,000				
2 Amount of bonds legally defeased	0	0				
3 Total proceeds of issue	129,698,243	78,950,000				
4 Gross proceeds in reserve funds	0	0				
5 Capitalized interest from proceeds	10,049,028	0				
6 Proceeds in refunding escrows	0	0				
7 Issuance costs from proceeds	905,203	0				
8 Credit enhancement from proceeds	3,198,000	0				
9 Working capital expenditures from proceeds	0	0				
10 Capital expenditures from proceeds	101,772,759	0				
11 Other spent proceeds	10,500,010	78,950,000				
12 Other unspent proceeds	0	0				
13 Year of substantial completion	2007	2007				
	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 of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
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	0 00000%		0 00000%		%		%	
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 00000%		0 00000%		%		%	
6	Total of lines 4 and 5	0 00000%		0 00000%		%		%	
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 00000%		0 00000%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X				
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X	X					

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?		X		X				
c	No rebate due?	X		X					
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X					
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X				
b	Name of provider	UBS		0					
c	Term of hedge	30							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X				
b	Name of provider	Citigroup Financial		0					
c	Term of GIC	2 5							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has 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?	X		X					

Part VI

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART IV, LINE 2C	0	A REBATE COMPUTATION WAS PERFORMED ON APRIL 8, 2009 FOR THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF LYNCHBURG, VA HOSPITAL AUCTION RATE SECURITIES REFUNDING REVENUE BONDS (CENTRA HEALTH), SERIES 2004A AND SERIES 2004B-F

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, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
Centra Health Inc

Employer identification number
54-0715569

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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) Mark Addison	FAMILY MEMBER OF	to purchase computer		X	840	711		No		No	Yes	
Total ▶ \$						711						

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 assistance	(d) Type of assistance	(e) Purpose 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
Schedule L, Part IV, Business Transactions Involving Interested Persons		(A) Name of Person Lynchburg Pulmonary Associates (B) Relationship Between Interested Person and Organization Board member Albert Baker, MD is partial owner of Lynchburg Pulmonary Associates (C) Amount of Transaction \$1,585,125 (D) Description of Transaction Payments for coverage of patients in critical care units rendered to Centra Health, Inc in Lynchburg, VA (E) Sharing of Organization Revenues? No (A) Name of Person Orthopaedic Center of Central Virginia (B) Relationship Between Interested Person and Organization Board member Michael Diminick, MD is shareholder of Orthopaedic Center of Central Virginia (C) Amount of Transaction \$626,254 (D) Description of Transaction Payment for medical services rendered to Centra Health, Inc (E) Sharing of Organization Revenues? No (A) Name of Person Medical Associates of Central Virginia (B) Relationship Between Interested Person and Organization Board member Scott Wade, MD and Kirkham Sydnor are partial owners of Medical Associates of Central Virginia (C) Amount of Transaction \$9,002,954 (D) Description of Transaction Payment for medical services rendered to Centra Health, Inc (E) Sharing of Organization Revenues? No (A) Name of Person Scott Insurance (B) Relationship Between Interested Person and Organization Board member Walker Sydnor serves as President & Chairman of the Board of Scott Insurance (C) Amount of Transaction \$648,598 (D) Description of Transaction Payment of insurance premiums provided to Centra Health, Inc (E) Sharing of Organization Revenues? No (A) Name of Person Mark C Addison (B) Relationship Between Interested Person and Organization Family member of Lewis Addison, Officer of Centra Health, Inc (C) Amount of Transaction \$29,986 (D) Description of Transaction Compensation as employee of Centra Health, Inc (E) Sharing of Organization Revenues? No (A) Name of Person Mark A McKinney (B) Relationship Between Interested Person and Organization Family member of E W Tibbs, Key Employee of Centra Health, Inc (C) Amount of Transaction \$101,378 (D) Description of Transaction Compensation as employee of Centra Health, Inc (E) Sharing of Organization Revenues? No (A) Name of Person Elizabeth Wade (B) Relationship Between Interested Person and Organization Family member of Scott Wade, MD, Board member of Centra Health, Inc (C) Amount of Transaction \$18,012 (D) Description of Transaction Compensation as employee of Centra Health, Inc (E) Sharing of Organization Revenues? No

Additional Data

Software ID:
Software Version:
EIN: 54-0715569
Name: Centra Health 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
(1) Lynchburg Pulmonary Associates	SEE PART V	1,585,125	SEE PART V		No
(2) ORTHOPAEDIC CTR OF CENTRAL VIRGINIA	SEE PART V	626,254	SEE PART V		No
(3) MEDICAL ASSOCIATES OF CENTRAL VA	SEE PART V	9,002,954	SEE PART V		No
(4) SCOTT INSURANCE	SEE PART V	648,598	SEE PART V		No
(5) MARK C ADDISON	SEE PART V	29,986	SEE PART V		No
(6) Mark A McKinney	SEE PART V	101,378	SEE PART V		No
(7) Elizabeth Wade	SEE PART V	18,012	SEE PART V		No

2012

Open to Public Inspection

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.

Name of the organization Centra Health Inc	Employer identification number 54-0715569
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Identifier	Return Reference	Explanation
Form 990, Part III, Line 4a		As the regional health care leader, Centra Health, Inc 's commitment to the central Virginia region extends far beyond the walls of its health system facilities Centra Health, Inc (Centra) has been bringing babies into the world, treating the ill and injured, saving lives and enhancing health for 25 years, and has earned many national awards and accolades for its quality of care However, just as important is Centra's commitment and dedication to serving as a partner in the regional communities Disease prevention and health education are integral parts of what Centra provides throughout the region From outstanding medical services to free screenings and educational programs, Centra is committed to providing the best health care for its patients and improving the health and wellness of all the residents of central Virginia Centra's community events, offered in collaboration with the Centra Health Foundation and the Centra medical staff, is just one example of Centra's many services to the community In addition, Centra employees dedicate themselves to improving the health and well being of the community by taking an active role in the region, from volunteering for local boards and civic and community organizations to participating in community events and staffing health and wellness fairs Centra is a major partner in the health of the region and takes great pride in providing facilities, resources and expertise to improve the health and wellness of people throughout central Virginia During 2012, Centra received the following national awards and accolades -Centra's Breast Imaging Center has been designated a Breast Imaging Center of Excellence by the American College of Radiology (ARC) for its dedication to improving women's health and for being fully accredited by the ARC in mammography, biopsy and ultrasound -Lynchburg General and Virginia Baptist hospitals were designated as Magnet facilities by the American Nurses Credentialing Center which recognizes excellence in nursing -Centra was awarded a high rating by The Society of Thoracic Surgeons' for quality in cardiac surgery Centra is the only healthcare system in Virginia to have received this award every year since its inception -Centra Lynchburg General and Virginia Baptist hospitals received recognition as one of the Top 100 Most Wired and Top 25 Most Wireless Hospitals in the country by Hospitals & Health Networks magazine -Centra Lynchburg General Hospital's Chest Pain Center has earned Cycle IV Accreditation of the Chest Pain Center, an international accreditation from the Society of Chest Pain Centers for achieving a high level of expertise in caring for patients who arrive with symptoms of a heart attack -Centra Lynchburg General Hospital has earned The Joint Commission's National Certificate of Distinction for Primary Stroke Centers -Centra received re-certification for treatment of acute myocardial infarction (AMI) patients from The Joint Commission -Centra Lynchburg General Hospital is a Level II Trauma Center, offering 24-hour, comprehensive emergency care and transportation services, including air medical transport by the state-of-the-art helicopter, Centra ONE -The Lynchburg General Hospital School of Nursing Diploma Program has received Full Accreditation of Diploma Program from the National League of Nursing Accreditation Council -The Centra Joint Replacement Center received Certification of the Total Knee and Total Hip Replacement Program by The Joint Commission 2012 Community Benefit Highlights -Centra contributed more than \$70 million toward community benefits, including -Traditional Charity Care, which includes health care services to patients who do not have the ability to pay During 2012, \$45,629,442 of charges at an estimated cost of \$22,518,165 was provided to patients of Centra The criteria for determining eligibility for charity assistance focuses on income levels set by the state of Virginia These policies call for providing care free of charge to patients who demonstrate a family income below or equal to 200 percent of the state approved poverty guideline Patients who have a family income of greater than 200 percent to 400 percent of the poverty level are eligible for partial assistance based on a discount schedule that considers both family gross income and account balance Assistance is provided by Centra and from indigent funds made available by Centra Health Foundation - Unpaid Costs of Medicare, which reflects the cost not reimbursed by Medicare for care rendered to Medicare patients, and totaled \$25,645,144 -Unpaid Costs of Medicaid, which reflects the cost not reimbursed by Medicaid for care rendered to Medicaid patients, and totaled \$22,037,432 -Cash/In-Kind Donations, which include contributions made on behalf of Centra to the community and in-kind donations, and totaled \$1,086,526, FY 2012

Identifier	Return Reference	Explanation
Community Education & Health Screenings		Central Virginians benefit from quality health education opportunities and screenings, thanks to the partnership between Centra and the Centra Health Foundation. Included below is a list of selected accomplishments and community support Centra provided in 2012 as a community partner. Centra employees continually offer professional health education programs, classes, lectures, seminars, health fairs and health screenings throughout the region. In addition, dietitians, diabetic instructors and many other professionals at Centra provide "one-on-one" personalized education. In 2012, health education programs and health fairs reached more than 12,000 people. Compassion Fatigue This class presents research, insight and tools on how you can take a load off, and avoid compassion fatigue while caring for others. The program's objective is to recognize the challenges that caregivers face, including emotional, physical and mental pain and fatigue, and most importantly give tools how to focus on healthy self-care and attention to their own needs. Knitting and Crocheting Class /Group This program offers cancer patients, caregivers, and others affected by cancer the opportunity to learn the art of knitting and crocheting. The objective of the class is to provide ways to pass time during treatments, to create donations for patients, and a place to build a support group that meets regularly so that participants have an easy way to connect and build relationships. Pressure Points Class This class was offered as a means of integrative medicine and alternative ways to deal with difficult side effects for cancer patients. The objective of the class was to show the class how to use reflexology points and acupuncture points to ease certain issues such as nausea, anxiety, and constipation, and how you can help yourself by stimulating these points, and was taught by our massage therapist, Jane Simms, M.A., C.M.T. Scrapbooking Class This class provided cancer patients and family members an opportunity to preserve their memories. The objective was to offer ways to keep the snapshots, handmade cards, concert tickets, old family photos, and other sentimental items so that those memories can be passed down for generations. Writing Workshops This series of workshops was a place for those affected by cancer to process their journey on paper. The objective was to provide a safe, open and healing environment to explore yourself on paper, whether it be childhood stories, the start to a memoir, personal reflections, or your cancer journey. They were led by Jeri Watts, Ph.D., Lynchburg College professor of human development and learning. Studies have shown that writing can decrease stress, anxiety, pain and other physical symptoms of illness, as well as improve personal well-being. Cardiac Education and Screenings Various programs within the Stroobants Heart Center offer members of the community free education, screenings and lectures. Through HeartAware, members of the community are able to take the free assessment to determine their individual risk of developing heart disease. Their risks are evaluated by cardiac nurses that determine a plan of action to lower or eliminate these risks. Along with HeartAware, community events, health fairs, lectures, blood pressure and cholesterol screenings are an effective approach to raising awareness and combating heart disease. Health Screenings and Community Health Education Centra provides sponsorship and support of community health education and health screening programs. Health and wellness topics span the health and wellness continuum, addressing both wellness and disease-related issues. Health screenings provided throughout the region include blood sugar, cholesterol, body fat percentage, pulmonary function, PSA for prostate cancer, skin and colorectal cancer, blood pressure screenings and osteoporosis screenings. Mammography screenings are also provided at no charge to women who are underinsured or uninsured. Sleep Disorders Center Outreach The Sleep Disorders Center at Virginia Baptist Hospital participated in numerous health fairs at local businesses and churches in the community. Staff members gave lectures and presentations on sleep disorders. Presentations included information related to healthy sleep habits, the importance of sleep, health risks due to sleep disorders and treatment options. In 2012, approximately 1,500 people were served. The Witness Project The Witness Project is a very important part of the Oncology Breast Navigation Program at Centra. The program targets the underserved in Lynchburg and the surrounding counties. As part of the program, lay health educators and breast cancer survivors train with registered nurses (Breast Navigators), to bring culturally competent programs to women in community settings. The project, part of a national program and the first in Virginia, receives support from Centra, Centra Health Foundation and Susan G. Komen For the Cure. Vouchers for screening

Identifier	Return Reference	Explanation
Community Education & Health Screenings		ening and diagnostic mammograms are also available to uninsured women with financial needs. The Oncology Breast Navigation program through the help of The Witness Project volunteer s served 1,196 people in 2012 through 14 events throughout the year. Community Classes In addition to free screenings, support groups and community outreach, Centra also provided e ducational classes to the community on a broad range of health and wellness topics. Classe s included Family Emergency Care (CPR), Baby Care, Infant Massage, Breast-Feeding, Lamaze, Puberty, Safe Sitter, New Sibling classes, weight management and Smoking Cessation. Suppo rt Groups Support groups-offered to the community without charge-provide a forum for educa tion and the exchange of ideas. These groups address an array of issues including bereavem ent, breast cancer, prostate cancer, sleep disorders and cardiac rehabilitation. Bereaveme nt Support Group Resolve Through Sharing Bereavement Support Group is for parents who have experienced the loss of a baby in pregnancy or infancy, including ectopic pregnancy, misc arriage, stillbirth, medical interruption, neonatal death or SIDS. Parents share their exp eriences and coping strategies and a lending library is available at each meeting. Other b ereavement support groups meet weekly and offer psycho educational support for adults who have experienced the death of a loved one. There is a speaker each week that focuses on a particular aspect of grief (e g physical, emotional, social, spiritual, and approaching h olidays and special days). Each group provides a supportive sharing component for the part icipants who wish to share their experience of grief and is facilitated by a clinical soci al worker who is experienced in grief counseling.

