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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
MOUNTAIN STATES HEALTH ALLIANCE

Doing Business As
JOHNSON CITY MEDICAL CENTER

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

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

D Employer identification number
62-0476282

E Telephone number
(423) 302-3372

G Gross receipts $ 718,141,895

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

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW MSHA COM

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

L Year of formation 1945

M State of legal domicile TN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PART I, LINE 1 MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION SEE ATTACHED NARRATIVE-PROGRAM SERVICE ACCOMPLISHMENTS

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	9,102
6	Total number of volunteers (estimate if necessary)	**6**	2,897
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,245,620
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	160,672

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,745,426	2,474,339
	9 Program service revenue (Part VIII, line 2g)	697,705,296	674,372,724
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,259,649	31,675,503
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,171,526	9,360,388
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	734,881,897	717,882,954
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	990,095	405,051
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	309,796,341	305,057,437
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶1,478,925		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	372,114,544	376,841,250
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	682,900,980	682,303,738
	19 Revenue less expenses Subtract line 18 from line 12	51,980,917	35,579,216

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,517,954,041	1,599,476,991
	21 Total liabilities (Part X, line 26)	1,169,345,060	1,201,894,828
	22 Net assets or fund balances Subtract line 21 from line 20	348,608,981	397,582,163

Part II Signature Block

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

Sign Here

****** | 2014-05-12
Signature of officer | Date

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

PART I, LINE 1 MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION SEE ATTACHED NARRATIVE-PROGRAM SERVICE ACCOMPLISHMENTS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 568,045,112 including grants of $ 405,051) (Revenue $ 674,348,316)

SEE ATTACHED DOCUMENT MSHA - PROGRAM SERVICE ACCOMPLISHMENTS FOR GUIDESTAR READERS, OUR PROGRAM SERVICE ACCOMPLISHMENTS MAY BE FOUND AT THE END

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 568,045,112

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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI 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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 . .	1a	665		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	9,102		
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)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
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 **1a** 14			
	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 **1b** 7			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ 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

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

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

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

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

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

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

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

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

(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			
(1) DENNIS VONDERFECHT CEO	57 00 3 00	X		X				3,163,747	0	42,698
(2) JEFF FARROW MD DIRECTOR	5 00	X						41,413	0	0
(3) CLEM WILKES JR CHAIR	11 00 3 00	X						0	0	0
(4) GARY PEACOCK DIRECTOR	7 00 1 00	X						0	0	0
(5) SANDRA BROOKS MD DIRECTOR	6 00 2 00	X						0	0	0
(6) RICK STOREY DIRECTOR	6 00	X						0	0	0
(7) THOMAS FOWLKES DIRECTOR	5 00 1 00	X						0	0	0
(8) LINDA GARCEAU DIRECTOR	6 00	X						0	0	0
(9) DONALD JEANES PAST CHAIR	1 00	X						0	0	0
(10) JOANNE GILMER VICE CHAIR	9 00 1 00	X						0	0	0
(11) DAVID MAY MD DIRECTOR	8 00	X						0	0	0
(12) ROBERT FEATHERS PAST CHAIR	6 00 3 00	X						0	0	0
(13) MICHAEL CHRISTIAN TREASURER	10 00	X						0	0	0
(14) BARBARA ALLEN SECRETARY	8 00	X						0	0	0
(15) MARVIN EICHORN SENIOR VP/CF	58 00 2 00			X				620,102	0	39,538
(16) CANDACE JENNINGS SR VP TN OP	60 00				X			504,935	0	77,850
(17) ANN FLEMING SR VP	53 50 6 50				X			426,280	0	66,282

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

(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			
(18) DAVID NICELY VP/CEO WASHI	55 00				X			355,009	0	54,424
(19) MONTY MCLAURIN VP/IPMC CEO	55 00				X			326,159	0	58,687
(20) LYNN KRUTAK VP/CORP CFO	55 00				X			252,982	0	34,227
(21) SHANE HILTON VP/TN CFO	55 00				X			239,117	0	36,111
(22) MORRIS SELIGMAN MD SR VP/CMO	60 00					X		547,923	0	93,706
(23) DOUGLAS EDEMA VP PRES /CEO	55 00					X		408,337	0	56,282
(24) JAMES PASKERT MD VP/CMO WASHI	55 00					X		403,873	0	55,967
(25) JOHN SCHARIO SVP	57 00 3 00					X		401,522	0	31,188
(26) KATHERINE BALL FORMER VP/CM	50 00					X		398,795	0	21,625
(27) DALE CLAYTORE VP	55 00						X	231,575	0	13,855
(28) PAT NIDAY FORMER CNO W	55 00						X	196,642	0	33,699
(29) BRAD NURKIN FORMER CEO J	55 00						X	141,265	0	8,180
(30) CYNTHIA SALYER VP/CARDIO-PU							X	237,676	0	22,474
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								8,897,352		746,793