Identifier	Return Reference	Explanation
Breast Cancer Support Group		A breast cancer support group is offered to women diagnosed with breast cancer at any stage of the disease. The support group addresses breast health and related issues of importance to women with breast cancer. This group meets once a month and reached 127 women in 2012. Central Virginia AWAKE (Alert, Well and Keeping Energetic) Support Group: This group offers support and shares information about sleep disorders, treatments, equipment and supplies to improve the quality of sleep. Man To Man: Man To Man is an American Cancer Society educational support group designed to meet the needs of men diagnosed with prostate cancer and spouses or caregivers. This support group meets at the Alan B. Pearson Regional Cancer Center and is supported through our Prostate Cancer Navigation program. Mended Hearts/Cardiac Rehab Support Groups: These cardiac-related support groups offer education and emotional support to cardiac patients and their families. In-kind & Donations: -During 2012, Centra donated over \$396,927 in medical supplies to Gleaning for the World and other various organizations and agencies in the region. -Centra donated school supplies to area schools for underprivileged children, food to the community food drive, and a variety of furniture to the Grace Lodge, Central Virginia Area of Aging, Disabled American Veterans, Habitat for Humanity and many other community service organizations during the year. Centra also allowed community agencies and organizations the use of many of the meeting rooms throughout its facilities. -During 2012, Centra Lab processed 2,873 laboratory tests for Central Virginia Free Clinic clients at no charge. This donated service resulted in a community benefit exceeding \$222,281. -A total of 2,643 meals were provided to the Lynchburg Meals on Wheels Program at a cost of approximately \$7,400.40. Special Needs Projects & Mentoring: Centra provides and promotes many special need projects and mentoring opportunities. Educational opportunities are offered to students in a broad range of professional and technical programs. At Centra, students gain experience in nursing, technical and clinical professions. Several high schools and universities in Virginia rotate students through Centra's facilities with Centra staff members, giving these students the opportunity to train and gain experience in their chosen career fields. Here is a list of special projects Centra supports: - Beds & Bitches, Etc (B A B E) B A B E is a prenatal care incentive program designed in response to Fetal & Infant Mortality Review (FIMR) findings that showed lack of prenatal care was a common risk factor among infant death cases. To increase the number of women who receive early and consistent prenatal care, women who participate in the program receive incentives for compliance with prenatal care. Women with household incomes of \$30,000 or less annually, Medicaid recipients and pregnant teens are eligible. The B A B E program is managed by the Childbirth and Family Education Department at Centra, and receives support from the Children's Miracle Network, and community fund-raising events. A total of 177 new clients participated in the B A B E program in 2012, with a total of 248 visits for new and returning participants. Community Voice - Decreasing African American Infant Mortality: Created as an intervention based on Fetal & Infant Mortality Review (FIMR) findings and a need to address racial disparity in infant mortality rates, Community Voice is a grassroots community-based, community-partnered outreach intervention program designed to help reduce disparities in infant death through implementation of the Taking It to the People curriculum. The curriculum consists of five two-hour sessions and covers basic perinatal health topics and psychosocial issues that impact infant death. Once trained, program participants become lay health advisers and share the information learned with family, friends and people in their individual neighborhoods. During 2012, approximately 3,000 people received perinatal health information through a combination of the following Community Voice activities: -Taught 1 Train the Trainer Session Miami, Florida and processed 13 Community Voice orders resulting in the program bringing in \$31,135.60. -Completed Breastfeeding Certification -Assisted with VBH Bestfed Initiative -Storyboard -Developed Brochure for Childbirth and Family Ed -Developed African American Breastfeeding Brochure -Developed Car Seat Flyer -Assisted with "Life Begins at Centra" Book -Updated Community Voice Materials -Taught 55 Community Voice sessions (11 five-session classes) -Trained 102 Lay Health Advisors -1067 LHA Contacts -Taught 3 Community Safe Sitter classes -Taught 3 Community Breastfeeding Classes -Co-Facilitated 6 Family Emergency Care Classes -Taught 1 Family Emergency Care Class -1 Community Presentation PMI Women's Conference, Topic: Infant Mortality -1 Speaking Engagement: Prematurity Awareness Day at Crossroad

Identifier	Return Reference	Explanation
Breast Cancer Support Group		s Baptist Church -Meetings 4 Health Commissioner's Infant Mortality Workgroup, 1 Centra Diversity Sub-Committee, 2 Community Action Team, 3 Smart Beginnings, 10 College Hill Community Board, 2 Case Review Team, 3 Breastfeeding Coalition -Attended 3 Community Events National Night Out, I am Woman Race, Juneteenth -Attended 3 Healthfairs YMCA Healthfair, Diamond Hill Community Center Healthfair, Genworth Healthfair, -Developed 8 Bulletin Board -Manned BABe Store -Researched Grants -Managed CV Website and Facebook page -Developed consumer education flyers for bestfed initiative -Weekly recruitment and outreach activities

Identifier	Return Reference	Explanation
Forensic Nurse Program		The Forensic Nurse Program began in 1997. It consists of registered nurses trained in the collection of forensic evidence. The forensic nurses work with law enforcement, social services and the court system. We respond to victims of physical assault, sexual assault and abuse and neglect in both the adult and pediatric population. We provide educational/training lectures to rescue agencies, police departments, Police Academy, attorneys and various colleges including the criminal justice and nursing programs. This program serves clients from Central Virginia and the surrounding area. In 2012, the program handled 636 cases. Hospitality Suites Centra provides hospitality suites, which include overnight accommodations for patient families who need to stay close to their hospitalized family member. There is no charge for the suites. Suites are located at Virginia Baptist Hospital and Lynchburg General Hospital. The Infectious Diseases Center of Central Virginia: The Infectious Diseases Center of Central Virginia is a partnership between independent service providers, Medical Associates of Central Virginia and Centra to provide medical care, pharmaceutical access and support services to people with HIV/AIDS. The centers in Lynchburg and Danville served 426 clients in 2012. Rivermont Schools: Centra's Rivermont Schools provide specialized education for students with behavioral or emotional concerns as well as students on the autism spectrum. Seven schools throughout Virginia address the needs of more than 410 students and operate on a 180-day school year calendar. Rivermont Schools are located in Lynchburg, Roanoke, Chase City, Dan River, Hampton Roads, Tidewater, Alleghany and Rockbridge. The Rivermont Schools provide a unique, supportive environment serving children and adolescents with emotional problems, behavior disorders and learning disabilities. Academic subjects are taught in an environment that promotes behavioral management, interpersonal skills, family involvement and social awareness. Volunteer Services: Centra has many dedicated volunteers from throughout central Virginia who choose to give back to their community by donating their time and talents. Guggenheimer Volunteer Services: Over 60 volunteers donated time at Guggenheimer Health and Rehabilitation Center to provide residents with enrichment and interaction through the "Enhancing Lives Every Day" program. They support many areas of the program by providing musical entertainment, exercise classes and craft classes as well as assistance in transporting residents and answering the phone.

Identifier	Return Reference	Explanation
Hospice Volunteers		In 2012, 150 volunteers donated 7,758 hours of service to the Hospice program. A large portion of their time and talent was committed to the Hospice House. Volunteers support the Hospice House by grocery shopping, meal preparation, cleaning and decorating, interacting with patients and families and offering support to families who have lost a loved one. The volunteers have reported driving more than 62,710 miles in 2012. Stories of Assistance thru Donations to Centra Health Foundation. Centra Health, Inc. donates funds to the Centra Health Foundation on an annual basis. A portion of the gifts to the Foundation provide financial assistance to patients who are in need. Below are just a few examples of this assistance. A 46 year old farmer without health insurance was diagnosed with cancer. With chemotherapy treatment fees of over \$52,000, the man was facing bankruptcy and was unsure if he would survive his treatment. The Centra Foundation provided him with assistance in paying his bills. He went through all 16 of his treatments, is no longer facing bankruptcy, and his hair is beginning to grow back thanks to the help of the Centra Foundation. The mother of a family with a combined income of \$30,000 per year with three children worked part time and had no health insurance. Faced with a \$17,000 hospital bill, the woman and her family fell outside of the Medicaid guidelines for assistance. This amount was not within their means to pay, and so the Centra Foundation provided the family with the financial relief they needed. Because of Centra Health Inc.'s annual donation to Centra Health Foundation, the Foundation is able to provide assistance through numerous funds. One of those funds is the Patient Support Fund. Here are a few examples of how patients are assisted thru this particular fund. Early in the year, a young gentleman needed treatment for lymphoma. He was working, but lost his job just prior to being diagnosed. Due to his loss of income, the patient and his family were struggling financially. They could not afford gas for him to be able to travel 45 minutes from his home to the cancer center to get the treatment he needed. Through the Patient Support Fund, we were able to give this man gas cards so that he could get to his chemotherapy visits. He now has completed treatment and is doing well. Some patients have difficulty when treatment ends. One lady requested help from the Patient Support Fund because she could not afford orthotics for her shoes. After being treated for lung cancer, this lady developed neuropathy in her feet which made walking difficult for her. When her physician and physical therapist recommended orthotics to help with her mobility, the patient's Medicaid would not pay for them. Because she had limited income, this patient could not afford to pay \$300.00 for orthotics. Through the Patient Support Fund, we were able to purchase the orthotics so that she could have more mobility and a better quality of life. Other quality of life issues for patients who are going through cancer treatment involve being able to have enough caloric intake to maintain their body weight. Recently, we were treating a gentleman who had head and neck cancer. One of the side effects of this type of treatment is temporary difficulty with swallowing. While patients are encouraged to eat to maintain their swallowing muscles, many are unable to eat food that is not in a puree or liquid form. In those circumstances, patients often rely on nutritional supplements to get the calories they need. This gentleman had Medicaid which would not pay for supplements because he was able to swallow some food. Because this gentleman was unable to pay for supplements, we were able to buy a one month supply of Ensure for him so that he could have the nutritional support he needed to get through treatment thanks to the Patient Support Fund. Basic necessities may also include deodorant. Some patients who are going through radiation treatment cannot use regular deodorant and have to rely on a specialty deodorant which is more costly or not use it at all. One patient who was being treated for breast cancer wanted to be able to use deodorant, but did not have the money to buy it. Staff from Image Recovery called to let us know of this lady's dilemma and her frustration with not being able to have the hygiene routine she had before cancer. Because of the Patient Support Fund, we were able to give this lady a basic necessity that we all take for granted and help her self esteem. While there are many things we do not even realize others cannot afford, many people have changes in their lives which are instant and which drastically alter their normal state of being. Cancer is one such change that can alter a person's life both physically and financially. Contributions to the Patient Support Fund have been very valuable to our patients who are in need.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		BOARD MEMBERS RODGER FAUBER AND STUART FAUBER HAVE A FAMILY RELATIONSHIP. OFFICERS LEWIS ADDISON, W. MICHAEL BRYANT, AND KEY EMPLOYEE E.W. TIBBS ARE EACH BOARD MEMBERS OF CENTRAL VIRGINIA IMAGING. BOARD MEMBERS AUGUSTUS PETTICOLAS, JR, AND JULIE DOYLE, AND OFFICER LEWIS ADDISON ARE EACH BOARD MEMBERS OF THE BANK OF THE JAMES, LYNCHBURG, VA. OFFICERS W. MICHAEL BRYANT, LEWIS ADDISON, AND THOMAS JIVIDEN, KEY EMPLOYEES DAVID ADAMS, AND E.W. TIBBS, AND BOARD MEMBER CONSUELLA WOODS ARE EACH BOARD MEMBERS OF THE BEDFORD MEMORIAL HOSPITAL, A 50% JOINT VENTURE OF CENTRA HEALTH, INC. KEY EMPLOYEES DAVID ADAMS AND E.W. TIBBS ARE DIRECTORS OF HEALTHWORKS, WHICH IS OWNED 50% BY SCOTT INSURANCE, OF WHICH BOARD MEMBER WALKER SYDNOR IS AN OFFICER OF THE BOARD. KEY OFFICER DAVID ADAMS AND OFFICER W. MICHAEL BRYANT ARE BOTH OFFICERS OF THE BOARD OF PIEDMONT COMMUNITY HEALTH PLAN, A 50% JOINT VENTURE OF CENTRA HEALTH, INC. BOARD MEMBERS LEWIS ADDISON, MICHAEL BRADFORD, RODGER FAUBER, AND MARC SCHEWEL ARE EACH BOARD MEMBERS OF PIEDMONT COMMUNITY HEALTH PLAN. KEY EMPLOYEE E.W. TIBBS IS A BOARD MEMBER OF THE SURGERY CENTER OF LYNCHBURG, LLC, A 50% JOINT VENTURE OF CENTRA HEALTH, INC.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8 A &B		MINUTES ARE TAKEN AT EACH MEETING