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 ▶ 200

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SKANSKA USA BUILDING INC , 1633 LITTLETON ROAD PARSIPPANY NJ 07054	CONSTRUCTION	14,766,320
ETSU COLLEGE OF MEDICINE , BOX 70732 JOHNSON CITY TN 37614	PRIMARILY PHYS	9,545,066
MORRISON MANAGEMENT SPECIALISTS , PO BOX 102289 ATLANTA GA 30368	DIETARY SERVICE	5,877,388
ANESTHESIA PAIN CONSULTANTS , STE 4 1113 SUNSET DRIVE JOHNSON CITY TN 37605	PHYSICIAN SVC	4,768,017
HOSPITAL HOUSEKEEPING SYSTEMS LTD , P O BOX 826 SAN ANTONIO TX 78293	HOUSEKEEPING	3,769,628

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 ▶ 138

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	1,599,266			
	e	Government grants (contributions)	1e	760,280			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	114,793			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f			2,474,339		
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE-OTHER	622110	651,506,371	651,506,371		
	b	WELLNESS PROGRAMS	622110	20,670,478	20,670,478		
	c	P/S PROG SERV INCOME	622110	1,820,608	1,820,608		
	d	LAB UBI REVENUE	622110	313,011		313,011	
	e	PREMIER PYMT D'S BOARD SERVCE	541610	62,256		62,256	
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			674,372,724		
	3	Investment income (including dividends, interest, and other similar amounts)		15,341,173			15,341,173
	4	Income from investment of tax-exempt bond proceeds		173,144			173,144
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	192,727				
	b	Less rental expenses	107,960				
	c	Rental income or (loss)	84,767				
	d	Net rental income or (loss)			84,767	40,519	44,248
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	16,185,475	126,692			
	b	Less cost or other basis and sales expenses		150,981			
	c	Gain or (loss)	16,185,475	-24,289			
	d	Net gain or (loss)			16,161,186	-24,408	16,185,594
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFE' SALES	722210	4,331,346			4,331,346
	b	DIETARY,SECURITY,ENGIN , ETC	541900	3,104,282			3,104,282
	c	DAY CARE	624410	1,010,159			1,010,159
	d	All other revenue		829,834		829,834	
	e	**Total.** Add lines 11a–11d		9,275,621			
	12	**Total revenue.** See Instructions		717,882,954	673,973,049	1,245,620	40,189,946

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 . . . . . ☑

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	405,051	405,051		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	6,462,311		6,462,311	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	233,351,875	224,273,412	8,239,250	839,213
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,164,364	10,670,589	453,847	39,928
9 Other employee benefits	35,505,904	31,443,556	4,027,745	34,603
10 Payroll taxes	18,572,983	16,436,281	2,087,586	49,116
11 Fees for services (non-employees)				
a Management				
b Legal	1,391,092		1,391,092	
c Accounting	291,270		291,270	
d Lobbying	139,937	139,937		
e Professional fundraising services See Part IV, line 17				
f Investment management fees	1,157,590		1,157,590	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	92,184,405	84,136,191	7,818,901	229,313
12 Advertising and promotion	2,824,684	2,192,837	618,937	12,910
13 Office expenses	8,187,946	8,071,791	27,997	88,158
14 Information technology	16,859,971	11,389,567	5,470,404	
15 Royalties . .				
16 Occupancy	14,034,081	11,033,941	2,938,607	61,533
17 Travel	2,102,709	1,509,361	560,910	32,438
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	198,260	131,485	62,957	3,818
20 Interest	41,651,661		41,651,661	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	51,656,821	27,443,317	24,208,361	5,143
23 Insurance	791,103	2,777	788,326	
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 & DRUGS	120,184,686	119,991,972	190,589	2,125
b REPAIRS & MAINTENANCE	15,057,143	14,296,334	716,244	44,565
c DUES & SUBSCRIPTIONS	4,256,550	1,254,923	2,998,415	3,212
d ALL OTHER EXPENSES	1,954,364	1,942,493	-8,466	20,337
e All other expenses	1,916,977	1,279,297	625,167	12,513
25 **Total functional expenses.** Add lines 1 through 24e	682,303,738	568,045,112	112,779,701	1,478,925
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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		39,216,743	2	53,114,956
	3	Pledges and grants receivable, net		248,258	3	96,609
	4	Accounts receivable, net		103,299,284	4	117,265,071
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		6,806,393	5	8,492,454
	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			6	
	7	Notes and loans receivable, net		15,373,693	7	17,189,476
	8	Inventories for sale or use		15,480,550	8	15,873,411
	9	Prepaid expenses and deferred charges		3,139,089	9	4,850,577
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 998,845,770			
	b	Less accumulated depreciation	10b 480,937,560	494,025,566	10c	517,908,210
	11	Investments—publicly traded securities		271,118,030	11	285,653,065
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		307,033,212	13	313,693,918
	14	Intangible assets		143,276,118	14	144,707,541
	15	Other assets See Part IV, line 11		118,937,105	15	120,631,703
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,517,954,041	16	1,599,476,991
Liabilities	17	Accounts payable and accrued expenses		85,554,685	17	69,022,047
	18	Grants payable			18	
	19	Deferred revenue		2,928,666	19	2,130,026
	20	Tax-exempt bond liabilities		813,947,753	20	882,984,693
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		177,320,621	23	145,411,405
	24	Unsecured notes and loans payable to unrelated third parties		4,437,945	24	2,319,713
	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		85,155,390	25	100,026,944
	26	**Total liabilities.** Add lines 17 through 25		1,169,345,060	26	1,201,894,828
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		348,411,488	27	397,408,151
	28	Temporarily restricted net assets		197,493	28	174,012
	29	Permanently restricted net assets			29	
		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		348,608,981	33	397,582,163
	34	Total liabilities and net assets/fund balances		1,517,954,041	34	1,599,476,991

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	717,882,954
2	Total expenses (must equal Part IX, column (A), line 25)	2	682,303,738
3	Revenue less expenses Subtract line 2 from line 1	3	35,579,216
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	348,608,981
5	Net unrealized gains (losses) on investments	5	15,510,418
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	-2,116,452
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	397,582,163

Part XII Financial Statements and Reporting

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

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

Additional Data

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

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

(A) Name and Title	(B) Average hours per week (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			
DENNIS VONDERFECHT CEO	57 00 3 00	X		X				3,163,747	0	42,698
JEFF FARROW MD DIRECTOR	5 00	X						41,413	0	0
CLEM WILKES JR CHAIR	11 00 3 00	X						0	0	0
GARY PEACOCK DIRECTOR	7 00 1 00	X						0	0	0
SANDRA BROOKS MD DIRECTOR	6 00 2 00	X						0	0	0
RICK STOREY DIRECTOR	6 00	X						0	0	0
THOMAS FOWLKES DIRECTOR	5 00 1 00	X						0	0	0
LINDA GARCEAU DIRECTOR	6 00	X						0	0	0
DONALD JEANES PAST CHAIR	1 00	X						0	0	0
JOANNE GILMER VICE CHAIR	9 00 1 00	X						0	0	0
DAVID MAY MD DIRECTOR	8 00	X						0	0	0
ROBERT FEATHERS PAST CHAIR	6 00 3 00	X						0	0	0
MICHAEL CHRISTIAN TREASURER	10 00	X						0	0	0
BARBARA ALLEN SECRETARY	8 00	X						0	0	0
MARVIN EICHORN SENIOR VP/CF	58 00 2 00			X				620,102	0	39,538
CANDACE JENNINGS SR VP TN OP	60 00				X			504,935	0	77,850
ANN FLEMING SR VP	53 50 6 50				X			426,280	0	66,282
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DOUGLAS EDEMA VP PRES /CEO	55 00					X		408,337	0	56,282
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JOHN SCHARIO SVP	57 00 3 00					X		401,522	0	31,188

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			
KATHERINE BALL FORMER VP/CM	50 00					X		398,795	0	21,625
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BRAD NURKIN FORMER CEO J	55 00						X	141,265	0	8,180
CYNTHIA SALYER VP/CARDIO-PU							X	237,676	0	22,474

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1 - 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of 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 III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

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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	Employer identification number
MOUNTAIN STATES HEALTH ALLIANCE	62-0476282