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B		CENTRA PROVIDED ALL VOTING MEMBERS OF THE BOARD OF DIRECTORS WITH A COPY OF THE FORM 990 PRIOR TO ITS FILING. ADDITIONALLY, CENTRA REVIEWED THE FORM 990 WITH THE AUDIT AND COMPLIANCE COMMITTEE AND THEN PRESENTED IT TO THE BOARD OF DIRECTORS FOR THEIR APPROVAL.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12 C		ALL CENTRA OFFICERS AND DIRECTORS MUST COMPLETE A "POSSIBLE CONFLICT OF INTEREST" QUESTIONNAIRE ON AN ANNUAL BASIS, CERTIFYING THAT NEITHER THEY NOR ANY OF THEIR IMMEDIATE FAMILY MEMBERS HAVE ENGAGED IN ANY ACTIVITIES THAT COULD LEAD TO A POTENTIAL CONFLICT OF INTEREST. ADDITIONALLY, ALL OFFICERS AND DIRECTORS MUST AGREE TO PROMPTLY REPORT ANY POTENTIAL CONFLICTS OF INTEREST THAT ARISE DURING THE YEAR TO THE PRESIDENT OR CHAIRMAN OF CENTRA'S BOARD OF DIRECTORS.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15		CENTRA HAS ESTABLISHED A COMPENSATION COMMITTEE, WHICH CONSISTS OF THE CHAIRMAN OF CENTRA'S BOARD OF DIRECTORS PLUS THREE ADDITIONAL MEMBERS OF CENTRA'S BOARD OF DIRECTORS. ALL FOUR MEMBERS MEET THE IRS FORM 990 INDEPENDENCE DEFINITION. MEMBERS OF THIS COMMITTEE REVIEW RELEVANT SALARY AND BENEFIT DATA FROM VARIOUS SOURCES AND MAKE RECOMMENDATIONS TO THE EXECUTIVE COMMITTEE OF CENTRA'S BOARD OF DIRECTORS WITH RESPECT TO THE SALARY RANGE AND BENEFITS FOR THE CEO. THE EXECUTIVE COMMITTEE REVIEWS AND HAS FINAL APPROVAL OF THE CEO'S COMPENSATION. THE COMPENSATION COMMITTEE IS ALSO RESPONSIBLE FOR THE REVIEW AND APPROVAL OF SALARY RANGES AND ADJUSTMENTS FOR OTHER OFFICERS AND KEY EMPLOYEES OF CENTRA, BASED ON THE RECOMMENDATIONS MADE BY THE CEO. METHODS USED TO DETERMINE SALARY RANGES AND ADJUSTMENTS INCLUDE, BUT ARE NOT LIMITED TO, INDEPENDENT COMPENSATION CONSULTANT(S) AS WELL AS THIRD PARTY COMPENSATION SURVEYS AND/OR STUDIES.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 18		PHOTOCOPIES OF THE FORM 1023 AND RECENT FILINGS OF THE FORM 990 AND 990-T ARE AVAILABLE UPON REQUEST AT THE ADMINISTRATIVE OFFICE OF THE ORGANIZATION FORM 990, PART VI, SECTION C, LINE 19 PHOTOCOPIES OF THE GOVERNING DOCUMENTS, FINANCIAL STATEMENTS, AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST AT THE ADMINISTRATIVE OFFICE OF THE ORGANIZATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, LN 16B		JOINT VENTURE POLICY - CENTRA HEALTH, INC DID NOT HAVE A FORMAL WRITTEN JOINT VENTURE POLICY RELATING TO MONITORING JOINT VENTURES AT THE CLOSE OF THE 2012 TAX YEAR THE ORGANIZATION IS DEVELOPING A FORMAL POLICY TO BECOME EFFECTIVE IN THE 2013 YEAR FORWARD

Identifier	Return Reference	Explanation
FORM 990, PART IX, LINE 11G OTHER FEES FOR SERVICES		OTHER 72,037 PURCHASED & CONTRACTED SVCS 40,205,235 PROFESSIONAL FEES 19,177,335 ----- TOTAL 59,454,607

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 9 OTHER CHANGES IN NET ASSETS		CHANGE IN PENSION REPORTING 207,444 CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT 447,939 NET ASSETS RELEASED FROM RESTICTIONS TO AFFILIATED ENTITIES (123,847) MINORITY INTEREST (51,690) TOTAL TO FORM 990, PART XI, LINE 9 479,846

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Centra Health Inc

Employer identification number
54-0715569

Part I

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Centra Health Professional Services LLC 1920 Atherholt Road Lynchburg, VA 24501 20-3639329	Physician Svc	VA	41,340,394	13,186,049	Centra Healt
(2) Centra Health Emergency Physician Servic 1920 Atherholt Road Lynchburg, VA 24501 20-5965653	Emergency Phy	VA	8,870,328	1,798,294	Centra Healt
(3) Centra Health Cardiovascular Services L 1920 Atherholt Road Lynchburg, VA 24501 20-5118331	Cardiovascula	VA	6,811,836	0	Centra Healt
(4) Central Virginia Hospital for Restorativ 1920 Atherholt Road Lynchburg, VA 24501 20-4712023	Healthcare	VA	10,698,333	3,279,498	Centra Healt
(5) Centra Health Indemnity Company Inc 1920 Atherholt Road Lynchburg, VA 24501 27-0927253	Captive Insur	VT	4,084,036	15,522,974	Centra Healt

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Centra Health Foundation Inc 1920 Atherholt Road Lynchburg, VA 24501 54-1604094	Supporting Or	VA	501(c)(3)	Line 11a, I	NA	Yes	
(2) Southside Community Hospital 800 Oak Street Farmville, VA 23901 54-0555201	Healthcare	VA	501(c)(3)	Line 3	NA	Yes	
(3) CCRC Inc 1920 Atherholt Road Lynchburg, VA 24501 54-1929580	Healthcare	VA	501(c)(3)	Line 11a, I	NA	Yes	

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(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" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) General Business Concerns Inc 1920 Atherholt Road Lynchburg, VA 24501 54-1299682	Real Estate-Physi	VA	NA	C Corp	538,139	2,481,095	100 000 %	Yes	

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

No

1m

No

1n

No

1o

No

1p

Yes

1q

Yes

1r

No

1s

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-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2012

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]

Software ID:
Software Version:
EIN: 54-0715569
Name: Centra Health Inc

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Centra Health Foundation Inc	b	255,443	BOOK VALUE
Centra Health Foundation Inc	c	2,886,881	BOOK VALUE
Centra Health Foundation Inc	p	977,121	BOOK VALUE
Southside Community Hospital Inc	b	4,789,567	BOOK VALUE
Southside Community Hospital Inc	d	13,981,660	BOOK VALUE
Southside Community Hospital Inc	q	1,038,000	BOOK VALUE
CCRC Inc	q	100,000	BOOK VALUE
General Business Concerns Inc	k	182,364	BOOK VALUE



CENTRA HEALTH, INC. AND SUBSIDIARIES

Consolidated Financial Statements
and Supplementary Information

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

CENTRA HEALTH, INC AND SUBSIDIARIES

Officers

Kenneth S White	Chairman of the Board
W Michael Bryant	President/CEO
E W Tibbs	Senior Vice President/Secretary
Lewis C Addison	Senior Vice President/Treasurer

Board of Directors

Terms Expiring in 2014

Sackett Wood	Chris Thomson, MD	Michael V Bradford
Kenneth S White	Robert D. Cook, MD	Kristen L Huber, MD
Terry H. Jamerson	Augustus A. Petticolas, DDS	Walker P Sydnor, Jr.

Terms Expiring in 2015

W Michael Bryant	Stuart C Fauber	Julie P Doyle
Michael J Diminick, MD	Charles W Pryor, Jr	Stephen C Keith Ed D
Rev William Coleman		J Scott Wade, MD

Terms Expiring in 2016

Albert M Baker, MD	Laura L. Hamilton	Rodger W Fauber
Sharon L Harrup	Amy G Ray	Marc A Schewel
Daniel Carey, MD		Consuella K Woods

President of Medical Staff
Chris Thomson, MD

CENTRA HEALTH, INC. AND SUBSIDIARIES

December 31, 2012 and 2011

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KPMG LLP
Suite 1010
10 S. Jefferson Street
Roanoke, VA 24011-1331

Independent Auditors' Report

The Board of Directors
Centra Health, Inc

We have audited the accompanying consolidated financial statements of Centra Health, Inc. and Subsidiaries (Centra), which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements. The accompanying consolidated financial statements of Centra as of December 31, 2011, were audited by other auditors whose report thereon dated March 26, 2012, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Centra Health, Inc. and Subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



As discussed in note 1(s) to the consolidated financial statements, Centra changed its presentation of provision for bad debts as a result of the adoption of Accounting Standards Update No 2011-07, *Health Care Entities Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities*

KPMG LLP

Roanoke, Virginia
April 15, 2013

CENTRA HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2012 and 2011

Assets	2012	2011
Current assets.		
Cash and cash equivalents	\$ 46,996,922	46,383,385
Patient accounts receivable, net	62,000,014	62,460,260
Investments and assets whose use is limited	3,066,104	3,499,192
Inventories	14,362,939	14,021,738
Prepaid expenses and other current assets	12,866,089	10,812,939
Total current assets	139,292,068	137,177,514
Investments and assets whose use is limited	391,783,073	334,496,186
Property, plant and equipment, net	283,940,226	280,071,613
Investments in joint ventures	14,729,184	15,172,613
Other assets	7,707,709	8,541,876
Total assets	\$ 837,452,260	775,459,802
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 36,037,907	34,219,111
Employee compensation and benefits	30,630,900	27,907,275
Estimated settlements to third-party payors	15,388,995	8,942,574
Current portion of long-term obligations	8,695,512	8,440,188
Other current liabilities	1,638,678	2,118,374
Total current liabilities	92,391,992	81,627,522
Long-term obligations, net of current portion	221,319,034	230,782,894
Interest rate swap agreements	27,322,431	27,730,118
Retirement obligations	64,531,024	65,864,741
Other long-term liabilities	21,108,125	21,077,100
Total liabilities	426,672,606	427,082,375
Net assets.		
Unrestricted	359,933,094	301,140,897
Temporarily restricted	21,968,182	18,358,152
Permanently restricted	28,878,378	28,878,378
Total net assets	410,779,654	348,377,427
Total liabilities and net assets	\$ 837,452,260	775,459,802

See accompanying notes to consolidated financial statements.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues and other support		
Net patient service revenue (net of contractual allowances and discounts)	\$ 653,414,435	642,976,677
Provision for bad debts	(39,117,292)	(40,726,546)
Net patient service revenue less provision for bad debts	614,297,143	602,250,131
Outside lab revenue	9,490,632	8,497,329
Foundation revenue and support	1,212,093	1,585,367
Net assets released from restrictions for operations	1,164,785	1,017,430
Other operating revenue	40,976,671	39,019,425
Total operating revenues and other support	667,141,324	652,369,682
Operating expenses		
Salaries and wages	292,357,701	281,130,674
Benefits	79,641,072	70,732,741
Medical supplies and drugs	78,089,137	77,778,793
Professional services	23,107,598	23,303,541
Other purchased services	66,291,414	64,346,124
Other operating expenses	55,578,847	53,619,919
Depreciation and amortization	41,776,088	40,519,511
Interest	5,850,778	6,334,609
Total operating expenses	642,692,635	617,765,912
Net operating income	24,448,689	34,603,770
Nonoperating gains (losses):		
Loss on extinguishment of debt	(446,844)	—
Investment income	23,957,466	10,844,749
Change in value of interest rate swap agreements	407,687	(14,765,514)
Other	(45,131)	13,915
Net nonoperating gains (losses)	23,873,178	(3,906,850)
Excess of revenues and other support over expenses	\$ 48,321,867	30,696,920