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

1 Provide a description of the organization's direct and indirect political campaign activities 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		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		250,140
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			250,140
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
	SCHEDULE C, PART II-B, LINE 1	THE COMMUNITY & GOVERNMENT RELATIONS VICE PRESIDENT AND/OR THE DEPARTMENT'S MANAGER OR DIRECTOR ATTENDED THE FOLLOWING LEGISLATIVE CONFERENCES - PREMIER FEDERAL AFFAIRS NETWORK MEETING - AMERICAN HOSPITAL ASSOCIATION ANNUAL MEETING - TENNESSEE HOSPITAL ASSOCIATION LEGISLATIVE ADVOCACY DAY - TENNESSEE HOSPITAL ASSOCIATION ANNUAL MEETING - HOSPITAL ALLIANCE OF TENNESSEE ANNUAL MEETING - NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS AND RELATED INSTITUTIONS VIP ADVOCACY DAY - TENNESSEE PUBLIC & TEACHING HOSPITALS ASSOCIATION ANNUAL MEETING - VIRGINIA HOSPITAL & HEALTHCARE ASSOCIATION LEGISLATIVE ISSUES CONFERENCE - ASSOCIATION OF AMERICAN MEDICAL COLLEGES GOVERNMENT RELATIONS MEETING THE COMMUNITY & GOVERNMENT RELATIONS VICE PRESIDENT AND/OR DEPARTMENTAL STAFF ALSO CONTACTED CONGRESSIONAL OFFICES CONCERNING THE FOLLOWING ISSUES - SUPPORT FOR PROVISIONS TO EXPAND INSURANCE COVERAGE (HEALTH INSURANCE EXCHANGES AND MEDICAID EXPANSION) - SUPPORT FOR INITIATIVES TO IMPROVE PAYMENT DELIVERY REDESIGN, SUCH AS ACCOUNTABLE CARE ORGANIZATION DEVELOPMENT - SUPPORT FOR CONTINUATION OF TENNESSEE MEDICAID DISPROPORTIONATE SHARE HOSPITAL PAYMENTS - OPPOSITION TO ADDITIONAL CUTS IN MEDICARE/MEDICAID - SUPPORT FOR REAUTHORIZATION AND FUNDING OF CHILDREN'S HOSPITAL GRADUATE MEDICAL EDUCATION - SUPPORT FEDERAL FUNDING FOR TRAUMA CARE - SUPPORT CONTINUATION OF GRADUATE MEDICAL EDUCATIONAL FUNDING - SUPPORT OF STATE MEDICAID PROVIDER TAX PROVISIONS - SUPPORT OF MEDICARE DEPENDENT HOSPITAL AND LOW-VOLUME DESIGNATIONS THE COMMUNITY & GOVERNMENT RELATIONS VICE PRESIDENT AND/OR THE DEPARTMENTAL DIRECTOR OR MANAGER RESPONDED VIA LETTER, PHONE, OR IN PERSON TO THE FOLLOWING TENNESSEE AND VIRGINIA LEGISLATIVE ISSUES - SUPPORT OF MEDICAID EXPANSION - TENNESSEE AND VIRGINIA - SUPPORT OF STRONG CERTIFICATE OF NEED PROGRAMS IN TENNESSEE AND VIRGINIA - SUPPORT FOR CONTINUATION OF HOSPITAL ASSESSMENT FEE IN TENNESSEE - SUPPORT OF FUNDING FOR PERINATAL CENTERS IN TENNESSEE - SUPPORT OF SAFETY NET FUNDING FOR PROJECT ACCESS - SUPPORT OF STABLE MEDICAID RATES IN VIRGINIA - SUPPORT "SAFE HARBOR" LEGISLATION FOR DRUG ADDICTED PREGNANT WOMEN - SUPPORT HELMET REQUIREMENT FOR MOTORCYCLISTS

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

9 In Part 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 ▶ $ _____

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

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

b If "Yes," explain the arrangement in Part 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	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

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		43,542,989		43,542,989
b Buildings		514,167,381	158,971,778	355,195,603
c Leasehold improvements		952,503	482,065	470,438
d Equipment		440,182,897	321,483,717	118,699,180
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				517,908,210

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

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) INVESTMENT IN JMH	132,000,000	C
(2) INVESTMENT IN BRMMC	100,273,634	C
(3) INVESTMENT IN SCCH	67,400,494	C
(4) INVESTMENT IN ISHN	14,387,897	C
(5) INVESTMENT IN OTHER	-368,107	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶	313,693,918	

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

(a) Description	(b) Book value
(1) AWUL-UNDER BOND INDENTURE AGREEMENT	70,092,718
(2) AWUL - CURRENT	20,386,338
(3) DEFERRED CHARGES AND OTHER	17,755,375
(4) LONG TERM COMPENSATION INVESTMENT	12,397,272
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	120,631,703

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
ACCRUED SALARIES, ABSENCES & W/H	40,208,513
DUE TO THIRD-PARTY PAYERS	25,496,463
ACCRUED INTEREST	19,498,959
EST FAIR VALUE OF INT RATE SWAP	8,219,935
OTHER LONG-TERM LIABILITIES	6,603,074
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	100,026,944

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

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
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	"THE ALLIANCE IS CLASSIFIED AS AN ORGANIZATION EXEMPT FROM INCOME TAXES PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AS SUCH, NO PROVISION FOR INCOME TAXES HAS BEEN MADE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE ALLIANCE AND ITS TAX-EXEMPT SUBSIDIARIES TAXABLE ENTITIES ACCOUNT FOR INCOME TAXES IN ACCORDANCE WITH FASB ASC740, "INCOME TAXES" (NOTE L) THE ALLIANCE HAS NO UNCERTAIN TAX POSITIONS AT JUNE 30, 2013 AND 2012 TAX RETURNS FOR FISCAL YEARS 2009 THROUGH 2013 ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE"

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)			17,191,567		17,191,567	2 520 %
b Medicaid (from Worksheet 3, column a)			21,036,012	15,635,590	5,400,422	0 790 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			76,753,019	52,973,261	23,779,758	3 490 %
d **Total** Financial Assistance and Means-Tested Government Programs			114,980,598	68,608,851	46,371,747	6 800 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,884,433	447,464	4,436,969	0 650 %
f Health professions education (from Worksheet 5)			14,369,294	3,753,039	10,616,255	1 560 %
g Subsidized health services (from Worksheet 6)			17,414,583	7,191,389	10,223,194	1 500 %
h Research (from Worksheet 7)			347,164	212,960	134,204	0 020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			186,718		186,718	0 030 %
j **Total.** Other Benefits			37,202,192	11,604,852	25,597,340	3 750 %
k **Total.** Add lines 7d and 7j			152,182,790	80,213,703	71,969,087	10 550 %

Part II **Community Building Activities** Complete this 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						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other			229,332		229,332	0 030 %
10 **Total**			229,332		229,332	0 030 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	72,662,827		
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	55,223,749		
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	178,094,047
6	Enter Medicare allowable costs of care relating to payments on line 5	6	183,810,040
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-5,715,993
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	MED'L SPEC OF JC LLC	MEDICAL SERVICES	51 000 %		49 000 %
2	EMMAUS COMM HLTHCR	MEDICAL SERVICES	75 000 %		25 000 %
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
6

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group JOHNSON CITY MEDICAL CENTER

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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted 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**		No
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**		No
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

INDIAN PATH MEDICAL CENTER

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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted 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**		No
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**		No
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group FRANKLIN WOODS COMMUNITY HOSPITAL

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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted 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**		No
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**		No
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group SYCAMORE SHOALS HOSPITAL

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 4

			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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted 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**		No
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**		No
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

RUSSELL COUNTY MEDICAL CENTER

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) 5

			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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted 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**		No
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**		No
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group JOHNSON COUNTY COMMUNITY HOSPITAL

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 6

			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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted 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**		No
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**		No
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 0% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

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

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (describe)
1	JCMC AMBULATORY SURGERY CENTER 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	LICENSED AMBULATORY SURGERY CENTER
2	MOUNTAIN STATES IMAGING CENTER 301 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED OUTPATIENT DIAGNOSTIC CENTER
3	PRINCETON TRANSITIONAL CARE 401 PRINCETON ROAD JOHNSON CITY,TN 37601	LICENSED SKILLED NURSING FACILITY
4	INDIAN PATH TRANSITIONAL CARE 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660	LICENSED SKILLED NURSING FACILITY
5	MEDICAL CNTR HOME CARE-JOHNSON CITY 101 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED HOME HEALTH AGENCY
6	MEDICAL CNTR HOME CARE-KINGSPORT 2020 BROOKSIDE DRIVE 28 KINGSPORT,TN 37660	LICENSED HOME HEALTH AGENCY
7	RUSSELL CO MEDICAL CNTR HOME HLTH 116 FLANNAGAN AVENUE LEBANON,VA 24266	LICENSED HOME HEALTH AGENCY
8	MEDICAL CENTER HOSPICE 101 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED HOSPICE AGENCY
9	JOHNSON COUNTY HOME HEALTH 1987 SOUTH SHADY STREET MOUNTAIN CITY,TN 37683	LICENSED HOME HEALTH AGENCY
10	RUSSELL COUNTY MEDICAL CNTR HOSPICE 116 FLANNAGAN AVENUE LABANON,VA 24266	LICENSED HOSPICE AGENCY