CENTRA HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted net assets		
Excess of revenues and other support over expenses	\$ 48,321,867	30,696,920
Net unrealized gains (losses) on investments	8,441,934	(4,421,006)
Change in funded status of defined benefit plan	207,444	(41,352,922)
Net assets released from restrictions for capital acquisitions	<u>1,820,952</u>	<u>781,802</u>
Change in unrestricted net assets	<u>58,792,197</u>	<u>(14,295,206)</u>
Temporarily restricted net assets		
Gifts and bequests	1,334,332	2,421,952
Net unrealized gains (losses) on investments	2,007,780	(2,477,149)
Net investment income	3,253,655	1,422,313
Net assets released from restrictions	<u>(2,985,737)</u>	<u>(1,799,232)</u>
Change in temporarily restricted net assets	<u>3,610,030</u>	<u>(432,116)</u>
Change in net assets	62,402,227	(14,727,322)
Net assets at beginning of year	<u>348,377,427</u>	<u>363,104,749</u>
Net assets at end of year	<u><u>\$ 410,779,654</u></u>	<u><u>348,377,427</u></u>

See accompanying notes to consolidated financial statements

CENTRA HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 62,402,227	(14,727,322)
Adjustments to reconcile changes in net assets to net cash provided by operations		
Depreciation and amortization	41,776,088	40,519,511
Net realized and unrealized (gains) losses on investments and assets whose use is limited	(36,784,369)	(4,724,981)
Provision for bad debts	39,117,292	40,726,546
Change in pension liability	(207,444)	41,352,922
Change in fair value of interest rate swap agreement	(407,687)	14,765,514
Gains on equity investments in joint ventures	(1,686,303)	(812,985)
(Gains) losses on sale of property, buildings and equipment	55,476	(12,237)
Loss on extinguishment of long-term debt	446,844	—
Changes in operating assets and liabilities		
Patient accounts receivable	(38,657,046)	(51,140,732)
Estimated settlements with third-party payors	6,446,421	6,041,239
Inventories	(341,201)	(740,319)
Prepaid expenses and other current assets	(2,053,150)	1,038,170
Other assets	(638,937)	(306,441)
Accounts payable and other accrued expenses	2,201,950	4,704,004
Employee compensation and benefits	2,723,625	1,401,343
Retirement obligations	(1,126,273)	(3,876,977)
Other liabilities	1,295,229	2,860,164
Net cash provided by operating activities	<u>74,562,742</u>	<u>77,067,419</u>
Cash flows from investing activities		
Net change in investments and assets whose use is limited	(20,069,430)	(23,259,551)
Acquisition of property, buildings and equipment	(45,983,840)	(31,857,953)
Proceeds on sale of property, buildings and equipment	—	12,237
Distributions from joint ventures	<u>2,129,732</u>	<u>1,735,073</u>
Net cash used in investing activities	<u>(63,923,538)</u>	<u>(53,370,194)</u>
Cash flows from financing activities		
Proceeds from issuance of long-term obligations	9,455,000	9,619,940
Principal payments on long-term obligations	(18,663,536)	(16,101,170)
Resident refunds	<u>(817,131)</u>	<u>(1,126,747)</u>
Net cash used in financing activities	<u>(10,025,667)</u>	<u>(7,607,977)</u>
Net increase in cash and cash equivalents	613,537	16,089,248
Cash and cash equivalents at beginning of year	<u>46,383,385</u>	<u>30,294,137</u>
Cash and cash equivalents at end of year	\$ <u>46,996,922</u>	\$ <u>46,383,385</u>

See accompanying notes to consolidated financial statements

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Centra Health, Inc. and Subsidiaries' (Centra) operations consist of three acute care hospitals, a long-term acute care hospital, three nursing homes, a continuing care retirement community, and a residential adolescent psychiatric facility. Centra is a not-for-profit corporation with a commitment to promote and develop health care services and the general well-being of the community. Centra also coordinates the activities and interactions of related entities.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Centra Health, Inc. and its wholly owned taxable subsidiary, General Business Concerns, Inc. The consolidated financial statements also include the tax-exempt organizations of Centra Health Foundation (the Foundation), Centra Medical Group LLC, Centra Health Cardiovascular Services LLC, Centra Health Emergency Services LLC, Central Virginia Hospital for Restorative and Rehabilitative Care, LLC (Centra Specialty Hospital), Centra Southside Community Hospital, Inc., Lynchburg Family Practice Residency Program, Inc. (Lynchburg Family Medicine), which merged into Centra at the end of 2011, Centra Health Indemnity Company LLC, and CCRC, Inc., a majority-owned (91%) subsidiary of Centra. All significant intercompany transactions and account balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of these 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less when purchased. Centra will routinely invest its surplus funds in money market accounts. At various times throughout the year, Centra maintains deposits at financial institutions in excess of amounts covered by federal depository insurance (FDIC) limits.

(e) Assets Whose Use is Limited and Investments

Assets whose use is limited include assets set aside by the Board of Directors for future capital improvements, assets held by the trustee under the Master Indenture, assets restricted by donors and funds designated for construction projects. The portion required for payment of current liabilities is classified as current.

Investments include marketable debt and equity securities and are carried at fair value. Fair value is based on quoted market prices. Realized gains and losses on the sale of investments are determined based on the cost of the specific investment sold.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(f) *Perpetual and Charitable Remainder Trusts*

The Foundation has entered into several types of agreements with donors under which the Foundation will receive future benefits. The Foundation has two types of agreements: perpetual trusts held by a third party and charitable remainder trusts. Under the perpetual trusts, a donor establishes and funds a perpetual trust administered by a trustee other than the Foundation. The Foundation has the irrevocable right to receive the income earned on the trust assets in perpetuity but never receives the assets held in trust. Distributions received by the Foundation may be restricted by the donor. Under the charitable remainder trusts, the donor establishes and funds a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. Upon termination of the trust, the Foundation receives the assets remaining in the trust. The Foundation may ultimately have unrestricted use of those assets, or the donor may place permanent or temporary restrictions on their use. The Foundation's beneficial interest in trusts is recorded at fair value within assets whose use is limited and other assets.

(g) *Interest Rate Swap Agreements*

Investments in interest rate swap agreements are carried at fair value, estimated using a discounted cash flow method at a rate commensurate with the risk involved. Changes in the fair value of the interest rate swap agreements are reported as nonoperating gains (losses) in the consolidated statements of operations and changes in net assets. Net cash settlements are included in interest expense.

(h) *Property, Buildings and Equipment*

Property, buildings and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The general range of estimated useful lives for buildings and land improvements is 20 – 40 years and the general range for equipment is 3 – 15 years. Leasehold improvements are depreciated over the life of the related lease, or the useful life of the asset, whichever is shorter.

Interest incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the costs of acquiring those assets. Revenue and maintenance is expensed as incurred. Gain or losses on disposal of property, plant and equipment are included in other operating revenue.

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as an increase in unrestricted net assets, and excluded from excess of unrestricted revenues and other support over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted gifts.

(i) *Inventories*

Inventories are valued at the lower of cost (first-in, first-out method) or market.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(j) *Deferred Financing Costs*

Costs of obtaining financing are deferred and amortized over the terms of the related indebtedness to which they apply

(k) *Advance Fees and Deposits*

Under the CCRC, Inc. Residency Agreement, a reservation fee of 10% of the advance fee is required with each reservation. The reservation fee is refundable in full if, before the occupancy date, (i) the applicant terminates the Residency Agreement within seven days of either signing the Residency Agreement or making the reservation deposit, (ii) the applicant is not admitted or dies, or (iii) CCRC, Inc. terminates the Residency Agreement, otherwise, the reservation fee is refundable to the applicant net of a \$500 administrative fee. Upon occupancy, reservation fees are reclassified as deferred revenue from advance fees in other liabilities.

The Residency Agreement provides for partial refunds of the advance fee under the circumstances outlined below. CCRC, Inc. offers residents a choice of one of the following two options.

- 1 Declining Refund Resident Fee – After the occupancy date, if the Residency Agreement is terminated for any reason, all fees are refundable less an amount equal to 2% of such fees per month of occupancy.

Advance fees received under declining refund resident contracts are amortized into revenue over the actuarially determined life expectancy of each individual resident or couple, adjusted annually.

2. 90% Guaranteed Refund Resident Fee – After the occupancy date, if the Residency Agreement is terminated for any reason, 90% of the fee is refundable upon reoccupancy of the resident's unit.

Advance fees received under the 90% guaranteed refund resident contracts are amortized into revenue as follows:

- The nonrefundable portion is amortized over the actuarially determined life expectancy of each individual resident or couple adjusted annually.
- The refundable portion is amortized over the remaining useful life of the facility on the straight-line method.

The portion of advance fees subject to refund provisions amounted to approximately \$10,291,000 and \$10,157,000 at December 31, 2012 and 2011, respectively.

(l) *Temporarily and Permanently Restricted Net Assets*

Net assets are classified based on the existence or absence of donor-imposed restrictions. Temporarily restricted net assets are those whose use by Centra 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 Centra in perpetuity. Related income is classified as temporarily restricted until expended.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(m) Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments, including revisions to estimated settlements as a result of audits by the intermediary, are accrued on an estimated basis in the period their related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue was increased by approximately \$3,500,000 and \$1,670,000 for the years ended December 31, 2012 and 2011, respectively, as a result of changes in estimates associated with settlements and other revisions to prior years for third-party settlement accounts.

Centra recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, Centra recognizes revenue on the basis of its discounted rates. Uninsured patients receive a 30% discount from billed charges. On the basis of historical experience, a portion of the patients will be unable or unwilling to pay for the services provided. Thus, Centra records a provision for bad debts/charity related to patient responsibility in the period the services are provided.

(n) Charity Care

Centra provides care without charge to patients who meet certain criteria under its charity care policy. Because Centra does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue. Centra maintains records to identify and monitor the level of charity care it provides. The cost to provide services and supplies furnished under Centra charity care policy was approximately \$26,397,000 and \$22,099,000 for 2012 and 2011, respectively. The estimated costs of providing charity services are based on a calculation, which applies a ratio of costs to charges to the gross uncompensated charges associated with providing charity to patients. The ratio of cost to charges is calculated based on Centra's total expenses (less bad debt expense) divided by gross patient service revenue.

The following information measures the level of charity care provided during the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Charges foregone, based on established rates	\$ 54,308,949	45,826,209
Equivalent percentage of charity care patients to all patients served	4.1%	3.6%

(o) Meaningful Use of Electronic Health Records (EHR)

Centra recognizes revenues for incentives earned under the Medicare program in the period in which it is reasonably assured that it has complied with the applicable EHR meaningful use requirements. Incentive payments received under the Medicare program include a discharge-related portion, which is calculated by Centers for Medicare & Medicaid Services based on Centra's most recently filed

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

cost report. Such amounts are subject to adjustment at the time of settling the 12-month cost report for Centra's fiscal year that begins after the beginning of the payment year. Centra achieved compliance with the Year 1 and Year 2 meaningful use requirements under the Medicare program during 2012 and 2011 and, accordingly, recognized other operating revenues of approximately \$5,252,000 and \$6,373,000 in the consolidated statements of operations for the years ended December 31, 2012 and 2011, respectively. Under the Medicaid program, Centra achieved compliance with the Year 1 meaningful use requirements and, accordingly, recognized other revenues of approximately \$2,667,000 in the consolidated statements of operations for the year ended December 31, 2012.

(p) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to Centra are reported at net present value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at net present 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 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.

(q) Mission Statement and Nonoperating Gains and Losses

Centra's primary mission is to provide the highest quality care based on the medical needs of the citizens of the communities served. Only those activities directly associated with the furtherance of this purpose are considered to be operating activities.

Other activities that result in gains or losses unrelated to Centra's primary mission are considered to be nonoperating. Nonoperating gains and losses include principally unrestricted contributions and grants, income and expenses associated with investments, realized gains and losses on sales of investments and other nonrecurring items that are considered extraordinary or unusual in nature.

Other changes in unrestricted net assets, which are excluded from excess of unrestricted revenues and other support over expenses include contributions of long-term assets, unrealized gains and losses on investments, changes related to the defined benefit plan and net assets released from restrictions for capital acquisitions.

(r) Defined Benefit Plan

Accounting standards require Centra to (a) recognize in its consolidated balance sheets an asset for the plan's over-funded status or a liability for the plan's under-funded status, (b) measure the plan's assets and its obligations that determine its funded status as of the end of Centra's fiscal year (with limited exceptions), and (c) recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur. Those changes are reported in other

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

changes in unrestricted net assets in the consolidated statements of operations and changes in net assets

(s) Recently Issued Accounting Standards

In July 2011, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2011-07, *Health Care Entities Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. This ASU changed Centra's presentation of provision for doubtful accounts in the consolidated statements of operations and changes in net assets to a deduction from net patient service revenue. It also expanded disclosures regarding policies for recognizing revenue, assessing contra revenue line items, and activity in the allowance for doubtful accounts. Centra adopted ASU 2011-07 on January 1, 2012.