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, 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
RELATED ORGANIZATION INFORMATION	PART I LINE 6A	MOUNTAIN STATES HEALTH ALLIANCE HAS PREPARED AND MADE PUBLIC A COMMUNITY BENEFIT REPORT TO INCLUDE INFORMATION FOR ALL OF THE HOSPITALS WITHIN THE HEALTH SYSTEM
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	A COST TO CHARGE RATIO WAS USED TO CALCULATE LINES 7A AND B UTILIZING THE SCHEDULE H APPLICABLE WORKSHEETS INCLUDING WORKSHEET 2 A RATIO OF PATIENT CARE COST TO CHARGES LINES 7E F G AND H USED DIRECT COSTS OF SPECIFIC PROGRAMS LINE 7I REFLECTS CHARITABLE CONTRIBUTIONS AT COST WE SUBTRACTED LINES 7EI COLUMN C EXPENSE FROM WORKSHEET 2 LINE 4 SO THAT THE EXPENSE WOULD NOT BE DUBLICATED PART I LINE 7G JOHNSON COUNTY COMMUNITY HOSPITAL A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL OPERATES A PHYSICIAN SPECIALTY CLINIC WHICH INCURRED AN OPERATING LOSS OF 55015 FOR THE TWELVE MONTHS ENDING JUNE 30 2013 THE SPECIALTY CLINIC INCLUDES CARDIOLOGY GENERAL SURGERY PODIATRY AND OTHER SPECIALTY SERVICES THIS CONTINUES TO BE A VALUABLE RESOURCE TO THE RESIDENTS OF THE AREA BY AIDING WITH TRANSPORTATION ISSUES OTHER PHYSICIAN OFFICES ARE MORE THAN AN HOUR AWAY RESOLVING ACCESS LIMITATIONS FOR SPECIALTY SERVICES AND PROVIDING RELIEF TO THE SPECIAL HEALTH PROBLEMS OF A LARGELY ELDERLY POPULATION RUSSELL COUNTY MEDICAL CENTER OPERATES A RURAL HEALTH CLINIC LOCATED IN ST PAUL VA ON THE BORDER OF WISE AND RUSSELL COUNTIES RIVERSIDE CLINIC FIRST OPENED IN 1991 TO PROVIDE PRIMARY CARE SERVICES TO THIS ELDERLY UNDERSERVED POPULATION THE CLINICS LARGEST PAYOR IS MEDICARE WHICH ACCOUNTS FOR 51 OF PATIENT SERVICES DURING FY13 THE CLINIC INCURRED UNREIMBURSED EXPENSES OF 221246 SOME OTHER SUBSIDIZED SERVICES WITHIN MSHA INCLUDE SKILLED NURSING FACILITIES WITHIN TWO HOSPITALS OUR AIR TRANSPORT SERVICE WINGS BABYCHILD GROUND TRANSPORT AND MENTAL HEALTH

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	MSHA LEADERS SUPPORT AND ENCOURAGE ALL TEAM MEMBERS TO VOLUNTEER TIME MONEY AND SKILLS TO COMMUNITY SERVICE PROJECTS AND CHARITABLE ORGANIZATIONS SENIOR LEADERS AND BOARD MEMBERS SET A POSITIVE EXAMPLE FOR MSHA TEAM MEMBERS SERVING VOLUNTARILY ON COMMITTEES AND MANAGING BOARDS OF LOCAL SERVICE AND NONPROFIT ORGANIZATIONS MANY ALSO SERVE AS MEMBERS AND CONSULTANTS ON PROFESSIONAL COMMITTEES AND TASK FORCES THAT AFFECT REGIONAL DEVELOPMENT IN HEALTHCARE AND EDUCATION SOME OF THESE TEAM MEMBERS DEVOTE TWO WEEKS OF NORMAL WORK TIME TO OUTSIDE CHARITABLE ACTIVITIES MSHA IN COLLABORATION WITH AREA HEALTH AGENCIES AND PROVIDERS MAY OFFER ASSISTANCE WITH COORDINATION ADVOCACY AND PUBLICITY PROVIDE SPACE OR CONTRIBUTE SUPPLIES TO SUPPORT GROUPS FOR THEIR PROGRAM ACTIVITIES MSHA INCURRED EXPENSES OF ALMOST 2 MILLION ON PHYSICIAN RECRUITMENT TO REPLACE PHYSICIANS RETIRING OR LEAVING OUR SERVICE AREAS INCLUDING RECRUITMENT TO ONE OF OUR FEDERALLY DESIGNATED UNDERSERVED COMMUNITIES WITHOUT MSHAS DEDICATION TO RURAL HEALTH THERE WOULD NOT BE AN ADEQUATE NUMBER OF PHYSICIANS TO SERVE THIS PATIENT POPULATION MSHA SUPPORTS THE ECONOMIC DEVELOPMENT OF THE REGION BY PROVIDING FINANCIAL SUPPORT TO ECONOMIC DEVELOPMENT PROGRAMS EVIDENCE SHOWS THAT A HEALTHY ECONOMY RELATES TO A HEALTHIER POPULATION
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	OUR VICE PRESIDENT OF PATIENT FINANCIAL SERVICES ESTIMATES THAT 76 OF BAD DEBT EXPENSE WAS ASSUMED ATTRIBUTABLE TO PATIENTS LIKELY ELIGIBLE FOR FINANCIAL ASSISTANCE WE HAVE MANY INSTANCES DURING THE YEAR OF PATIENTS WITH LARGE ACCOUNT BALANCES AND NO HEALTH INSURANCE COVERAGE THAT WE ARE SURE WOULD QUALIFY FOR CHARITY CARE ALTHOUGH HOSPITAL TEAM MEMBERS ENCOURAGE THESE INDIVIDUALS TO COMPLETE OUR FINANCIAL ASSISTANCE APPLICATION MANY WILL NOT DO SO EVEN WHEN THESE INDIVIDUALS ARE TOLD WE FEEL SURE THEY DO QUALIFY FOR FULL OR PARTIAL ASSISTANCE THEY STILL REFUSE TO COMPLETE OUR FINANCIAL ASSISTANCE APPLICATION REGARDING LINE 3 IT IS IMPLAUSIBLE TO DETERMINE THE AMOUNT OF MSHAS BAD DEBT ASSOCIATED WITH THOSE PATIENTS WHO MAY HAVE MET THE CRITERIA SET FORTH IN OUR FINANCIAL ASSISTANCE POLICY WITHOUT HAVING A COMPLETED FINANCIAL ASSESSMENT WE ARE UNABLE TO DETERMINE OUR PATIENTS FINANCIAL CIRCUMSTANCES UNLESS A COMPLETED FINANCIAL ASSESSMENT FORM IS VOLUNTARILY PROVIDED TO US WE CAN ASSERT THAT MORE THAN 97 OF OUR PATIENTS WHO HAVE PROVIDED COMPLETED FINANCIAL ASSESSMENT FORMS HAVE BEEN APPROVED FOR AT LEAST PARTIAL FINANCIAL ASSISTANCE THE FOLLOWING TEXT IS INCLUDED IN MSHAS FY13 AUDITED FINANCIAL STATEMENTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRDPARTY COVERAGE THE ALLIANCE ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND A PROVISION FOR BAD DEBTS IF NECESSARY FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLE ACCOUNTS FOR WHICH THE THIRDPARTY PAYER HAS NOT PAID OR FOR PAYERS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY FOR RECEIVABLES ASSOCIATED WITH PATIENTS WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLES AND COPAYMENT BALANCES DUE FOR WHICH THIRDPARTY COVERAGE EXISTS FOR PART OF THE BILL THE ALLIANCE RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS REPORT THE AMOUNT OF ESTIMATED UNCOLLECTIBLE SELFPAY AND EXPLAIN THAT UNCOLLECTIBLE PATIENT ACCOUNTS RECEIVABLE ESTIMATED RESERVES ARE BASED UPON PRIOR COLLECTION HISTORY FOR GROUPS OF RECEIVABLES KNOWN COLLECTION RISKS AND OTHER ENVIRONMENTAL FACTORS INCLUDING THE AGE OF THE RECEIVABLES