On January 1, 2013, Centra adopted the provisions of Accounting Standards Update No. 2012-01, *Health Care Entities (Topic 954) Continuing Care Retirement Communities – Refundable Advance Fees* (ASU No. 2012-01). ASU No. 2012-01 provides continuing care retirement communities with clarification that Centra should classify an advance fee as deferred revenue when a continuing care retirement community has a resident contract that provides for payment of the refundable advance fee upon reoccupancy by a subsequent resident, which is limited to the proceeds of reoccupancy. Refundable advance fees that are contingent upon reoccupancy by a subsequent resident but are not limited to the proceeds of reoccupancy should be accounted for and reported as a liability. The adoption of ASU No. 2012-01 will be accounted for as a change in accounting principle and applied retroactively to January 1, 2012. The retroactive effect of the change will increase the refundable entrance fee liability by \$7,399,580, reduce deferred revenue – entrance agreements by \$3,262,008 and reduce unrestricted net assets by \$4,137,572 at January 1, 2012. The impact of the accounting change will also result in a reduction in amortization of entrance fees of \$492,008 for the year ended December 31, 2012 and an increase in the deferred revenue – entrance agreements of \$424,849 and an increase in the refundable entrance fee liability of \$4,204,731 at December 31, 2012.

(t) Reclassifications

Certain reclassifications have been made to the 2011 consolidated financial statements to place them on a basis comparable with the 2012 consolidated financial statements. These reclassifications had no impact on previously reported changes in net assets or net assets.

(u) Subsequent Events

Centra evaluated subsequent events for potential recognition and/or disclosure in the December 31, 2012 consolidated financial statements through April 15, 2013, the date the consolidated financial statements were issued.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(2) Net Patient Service Revenue

Net patient service revenue consists of the following for the years ended December 31

	<u>2012</u>	<u>2011</u>
Gross inpatient service revenue	\$ 726,461,108	720,201,749
Gross outpatient service revenue	595,829,118	560,856,278
Total gross patient service revenue	<u>1,322,290,226</u>	<u>1,281,058,027</u>
Deductions from patient service revenue		
Charity services	54,308,949	45,826,209
Contractual adjustments:		
Medicare	391,226,145	379,077,727
Medicaid	120,131,435	113,276,242
Anthem	52,047,361	52,559,603
Other	42,638,191	38,080,441
Total contractual adjustments	<u>606,043,132</u>	<u>582,994,013</u>
Policy and administrative adjustments	<u>8,523,710</u>	<u>9,261,128</u>
Total deductions from patient service revenue	<u>668,875,791</u>	<u>638,081,350</u>
Net patient service revenue	<u>\$ 653,414,435</u>	<u>642,976,677</u>

A summary of the payment arrangements with major third-party payors is as follows.

Anthem Inpatient services rendered to Anthem subscribers are reimbursed at prospectively determined per case or per diem rates and outpatient services are reimbursed at prospectively determined discounted rates. The amounts reimbursed are not subject to retroactive adjustment.

Medicare Inpatient acute care services, defined capital costs, and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services and certain outpatient services, related to Medicare beneficiaries are paid based on predetermined reimbursement methodologies. Centra is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by Centra and audits thereof by the Medicare fiscal intermediary. Centra's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2007.

Medicaid Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates based on a blend of per patient day and per discharge payments. Inpatient nonacute services and certain outpatient services rendered to Medicaid beneficiaries are paid based on a cost reimbursement methodology. Centra is reimbursed at a tentative rate with final settlements determined after submission of annual cost reports by Centra and audits thereof by

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Medicaid Centra's Medicaid cost reports have been desk settled by Medicaid through December 31, 2011

Revenues from Anthem, and the Medicare and Medicaid programs, accounted for approximately 23%, 45% and 11%, respectively, of Centra's net patient service revenue for the year ended December 31, 2012 (23%, 43% and 11%, respectively, for the year ended December 31, 2011)

Patient service revenue, net of contractual allowances and discounts, but before the provision for bad debts, recognized in fiscal year 2012 from these major payor sources is as follows

	<u>2012</u>	<u>Percentage</u>	<u>2011</u>	<u>Percentage</u>
Commercial payors	\$ 258,877,767	39.62%	258,002,902	40.13%
Medicare	293,037,946	44.85	276,661,489	43.03
Medicaid	73,907,454	11.31	73,215,466	11.39
Other third-party payors	<u>27,591,268</u>	<u>4.22</u>	<u>35,096,820</u>	<u>5.46</u>
Total	<u>\$ 653,414,435</u>	<u>100.00%</u>	<u>642,976,677</u>	<u>100.01%</u>
				???

(3) Patient Accounts Receivable

Patient accounts receivable, net at December 31 consists of the following

	<u>2012</u>	<u>2011</u>
Patient accounts receivable	\$ 154,514,954	150,860,539
Less:		
Allowance for doubtful accounts	(15,662,312)	(20,132,518)
Allowance for charity	(12,877,513)	(9,390,117)
Allowance for contractual adjustments	<u>(63,975,115)</u>	<u>(58,877,644)</u>
Patient accounts receivable, net	<u>\$ 62,000,014</u>	<u>62,460,260</u>

Patient accounts receivable are reduced by an allowance for bad debts. In evaluating the collectibility of accounts receivable, Centra analyzes historical collections and write-offs and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for bad debts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for bad debts. For receivables associated with services provided to patients who have third-party coverage, Centra analyzes contractually due amounts and provides an allowance for bad debts, allowance for contractual adjustments, provision for bad debts, and contractual adjustments on accounts for which the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients or with balances remaining after the third-party coverage has already paid, Centra records a provision for bad debts in the period of service on the basis of its historical collections, which indicates that some patients are unwilling to pay the portion of their bill for which they are financially responsible. The difference between the discounted rates and the amounts collected after all reasonable collection efforts have been exhausted is charged off against the allowance for bad debt.

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The activity in the allowance for bad debts is as follows

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 20,132,518	17,042,604
Provision for bad debts	39,117,292	40,726,546
Less net write-offs	<u>(43,587,498)</u>	<u>(37,636,632)</u>
Ending balance	<u>\$ 15,662,312</u>	<u>20,132,518</u>

Centra's net write-offs increased approximately \$5,951,000 from fiscal year 2011 to fiscal year 2012. This increase in write-offs was mainly due to the increase in the uninsured and under insured patient population along with improvements in the revenue cycle. The Hospital has not changed its charity care or uninsured discount policies during fiscal year 2011 or 2012.

(4) Fair Values of Assets and Liabilities

Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. Generally accepted accounting principles establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Centra's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

Assets and Liabilities at Fair Value on a Recurring Basis

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include common stocks, mutual funds, corporate bonds, and U.S. Treasury obligations which are valued based on prices readily available in the active markets in which those securities are traded, and money market funds, which are based on their transacted values. Level 2 investments include private pooled investments, government debt obligations, municipal bonds, hedge funds, and interest rate swap agreements, which are valued on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Level 3 investments include private pooled investments in real estate, which are valued based on unobservable inputs about which little or no market data exists. There were no transfers in or out of Level 3 during 2012 or 2011.

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The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

	December 31, 2012			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 12,729,032	12,729,032	—	—
Money markets	3,536,515	3,536,515	—	—
Common stocks				
Consumer discretionary	217,850	217,850	—	—
Consumer staples	157,791	157,791	—	—
Energy sector	362,194	362,194	—	—
Financials	430,438	430,438	—	—
Health care sector	441,616	441,616	—	—
Industrials	251,537	251,537	—	—
Information technology	481,115	481,115	—	—
Materials	92,680	92,680	—	—
Telecommunication services	130,787	130,787	—	—
Utilities	52,191	52,191	—	—
Real estate	126,701	126,701	—	—
Other	530,031	530,031	—	—
Total common stocks	<u>3,274,931</u>	<u>3,274,931</u>	<u>—</u>	<u>—</u>
Mutual funds				
Domestic equity	9,004,351	9,004,351	—	—
International equity	2,606,631	2,606,631	—	—
Fixed income	4,663,159	4,663,159	—	—
Total mutual funds	<u>16,274,141</u>	<u>16,274,141</u>	<u>—</u>	<u>—</u>
Private pooled investments				
Domestic equity	89,324,069	—	89,324,069	—
International equity	57,083,270	—	57,083,270	—
Fixed income	167,492,355	—	167,492,355	—
Real estate	19,287,234	—	—	19,287,234
Total private pooled investments	<u>333,186,928</u>	<u>—</u>	<u>313,899,694</u>	<u>19,287,234</u>
Debt securities				
Corporate bonds	1,960,030	1,960,030	—	—
U S treasury obligations	2,192,969	—	2,192,969	—
Government debt obligations	45,917	—	45,917	—
Municipal bonds	10,922	—	10,922	—
Total debt securities	<u>4,209,838</u>	<u>1,960,030</u>	<u>2,249,808</u>	<u>—</u>
Beneficial interest in trusts	<u>21,637,792</u>	<u>—</u>	<u>21,637,792</u>	<u>—</u>
Total	<u>\$ 394,849,177</u>	<u>37,774,649</u>	<u>337,787,294</u>	<u>19,287,234</u>

CENTRA HEALTH, INC. AND SUBSIDIARIES

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December 31, 2012				
	Total	Level 1	Level 2	Level 3
Liabilities				
Interest rate swap agreements	\$ 27,322,431	—	27,322,431	—
December 31, 2011				
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 22,639,726	22,639,726	—	—
Money market	5,158,740	5,158,740		
Common stocks				
Consumer discretionary	454,515	454,515	—	—
Consumer staples	65,332	65,332	—	—
Energy sector	250,530	250,530	—	—
Financials	298,771	298,771	—	—
Health care sector	276,492	276,492	—	—
Industrials	363,847	363,847	—	—
Information technology	434,486	434,486	—	—
Materials	47,141	47,141	—	—
Telecommunication services	106,026	106,026	—	—
Utilities	46,891	46,891	—	—
Real estate	111,338	111,338	—	—
Other	304,691	304,691	—	—
Total common stocks	2,760,060	2,760,060	—	—
Mutual funds				
Domestic equity	7,521,937	7,521,937	—	—
International equity	3,549,085	3,549,085	—	—
Fixed income	1,493,149	1,493,149	—	—
Total mutual funds	12,564,171	12,564,171	—	—
Private pooled investments				
Domestic equity	71,544,368	—	71,544,368	—
International equity	44,016,233	—	44,016,233	—
Fixed income	135,373,563	—	135,373,563	—
Real estate	17,666,980	—	—	17,666,980
Total private pooled investments	268,601,144	—	250,934,164	17,666,980

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December 31, 2011				
	Total	Level 1	Level 2	Level 3
Debt securities				
Corporate bonds	\$ 3,682,856	3,682,856	—	—
U S Treasury obligations	2,374,431	2,374,431	—	—
Government debt obligations	66,984	—	66,984	—
Municipal bonds	10,762	—	10,762	—
Total debt securities	<u>6,135,033</u>	<u>6,057,287</u>	<u>77,746</u>	<u>—</u>
Beneficial interest in trusts	<u>20,136,504</u>	<u>—</u>	<u>20,136,504</u>	<u>—</u>
Total	<u><u>\$ 337,995,378</u></u>	<u><u>49,179,984</u></u>	<u><u>271,148,414</u></u>	<u><u>17,666,980</u></u>
Liabilities				
Interest rate swap agreements	\$ 27,730,118	—	27,730,118	—

The following table illustrates the activity of Level 3 assets measured at fair value on a recurring basis from December 31, 2011 to December 31, 2012

Beginning balance	\$ 17,666,980
Net unrealized gains	<u>1,620,254</u>
Total	<u><u>\$ 19,287,234</u></u>

(5) Investments and Assets Whose Use is Limited

Investments and assets whose use is limited at December 31 comprised the following.

	2012	2011
Internally designated by the Board of Directors for capital acquisition	\$ 309,042,590	251,925,236
Internally designated for self-insurance	14,076,280	9,031,265
Held by trustee under bond indenture agreement	2,192,969	3,519,663
Temporarily restricted by donor	22,183,699	18,366,706
Permanently restricted by donor	29,798,378	29,798,378
Designated for construction	6,551,377	16,198,426
Unrestricted	10,822,018	8,976,789
Other	181,866	178,915
	<u><u>\$ 394,849,177</u></u>	<u><u>337,995,378</u></u>

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Investment income at December 31 consists of the following

2012			
	Unrestricted	Temporarily restricted	Total
Investment income	\$ 1,775,399	672,475	2,447,874
Net realized gains	23,361,703	2,972,952	26,334,655
Net unrealized gains	8,441,934	2,007,780	10,449,714
Investment fees	(1,179,636)	(391,772)	(1,571,408)
	<u>\$ 32,399,400</u>	<u>5,261,435</u>	<u>37,660,835</u>

2011			
	Unrestricted	Temporarily restricted	Total
Investment income	\$ 1,437,119	675,732	2,112,851
Net realized gains	10,432,149	1,190,987	11,623,136
Net unrealized losses	(4,421,006)	(2,477,149)	(6,898,155)
Investment fees	(1,024,519)	(444,406)	(1,468,925)
	<u>\$ 6,423,743</u>	<u>(1,054,836)</u>	<u>5,368,907</u>

Certain subsidiaries of Centra classify securities as trading securities if the activity is an integral part of operations. All other securities are classified as available for sale. In accordance with accounting standards, Centra periodically evaluates whether any declines in the fair value of investments that are not classified as trading securities are other-than-temporary. This evaluation consists of a review of several factors, including but not limited to the length of time and extent that a security has been in an unrealized loss position, the existence of an event that would impair the issuer's future earnings potential, the near term prospects for recovery of the fair value of a security, and the intent and ability of Centra to hold the security until the fair value recovers. Declines in fair value below cost that are deemed to be other-than-temporary are included in the accompanying consolidated statements of operations and changes in net assets as nonoperating losses.

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The following tables show the gross unrealized losses and fair value of Centra's investments with unrealized losses that are not deemed to be other-than-temporarily impaired (in thousands), aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2012 and 2011.

2012 Description of securities	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Private pooled investments	\$ 83,669	(814)	—	—	83,669	(814)

2011 Description of securities	Less than 12 months		More than 12 months		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Private pooled investments	\$ 103,220	10,979	—	—	103,220	10,979

Unrealized losses in 2011 on Centra's private pooled investments are related to the current economic conditions prevalent across the United States. As of December 31, 2012 and 2011, Centra has the ability to hold such investments until recovery of their fair value and intends to do so, and does not consider the investments to be other-than-temporarily impaired.

(6) Property, Buildings and Equipment

Property, buildings and equipment at December 31 consist of the following:

	2012		2011	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land	\$ 12,710,964	—	8,661,416	—
Land improvements	15,503,163	9,453,385	14,722,204	8,619,995
Buildings and leasehold improvements	392,642,563	223,192,507	383,506,199	208,772,540
Equipment	338,714,398	260,465,570	316,109,004	235,677,963
Construction in progress	17,480,600	—	10,143,288	—
	<u>\$ 777,051,688</u>	<u>493,111,462</u>	<u>733,142,111</u>	<u>453,070,498</u>

Construction in progress primarily consists of various in-house construction projects along with the College of Nursing project, which began in late 2010. The estimated cost to complete this construction project as of December 31, 2012 is approximately \$4,600,000.

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(7) Long-Term Obligations

Long-term obligations at December 31 consist of the following

	<u>2012</u>	<u>2011</u>
Mortgage note payable issued in December 2004 to the Industrial Development Authority of the City of Lynchburg, Virginia, who in turn issued tax-exempt Hospital Auction Rate Securities Revenue and Refunding Bonds (Series 2004 Bonds) The Series 2004 Bonds comprise serial bonds maturing in graduated annual amounts ranging from \$2,225,000 in 2007 to \$10,275,000 in 2035 and bear interest at market rates In June 2008, Centra elected the conversion of these auction rate securities to variable rate demand securities	\$ 161,725,000	164,300,000
Mortgage note payable issued in June 1998 to the Industrial Development Authority of the City of Lynchburg, Virginia, who in turn issued tax-exempt Healthcare Facilities Revenue and Refunding Bonds (Series 1998 Bonds) The Series 1998 Bonds comprise serial bonds maturing in graduated annual amounts ranging from \$1,555,000 in 2007 to \$600,000 in 2016 and bear interest at various rates, ranging from 4 40% to 5 375%	3,890,000	5,875,000
Industrial Development Authority of the County of Campbell, Virginia, who in turn issued tax-exempt Healthcare Facilities Revenue Bond (Series 2007 Bond) The Series 2007 Bond bears interest at 4 13% until 2019 at which time the rate is reset Payment of interest and principal is due quarterly for the 20 year term	6,034,260	6,325,981
Mortgage note payable issued in June 2007 to the Industrial Development Authority of the Town of Amherst, Virginia, who in turn issued tax-exempt Healthcare Facilities Revenue Bond (Series 2007 Bond) The Series 2007 Bond bears interest at 4 13% until 2019 at which time the rate is reset Payment of interest and principal is due quarterly for the 20 year term	6,435,336	6,746,503

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	<u>2012</u>	<u>2011</u>
Mortgage note payable issued in November 2007 to the Industrial Development Authority of the County of Appomattox, Virginia, who in turn issued tax-exempt Healthcare Facilities Revenue Bond (Series 2007 Bond) The Series 2007 Bond bears interest at 4.13% until 2019 at which time the rate is reset. Payment of interest and principal is due quarterly for the 20 year term.	\$ 6,179,471	6,465,259
Mortgage note payable issued in December 2010 to the Industrial Development Authority of the City of Lynchburg, Virginia, who in turn issued a tax-exempt Hospital Revenue Bond (Series 2010 Bond) The Series 2010 Bond bears interest at market rates. Payment of interest and principal is due monthly for the 15 year amortization schedule. At the end of 7 years, the terms of the loan will be renegotiated.	26,688,788	28,367,544
Mortgage note payable issued in April 2002 by CCRC, Inc. to Industrial Development Authority of the City of Lynchburg, who in turn issued tax-exempt Residential Care Facility Mortgage Revenue Bonds (Series 2002 Bonds). The Series 2002 Bonds comprise \$1,770,000 Serial Bonds, \$4,490,000 Term Bonds and \$5,000,000 Adjustable Rate Bonds. The Series 2002 Bonds mature in graduated annual amounts ranging from \$160,000 in 2007 to \$5,000,000 in 2034 and bear interest at various rates ranging from 4.75% to 6.25%.	—	10,380,000
Notes payable issued in January 2012 by CCRC, Inc. to the Industrial Development Authority of the City of Lynchburg, who in turn issued tax-exempt Residential Care Facility Revenue Refunding Bonds (The Summit, Series 2012 Bonds). Interest will be set the first day of each month and ending on the last day of the month. Interest is payable on the first of the month and principal on January 1 of each year. The bonds are due in full in 2034.	9,390,710	—
Notes payable issued June 2011 by Southside and Centra to the Industrial Development Authority of the Town of Farmville, who in turn issued tax-exempt Hospital Revenue Refunding Bonds (Series 2011 Bonds) and bearing interest at 2.89%.	8,426,225	9,268,847
Other notes payable	<u>1,244,756</u>	<u>1,493,948</u>
Total long-term obligations	230,014,546	239,223,082
Less current portion of long-term obligations	<u>(8,695,512)</u>	<u>(8,440,188)</u>
Total long-term obligations, net of current portion	\$ <u><u>221,319,034</u></u>	<u><u>230,782,894</u></u>

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The Series 1998 Bonds, Series 2004 Bonds, Series 2007 Bonds, Series 2010 Bonds, and Series 2011 Bonds are secured by substantially all property and equipment of the Obligated Group. The Series 2002 Bonds are secured by a Deed of Trust on the property and equipment of CCRC, Inc.

In June 2011, Southside issued \$9,619,940 in Hospital Revenue Refunding Bonds (Series 2011). The proceeds of the sale of the 2011 Bonds were used to refund the outstanding principal balance of the Medical Facility Revenue Bonds Series 1997 and Series 1998 and to pay the costs of issuing the 2011 Series Bonds. The bond purchase and loan agreement between the Industrial Development Authority of the Town of Farmville, Southside Community Hospital, and Branch Banking and Trust Company (BB&T), as purchaser was entered into on June 1, 2011.

During December 2010, Centra issued \$30,000,000 in Hospital Revenue Bond, 2010 Series. An interest rate swap agreement was also entered into at a fixed rate of interest of 2.85% for a period of seven years. The proceeds of the bonds are to be used for the purchase and construction of the School of Nursing, completion of the fifth floor of the bed tower at Lynchburg General, purchase of new information technology for the organization and to finance routine capital expenditures.

During 2007, Centra issued \$23,000,000 in Healthcare Facilities Revenue Bonds, 2007 Series. The proceeds of the 2007 Series were used to help finance the construction of the Summit Assisted Living Facility, purchase of a physician office building and construction of the regional cancer center.

In December 2004, Centra issued \$179,125,000 in Hospital Auction Rate Securities, (2004 Series A, 2004 Series B, 2004 Series C, 2004 Series D, 2004 Series E and 2004 Series F bonds, collectively, the 2004 Bonds). The proceeds of the sale of the 2004 Bonds were used together with other funds available, to (a) refund the outstanding principal of the VHA Note and to advance refund a portion of the 1998 bonds, (b) to finance the costs of acquisition and construction of improvements to the hospital facilities and the acquisition of equipment, and (c) to pay the costs of issuing the 2004 Bonds, including the premium for the issuance of the insurance policy by the bond insurer. In June 2008, Centra elected the conversion of each series of the 2004 Bonds (the Conversion) from auction rate securities to variable rate demand securities. The 2004 Bonds are payable from, and secured by, a pledge of payment to be made to the Industrial Development Authority of the City of Lynchburg, Virginia, under the original loan. In connection with the Conversions, each series of 2004 Bonds are payable from irrevocable direct-pay letters of credit issued by two financial institutions for a term to expire on December 16, 2016 and June 15, 2017, respectively, at which time or earlier, management intends to renew or extend the letters of credit.

In June 1998, Centra issued \$70,745,000 in Healthcare Facilities Revenue and Refunding Bonds. The proceeds of the sale of the 1998 Bonds were used to finance new construction, renovation of existing facilities, and purchase of equipment along with the refunding of the Series 1988 Bonds. In conjunction with the issuance of the Series 2004 Bonds, \$46,450,000 of the Series 1998 Bonds were refunded.

Pursuant to the Master Indenture, Centra agreed to certain operational and financial restrictions, which currently apply only to members of the Obligated Group. Each entity that becomes a member of the Obligated Group will be subjected to the Obligated Group restrictions. The operational and financial restrictions contained in the Master Indenture relate primarily to debt service coverage requirements, the incurrence, directly or by guaranteeing the debt of others, of additional indebtedness, the ability to transfer assets, including both physical and liquid assets, and the ability to affect mergers and consolidations. The

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Master Indenture also creates a security interest in the unconditional promises to give revenues of the Obligated Group

In addition to the operational and financial restrictions contained in the Master Indenture, Centra has entered into a Supplemental Indenture with the Master Trustee, in which it agreed to maintain days cash on hand of 60 days or greater at June 30 and December 31 of each year. Centra is required to report semi-annually to the Master Trustee on compliance with this provision. The Supplemental Indenture also requires Centra to deposit an amount equal to the maximum annual debt service if the Long-Term Debt Service Coverage Ratio falls below 1.35. As of December 31, 2012 and 2011, Centra is in compliance with these covenants.

During 2002, CCRC, Inc. issued Series 2002 Bonds to provide financial support for development and construction of the Summit, a senior living community. The Summit consists of 85 independent living apartments, 11 garden homes, and a community center.

On January 3, 2012, the CCRC issued \$9,455,000 in Residential Care Facility Revenue Refunding Bonds (Series 2012). The proceeds of the sale of the 2012 Bonds, along with \$720,000 from the Debt Service Reserve Fund, were used to refund the outstanding principal balance of the Series 2002 Bonds. A loss of \$446,844 was recognized on the refunding. The interest rate for the 2012 Bonds will be set on the first day of each month and ending on the last day of the month as follows: interest rate shall be established at a rate equal to the sum of 75% of the one-month LIBOR rate plus 77.5 basis points (0.93% as of December 31, 2012).

Maturities of long-term obligations as of December 31, 2012 are as follows.

	Centra Series 1998 Bonds	Centra Series 2004	Local IDA 2007	Local IDA 2010	Capital Lease 2011	CCRC Series 2002 Bonds	Total Southside Hospital	Total
Year								
2013	\$ 2,090,000	2,625,000	942,561	1,721,618	239,597	215,000	861,735	8,695,511
2014	600,000	4,325,000	982,096	1,771,330	248,119	230,000	863,117	9,019,662
2015	600,000	4,500,000	1,023,289	1,822,478	256,943	240,000	864,599	9,307,309
2016	600,000	4,700,000	1,066,210	1,875,102	266,081	255,000	866,187	9,628,580
2017	—	5,525,000	1,110,931	1,929,246	—	270,000	867,891	9,703,068
Thereafter	—	140,050,000	13,523,980	17,569,014	—	8,180,710	4,336,712	183,660,416
Balance December 31, 2012	3,890,000	161,725,000	18,649,067	26,688,788	1,010,740	9,390,710	8,660,241	230,014,546
Less current	(2,090,000)	(2,625,000)	(942,562)	(1,721,617)	(239,597)	(215,000)	(861,736)	(8,695,512)
LT portion	\$ 1,800,000	159,100,000	17,706,505	24,967,171	771,143	9,175,710	7,798,505	221,319,034

During the years ended December 31, 2012 and 2011, Centra paid approximately \$6,180,000 and \$6,331,000, respectively, in interest.

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(8) Interest Rate Swap Agreements

Centra entered into various interest rate swap agreements with certain investment companies, which reduce the exposure of volatility in interest rates on certain variable rate debt. As such, Centra pays a fixed rate of interest, as noted in the following table, while the investment company pays based on a floating London Inter-Bank Offered Rate (LIBOR). The floating rate resets every seven days for the 2004 swap agreements and monthly for the 2011 and 2012 swap agreement. The difference between the fixed and floating rates is accrued and recorded in interest expense in the accompanying consolidated statements of operations and changes in net assets beginning on the effective date.

The following are schedules outlining the terms and fair market values of the derivative instruments on December 31:

	Series 2004 Int Rate Swap	Series 2004 Int Rate Swap	Series 2004 Int Rate Swap	Series 2010 Int Rate Swap	Series 2011 Int Rate Swap
Notional amount – original	\$ 52,700,000	39,500,000	39,125,000	30,000,000	9,619,940
Notional amount – 12/12	49,275,000	39,475,000	34,125,000	26,688,786	8,426,225
Trade date	11/10/04	11/10/04	11/10/04	12/14/10	06/22/11
Effective date	12/08/04	12/08/04	12/08/04	12/17/10	06/30/11
Termination date	01/01/28	01/01/35	01/01/35	12/17/17	12/15/22
Fixed rate	3.00%	3.00%	3.00%	3.00%	3.00%
Fair value at December 31, 2010	\$ (4,570,798)	(4,723,177)	(3,328,519)	(342,110)	—
Unrealized losses	(3,609,490)	(6,128,715)	(3,409,626)	(1,097,417)	(520,266)
Fair value at December 31, 2011	(8,180,288)	(10,851,892)	(6,738,145)	(1,439,527)	(520,266)
Change in fair value	13,880	406,255	172,077	(144,273)	(40,252)
Fair value at December 31, 2012	\$ (8,166,408)	(10,445,637)	(6,566,068)	(1,583,800)	(560,518)

By using an interest rate swap to limit exposure to changes in interest rates, Centra exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with an interest rate swap is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Centra has included the fair market value of these derivative instruments of approximately \$27,300,000 and \$27,730,000 as a noncurrent liability in the accompanying consolidated balance sheets at December 31, 2012 and 2011, respectively. Unrealized gains (losses) on derivative instruments were approximately \$408,000 and \$(14,766,000) for the years ended December 31, 2012 and 2011, respectively, and are included with nonoperating losses on the consolidated statements of operations and changes in net assets.

Subsequent to year end, per the Series 2004 interest rate swap agreements, Centra posted collateral of approximately \$4,500,000 in January 2013.

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December 31, 2012 and 2011

(9) Retirement Plans

Centra and its not-for-profit subsidiaries (except Southside) have a defined benefit pension plan covering substantially all of its employees (the Plan). The benefits are based on years of service and the average compensation during the highest five consecutive calendar years of service. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Centra elected to freeze the Plan as of December 31, 2009 to new participants and no future accruals will be earned.

A summary of the projected benefit obligation, change in plan assets and net periodic pension cost follows:

	<u>2012</u>	<u>2011</u>
Change in benefit obligation		
Projected benefit obligation, beginning of year	\$ 218,902,770	176,713,976
Interest cost	9,285,855	9,585,630
Actuarial loss	17,013,681	38,100,996
Benefits paid	<u>(5,904,167)</u>	<u>(5,497,832)</u>
Projected benefit obligation, end of year	<u>239,298,139</u>	<u>218,902,770</u>
Change in plan assets		
Fair value of plan assets, beginning of year	153,038,029	148,325,180
Actual return on plan assets	20,033,253	4,810,681
Employer contributions	7,600,000	5,400,000
Benefits paid	<u>(5,904,167)</u>	<u>(5,497,832)</u>
Fair value of plan assets, end of year	<u>174,767,115</u>	<u>153,038,029</u>
Funded status of plan (under-funded)	<u>\$ (64,531,024)</u>	<u>(65,864,741)</u>
Reconciliation of accrued pension costs		
Prepaid pension costs	\$ 10,150,325	6,273,348
Employer contributions	7,600,000	5,400,000
Net periodic pension costs	<u>(6,473,727)</u>	<u>(1,523,023)</u>
Prepaid pension costs, end of year	11,276,598	10,150,325
Amounts recognized as other change in net assets	<u>(75,807,622)</u>	<u>(76,015,066)</u>
Funded status of plan (under-funded)	<u>\$ (64,531,024)</u>	<u>(65,864,741)</u>

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Components of net periodic benefit cost		
Interest cost	\$ 9,285,855	9,585,630
Expected return on plan assets	(9,943,208)	(9,895,312)
Amortization of net actuarial loss	<u>7,131,080</u>	<u>1,832,705</u>
Net periodic pension cost	<u>\$ 6,473,727</u>	<u>1,523,023</u>
Other changes in plan assets and benefit obligations recognized in other changes in net assets.		
Net actuarial loss	\$ 6,923,636	43,185,627
Amortization of net actuarial loss	<u>(7,131,080)</u>	<u>(1,832,705)</u>
Total recognized in other changes in net assets	<u>\$ (207,444)</u>	<u>41,352,922</u>

(a) Assumptions

Weighted average assumptions used to determine benefit obligations

	<u>2012</u>	<u>2011</u>
Discount rate	3.85%	4.30%
Expected long-term return on assets	6.00	6.00
Compensation rate increase	N/A	N/A

Weighted average assumptions used to determine net periodic benefit cost.

	<u>2012</u>	<u>2011</u>
Discount rate	4.30%	5.50%
Expected long-term return on assets	6.00	6.00
Compensation rate increase	N/A	N/A

The expected long-term rate of return for the Plan's total assets is based on an analysis of anticipated returns for equity and fixed income investments for the portfolio allocation.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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(b) Plan Assets

The asset allocation for Centra's funded retirement plan at December 31, 2012 and 2011, and the target allocation for 2013 by asset category are as follows

	Target allocation 2013	Percentage of plan assets at year end	
		2012	2011
Equity securities	44.0%	44.8%	44.0%
Fixed income securities	50.0	48.0	48.5
Real estate	6.0	7.2	7.5
Total	100.0%	100.0%	100.0%

The policy, as established by the Investment Committee, is to provide for growth of capital with a moderate level of volatility by investing assets per the target allocations stated above. The assets will be reallocated quarterly to meet the above target allocations. The investment policy will be reviewed on a quarterly basis, under the advisement of a certified investment advisor to determine if the policy should be changed.

As disclosed in note 4, generally accepted accounting principles establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Prices for certain common collective trusts are determined on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets and are categorized as Level 2. Prices for real estate common collective trusts and hedge funds are classified as Level 3.

The following table sets forth by level the fair value hierarchy the Plan's financial assets accounted for at fair value as of December 31, 2012 and 2011, respectively. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Centra's assessment of the significance of a particular input to the fair value measurement for Plan assets requires judgment, and may affect the valuation of fair value of Plan investments and their placement within the fair value hierarchy levels.

		December 31, 2012			
		Total	Level 1	Level 2	Level 3
Common collective trusts:					
Equity securities	\$	78,310,477	—	78,310,477	—
Fixed income		83,670,602	—	83,670,602	—
Real estate		12,584,924	—	—	12,584,924
Total	\$	174,566,003	—	161,981,079	12,584,924

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

The Plan has \$201,112 of cash included in plan assets as of December 31, 2012, which is not included in the fair value hierarchy

		December 31 2011			
		Total	Level 1	Level 2	Level 3
Common collective trusts.					
Equity securities	\$	67,530,656	—	67,530,656	—
Fixed income		73,825,587	—	73,825,587	—
Real estate		11,530,910	—	—	11,530,910
Total	\$	152,887,153	—	141,356,243	11,530,910

The Plan has \$150,876 of cash included in plan assets as of December 31, 2012, which is not included in the fair value hierarchy

A reconciliation of Plan assets held classified as Level 3 follows

Balance, beginning of year	\$	11,530,910
Net unrealized gains		1,054,014
Balance, end of year	\$	12,584,924

(c) *Cash Flows*

Centra expects to make contributions of \$7,000,000 to the Plan during 2013

Estimated Future Benefit Payments – The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

2013	\$	6,952,000
2014		7,598,000
2015		8,247,000
2016		8,990,000
2017 – 2021		55,925,000

Centra and its not-for-profit subsidiaries have a tax sheltered annuity program qualified under Section 403(b) of the Internal Revenue Code covering all employees meeting age and service requirements. The program allows Centra to make discretionary contributions to the Plan, subject to certain limitations. Centra's contributions for 2012 and 2011 were approximately \$16,257,000 and \$16,217,000, respectively. As a result of the defined benefit plan freeze, Centra provided an additional annual contribution of 4% of base pay into each eligible employee's personal retirement savings account in 2012 and 2011. In addition, Centra continues to match up to 3% on employee contributions.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(10) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31

	2012	2011
Indigent care	\$ 961,014	950,376
Capital acquisitions	4,501,908	5,828,808
Program services	16,505,260	11,578,968
	<u>\$ 21,968,182</u>	<u>18,358,152</u>

Permanently restricted net assets at December 31 are restricted to

	2012	2011
Indigent care	\$ 830,012	830,012
Capital acquisitions	1,800,730	1,800,730
Program services	20,907,781	20,907,781
Endowment	5,339,855	5,339,855
	<u>\$ 28,878,378</u>	<u>28,878,378</u>

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of indigent care, capital acquisitions and program expenses, which totaled approximately \$2,986,000 and \$1,799,000, respectively.

(11) Endowment Funds

The Foundation's endowment consists of approximately 45 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) *Interpretation of Relevant Law*

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Foundation considers the

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment Net Asset Composition by Type of Fund as of December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment funds				
Donor-restricted	\$ —	8,454,024	28,878,378	37,332,402
Board-designated	920,000	—	—	920,000
Total funds	<u>\$ 920,000</u>	<u>8,454,024</u>	<u>28,878,378</u>	<u>38,252,402</u>

Changes in Endowment Net Assets for the year ended December 31, 2012.

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 920,000	5,329,050	28,878,378	35,127,428
Investment returns				
Investment income	—	293,321	—	293,321
Net appropriations	—	3,124,974	—	3,124,974
Appropriation of endowment assets for expenditure	<u>—</u>	<u>(293,321)</u>	<u>—</u>	<u>(293,321)</u>
Endowment net assets, end of year	<u>\$ 920,000</u>	<u>8,454,024</u>	<u>28,878,378</u>	<u>38,252,402</u>

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Endowment Net Asset Composition by Type of Fund as of December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds				
Donor-restricted	\$ —	5,329,050	28,878,378	34,207,428
Board-designated	920,000	—	—	920,000
Total funds	<u>\$ 920,000</u>	<u>5,329,050</u>	<u>28,878,378</u>	<u>35,127,428</u>

Changes in Endowment Net Assets for the year ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 920,000	7,401,463	28,878,378	37,199,841
Investment returns:				
Investment income	—	374,984	—	374,984
Net depreciation	—	(1,782,943)	—	(1,782,943)
Appropriation of endowment assets for expenditure	<u>—</u>	<u>(664,454)</u>	<u>—</u>	<u>(664,454)</u>
Endowment net assets, end of year	<u>\$ 920,000</u>	<u>5,329,050</u>	<u>28,878,378</u>	<u>35,127,428</u>

(b) Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return on equity investments of 6% and a fixed income yield of 2% annually. Actual returns in any given year may vary from this amount.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(d) *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Foundation has a policy of requesting for distribution each year either net income of the asset or a percentage of the assets average fair value, which results in an average net cash distribution of 2.4% of total assets. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4.3% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

(12) Tax Status

Centra Health, Inc., Centra Health Foundation, CCRC, Inc., Southside Community Hospital, Inc., and Lynchburg Family Practice Residency Program, Inc. are exempt from income tax under Section 501 (a) of the Internal Revenue Code. Accordingly, no income taxes have been provided for these entities in the accompanying consolidated financial statements except for taxes related to certain unrelated business income engaged in by Centra.

Centra Medical Group LLC, Centra Health Cardiovascular Services LLC, Centra Health Emergency Services LLC, Centra Health Indemnity Company LLC, and Central Virginia Hospital for Restorative and Rehabilitative Care, LLC are disregarded for federal income tax purposes and therefore are included under Centra's tax return.

Centra has adopted relevant accounting standards related to taxes for its subsidiary, General Business Concerns, Inc. Under the asset and liability method for these standards, deferred tax assets and liabilities are recognized for the temporary differences between the financial statement carrying amounts and the tax basis of the subsidiary's assets and liabilities at income tax rates expected to be in effect when such amounts are realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date.

Centra Health Indemnity Company LLC is wholly owned by Centra Health, Inc. Any liability for taxes are passed through to Centra Health, Inc. A provision will be made when operations of this subsidiary indicates a liability for taxes.

Effective January 1, 2009, Centra adopted the Financial Accounting Standards Board's (FASB) authoritative guidance on accounting for uncertainty in income taxes. The guidance clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements. Tax positions must meet a recognition threshold of more likely than not in order for the benefit of those tax positions to be recognized in the accompanying financial statements. Centra has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2012. The adoption of the guidance did not have a material effect on Centra's financial position or results of operations. Centra believes they are no longer subject to income tax examinations for years prior to December 31, 2009.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(13) Functional Expenses

Centra provides a broad range of health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2012</u>	<u>2011</u>
Health care services	\$ 572,257,049	553,359,503
General and administrative	<u>70,435,586</u>	<u>64,406,409</u>
	<u>\$ 642,692,635</u>	<u>617,765,912</u>

(14) Investments in Joint Ventures

(a) *Piedmont Community Health Plan*

Piedmont Community Health Plan (PCHP) is an organized network of health care providers established to offer health care services to the community. PCHP, a Virginia stock corporation, has two shareholders, Centra (50%) and Integrated Healthcare, Inc. (50%). Integrated Healthcare, Inc. is owned by physicians in the Lynchburg, Virginia market. At December 31, 2012 and 2011, Centra was at risk for approximately \$1,763,000 and \$1,849,000, respectively, for amounts withheld from payments by PCHP for services provided by Centra to PCHP members. Centra's investment in PCHP is accounted for under the equity method. At December 31, 2012 and 2011, PCHP had total net assets of approximately \$12,038,000 and \$13,703,000, respectively.

(b) *Central Virginia Imaging, L.L.C.*

Central Virginia Imaging, L.L.C. (CVI) is a Virginia nonstock corporation established June 8, 1998. This corporation has two members, Centra (50%), and Radiology Consultants of Lynchburg, Inc. (50%). The corporation was established to provide CT scanning and magnetic resonance imaging services. Centra's investment in CVI is accounted for under the equity method. At December 31, 2012 and 2011, CVI had total net assets of approximately \$103,000 and \$128,000, respectively.

(c) *Bedford Memorial Hospital*

Bedford Memorial Hospital (Bedford) is a nonprofit, nonstock corporation, which operates an acute care hospital and a long-term care facility in Bedford, Virginia. Prior to July 9, 2001, Bedford was operated solely by Carilion Health System (Carilion). Effective July 9, 2001, Centra entered into a joint venture arrangement with Carilion to operate Bedford in order to maintain and strengthen a community hospital that effectively integrates the resources, efficiencies and capabilities of the two organizations to offer the best chance for Bedford to preserve its longstanding commitment of providing quality healthcare services to its community. In connection with the joint venture formation, Centra and Carilion each contributed \$1,500,000 to Bedford. Centra and Carilion each have a 50% interest in Bedford. Centra's investment in Bedford is accounted for under the equity method. At December 31, 2012 and 2011, Bedford had total net assets of approximately \$9,555,000 and \$9,657,000, respectively.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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(d) The Surgery Center of Lynchburg

The Surgery Center of Lynchburg, L L C (the Surgery Center) is a Virginia limited liability company organized on January 29, 1999 to provide outpatient surgical services in the central Virginia area. Centra owns 50% of the Surgery Center and the remaining 50% is owned by individual physicians. Centra's investment in the Surgery Center is accounted for under the equity method. At December 31, 2012 and 2011, the Surgery Center had total net assets of approximately \$3,134,000 and \$2,813,000, respectively.

(15) Fair Value of Financial Instruments

The carrying amounts of Centra's financial instruments, excluding long-term obligations, approximate their fair values. The fair values of Centra's long-term obligations are estimated based on the quoted market prices for the same or similar issues or using discounted cash flow analyses.

The carrying amount and fair value of Centra's long-term obligations at December 31 are as follows:

	2012		2011	
	Fair value	Carrying value	Fair value	Carrying value
Long-term obligations	\$ 230,255,206	230,014,546	239,557,138	239,223,082

(16) Commitments and Contingencies

(a) Lease Commitments

Total rental expense in 2012 and 2011 for all operating leases and software maintenance agreements was approximately \$15,279,000 and \$14,936,000, respectively.

Future minimum payments for the next five years on operating lease agreements at December 31, 2012 are as follows:

2013	\$ 2,510,070
2014	1,617,188
2015	1,107,164
2016	780,346
2017	661,902
Thereafter	1,660,721
	<u>\$ 8,337,391</u>

(b) Compliance

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 could change by a material amount in the near term. Centra believes that it is in compliance with all

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the consolidated financial statements. Compliance with such laws and regulations is subject to government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Centra has identified potential violations of the Stark Law, which generally prohibits a financial relationship between a referring physician and healthcare facilities receiving any such referrals absent specific contractual language. Centra has self-disclosed these potential violations to relevant regulatory authorities, and expects to work collaboratively with these authorities to determine what, if any, fines and penalties might be appropriate. Management believes that the ultimate outcome to this matter will not have a material effect on Centra's consolidated financial statements.

(c) *Litigation*

Centra is subject to various legal proceedings and claims that are inherent to the provision of healthcare services. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on Centra's consolidated financial statements.

(d) *Affiliation Agreement*

On January 3, 2006, Centra entered into an affiliation agreement with Southside, a 116 bed hospital located in Farmville, Virginia. Under the terms of the affiliation agreement, Centra became the sole corporate member of Southside. Southside remains the licensed owner and operator of the hospital and its operating board continues to serve as the governing board of the hospital, subject to reserved powers maintained by Centra. Under the agreement, Centra agreed to make available \$35,500,000 for capital expenditures over a period of ten years. In addition, Centra will provide Southside with funds to make the principal and interest payments on the outstanding bonds.

(17) Concentrations of Credit Risk

Centra grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The approximate mix of receivables from patients and third-party payors at December 31 was as follows:

	2012	2011
Medicare	38%	32%
Medicaid	15	18
Anthem	9	12
Commercial and managed care	15	13
Patients and other	23	25
Totals	100%	100%

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

(18) Self Insurance

(a) General Liability and Malpractice insurance

Prior to December 31, 2002, Centra maintained professional liability insurance coverage with a reciprocal insurance company (the Insurer), which insured Centra and a coalition of other hospitals, physicians and attorneys. The Insurer experienced significant losses over the last few years and its risk-based capital dropped below specified levels, which has resulted in the State Corporation Commission and Bureau of Insurance of the Commonwealth of Virginia placing the Insurer into receivership and subsequently liquidation. Should the Insurer no longer be able to pay the claims of Centra, Centra would be required to purchase coverage to insure these claims. Centra elected not to purchase tail coverage to insure itself for incidents that occurred prior to December 31, 2002, but which may be reported subsequent to that date.

From January 1, 2003 through October 1, 2009, Centra was a member of Virginia Health Systems Alliance Inter-Insurance Exchange, a multi-provider captive insurance company. Effective October 1, 2009, Centra formed a single member limited liability company, Centra Health Indemnity Company, LLC (CHIC), that operates as an insurance company, whose sole purpose is to provide general, professional and excess liability along with terrorism risk coverage. Professional, general, and excess liability risks are primarily insured on a claims-made basis. CHIC policy limits are \$32,050,000, \$32,000,000, and \$30,000,000 per occurrence for professional, general, and excess liability, respectively, and \$36,000,000, \$36,000,000, and 30,000,000 in the aggregate per year for professional, general, and excess liability, respectively. Accrued professional liability costs on a discounted basis as of December 31, 2012 and 2011 amounted to \$8,504,000 and \$8,233,344, respectively, and is included in other long-term liabilities on the consolidated balance sheets.

CENTRA HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Centra's professional liability insurance coverage is on a claims-made basis with a retroactive coverage date of October 1, 1975. Should the claims-made policy not be renewed or replaced with equivalent insurance, occurrences during its term, but asserted subsequently, would be uninsured unless Centra obtains tail coverage. The basic level of coverage limits claims paid to \$2,000,000 per occurrence and \$6,000,000 in aggregate. Centra has recorded an actuarially determined liability of approximately \$3,676,000 and \$3,520,000 as of December 31, 2012 and 2011, respectively, for those claims incurred but not yet reported, and is included in other long-term liabilities on the consolidated balance sheets.

Professional liability policies entered into on a claims-made basis must be renewed or replaced with equivalent insurance if claims incurred during their term but asserted after their expiration are to be insured. The estimated liability for professional and general liability claims will be significantly affected if current and future claims differ from historical trends. While management monitors reported claims closely and considers potential outcomes as estimated by its actuaries when determining its professional and liability accruals, the complexity of the claims, the extended period of time to settle the claims, and the wide range of potential outcomes complicate the estimation. In the opinion of management, adequate provision has been made for the related risk.

(b) *Employee Health Benefits*

Centra is self-insured for employee health benefits. Payments under the plan are limited to \$300 per participant per year. The liabilities associated with these claims totaled \$3,851,000 and \$4,432,000 at December 31, 2012 and 2011, respectively.

(c) *Workers' Compensation Insurance*

Centra is self-insured for workers' compensation insurance. The liability associated with these claims totaled \$702,000 and \$742,000 at December 31, 2012 and 2011, respectively.



KPMG LLP
Suite 1010
10 S. Jefferson Street
Roanoke, VA 24011-1331

Independent Auditors' Report on Supplementary Information

The Board of Directors
Centra Health, Inc. and Subsidiaries

We have audited the consolidated financial statements of Centra Health, Inc. and Subsidiaries as of and for the year ended December 31, 2012, and have issued our report thereon dated April 15, 2013, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules listed under "Supplementary Information" are presented for the purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Roanoke, Virginia
April 15, 2013

CENTRA HEALTH INC. AND SUBSIDIARIES

as of June 30, 2018 (continued from page 1)

(continued from page 1)

Assets	Centra's Health	Southside Community Hospital	Centra's Business Centers	Lynchburg Family Medicine	Centra's Health Foundation	CCRC	Centra's Medical Group	Centra's Health Cardiovascular Services	Centra's Health Emergency Services	Centra's Specialty Hospital	Centra's Health Indemnity Company	Eliminations	Consolidated totals
current assets													
cash and cash equivalents	\$ 1,000,000	1,000	4,000	—	1,000,000	1,000,000	2,000	—	4,000	4	1,000,000	—	4,000
restricted cash and cash equivalents	—	—	—	—	—	—	—	—	—	—	—	—	—
accounts receivable	1,000,000	1,000	—	—	—	—	—	—	—	—	—	—	1,000,000
prepaid expenses and other current assets	1,000,000	1,000	—	—	1,000,000	—	1,000,000	—	1,000,000	4	—	—	1,000,000
total current assets	10,000,000	1,000,000	4,000	—	1,000,000	1,000,000	10,000	—	1,000,000	4,000,000	1,000,000	4	1,000,000
non-current assets													
property, plant and equipment, net	10,000,000	—	—	—	1,000,000	1,000,000	—	—	—	—	1,000,000	—	1,000,000
intangible assets	4,000,000	4,000,000	1,000,000	—	—	—	—	—	—	4,000,000	—	—	4,000,000
goodwill	14,000,000	—	—	—	—	—	—	—	—	—	—	—	14,000,000
other non-current assets	14,000,000	—	—	—	—	—	—	—	—	—	—	—	14,000,000
total non-current assets	40,000,000	—	—	—	1,000,000	1,000,000	—	—	—	—	—	—	40,000,000
total assets	50,000,000	1,000,000	4,000	—	2,000,000	2,000,000	10,000	—	1,000,000	4,000,000	1,000,000	4	50,000,000
Liabilities and Net assets													
current liabilities													
accounts payable	\$ 1,000,000	1,000	—	—	1,000,000	—	1,000	—	4,000	1,000,000	4	—	1,000,000
accrued liabilities	4,000,000	—	—	—	—	—	—	—	—	4,000,000	—	—	4,000,000
deferred revenue	1,000,000	1,000	—	—	—	—	—	—	—	—	—	—	1,000,000
total current liabilities	6,000,000	2,000	—	—	1,000,000	—	1,000	—	4,000	1,000,000	4	—	6,000,000
long-term liabilities													
debt	4,000,000	—	—	—	—	—	—	—	—	—	—	—	4,000,000
total long-term liabilities	4,000,000	—	—	—	—	—	—	—	—	—	—	—	4,000,000
total liabilities	10,000,000	2,000	—	—	1,000,000	—	1,000	—	4,000	1,000,000	4	—	10,000,000
net assets													
total net assets	40,000,000	998,000	4,000	—	1,000,000	2,000,000	9,000	—	996,000	3,000,000	996,000	4	40,000,000
total liabilities and net assets	\$ 50,000,000	1,000,000	4,000	—	2,000,000	2,000,000	10,000	—	1,000,000	4,000,000	1,000,000	4	50,000,000

See accompanying notes to the consolidated financial statements.

a. bid run, b. thought, c. as you, bid run, b. as

a. bid run, b. thought, c. as you, bid run, b. as

continued on page 11

$$m_1 \text{ and } m_2 \text{ independent unitary reflections}$$