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	MEDICARE ALLOWABLE COSTS WERE REPORTED USING MSHAS FILED MEDICARE COST REPORT CR THE CR USES A COST TO CHARGE RATIO BASED ON A STEPDOWN ALLOCATION METHODOLOGY IN CARING FOR THE PATIENT THERE ARE SEVERAL SERVICES THAT ARE CONSIDERED NONALLOWABLE SUCH AS TRANSPORTATION OF A PATIENT COMFORT ITEMS TO INCLUDE A TELEVISION MAGAZINES OR A TELEPHONE ADDITIONAL NONALLOWABLE COSTS INCLUDE THE RECRUITMENT OF PHYSICIANS PHYSICIAN GUARANTEES AND A PORTION OF THE BAD DEBT 12 ASSOCIATED WITH THE CARE OF THE PATIENT MEDICARE LOSSES INCLUDING SOME NONALLOWABLE COSTS SHOULD BE COUNTED AS A COMMUNITY BENEFIT AS THIS IS THE COST OF CARE FOR SERVING THE AGING POPULATION AS A NOTFORPROFIT ORGANIZATION WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTH CARE NEEDS OF THE COMMUNITY AND THE INDIVIDUAL WHILE MAINTAINING A HIGH LEVEL OF HEALTH CARE SERVICES WITHOUT LOSSES SINCE LOSSES DO OCCUR THROUGH THE CMS SYSTEM OF REIMBURSEMENT THESE LOSSES ARE A COST OF DOING BUSINESS FOR OUR COMMUNITY AND SHOULD BE CONSIDERED A COMMUNITY BENEFIT AS A PARTICIPATING PROVIDER IN THE MEDICARE PROGRAM MSHA IS REQUIRED TO PROVIDE THE FULL REGIMEN OF CARE FOR OUR MEDICARE POPULATION THERE ARE A NUMBER OF CARE REGIMENS THAT ARE COMPENSATED BY THE MEDICARE PROGRAM AT LEVELS BELOW OUR COST THEREFORE IT IS ONLY LOGICAL TO ALLOW MSHA TO REPORT THESE UNCOMPENSATED SERVICES AS A COMMUNITY BENEFIT ON THIS DOCUMENT BY MAKING THIS CHANGE NONPROFIT PROVIDERS WILL BE ENCOURAGED TO SUSTAIN IMPORTANT CARE DELIVERY MODELS FOR OUR AGING POPULATION IN SPITE OF THE FACT IT IS SOMETIMES ECONOMICALLY INJURIOUS
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	MSHA FOLLOWS A STRONG COLLECTION PROGRAM THAT COMMUNICATES FINANCIAL RESPONSIBILITY TO THE PATIENT COLLECTION PRACTICES APPLY TO ALL PATIENTS CHARITY AND NONCHARITY CARE IN ROUTINE CIRCUMSTANCES WHEN IT IS DETERMINED THAT A PATIENT HAS NOT RESPONDED TO REQUESTS FOR PAYMENT AND HAS NOT PROVIDED INFORMATION TO ASCERTAIN ABILITY TO PAY AN ACCOUNT CAN BE REFERRED TO AN OUTSIDE COLLECTION AGENCY FOR COLLECTION ASSISTANCE MSHA ENSURES THAT OUTSIDE COLLECTION AGENCIES FOLLOW HOSPITAL BILLING AND COLLECTION GUIDELINES ONCE A DELINQUENT PATIENT ACCOUNT HAS BEEN SUBMITTED TO AN OUTSIDE AGENCY IT CAN BE ADJUSTED TO CHARITY IF THE DETERMINATION IS LATER MADE THAT THE PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE ALL REQUESTS FOR FINANCIAL ASSISTANCE MUST BE ACCOMPANIED BY A COMPLETED FINANCIAL ASSESSMENT FORM AND SUPPORTING DOCUMENTATION

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	PART VI LINE 2 MSHA INCLUDED AMERICAS HEALTH RANKINGS AHR IN ITS ASSESSMENT IN ORDER TO BETTER DEFINE THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES TENNESSEE RANKS 42ND AND VIRGINIA RANKS 26TH HOWEVER IT SHOULD BE NOTED THAT SOUTHWEST VIRGINIA WHERE SOME OF MSHA FACILITIES ARE LOCATED CLOSELY RESEMBLES THE HEALTH RANKINGS FOR TENNESSEE AMERICAS HEALTH RANKINGS ARE BASED ON A SERIES OF MEASURES INCLUDING SEVERAL HEALTH OUTCOMES AND HEALTH FACTORS A SURVEY WAS GIVEN TO 67 INDIVIDUALS REPRESENTING THE NINE COUNTIES IN WHICH MSHA OWNS A FACILITY THESE INDIVIDUALS INCLUDED PHYSICIANS PUBLIC HEALTH LEADERS NONPROFIT DIRECTORS SCHOOL NURSES AND OFFICIALS AND BUSINESS LEADERS A SURVEY WAS GIVEN TO EACH INDIVIDUAL SEEKING FEEDBACK REGARDING AVAILABLE RESOURCES IN EACH AREA THE HEALTH STATUS HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT THE MAJORITY OF RESPONSES SUGGESTED FOCUSING ON EDUCATION IN ORDER TO PROMOTE HEALTHY HABITS OTHER RESPONSES INCLUDED MAKE PHYSICAL EDUCATION A REQUIREMENT AS PART OF SCHOOL CURRICULUM IMPROVE NATURAL TRAILS AND WALKWAYS INCREASE COMMUNITY SUPPORT FOR SMOKEFREE AREAS PARTNER WITH LOCAL FARMERS MARKETS SHARE HEALTH INFORMATION BETWEEN PHARMACIES NETWORK WITH SMALL BUSINESSES AND NONPROFITS IN ORDER TO AVOID DUPLICATING RESOURCES AND PROVIDE EARLY SCREENINGS FOR THE UNINSURED OR UNDERINSURED OVERALL THE COMMUNITY MEMBERS GAVE MSHAS CORE SERVICE AREA A HEALTH STATUS RANKING OF 424 OUT OF 10 1 BEING THE LOWEST 10 BEING THE HIGHEST ALSO ALL 67 PARTICIPANTS AGREED THAT OBESITY CANCER HEART DISEASE AND DIABETES WERE THE TOP HEALTH PRIORITIES IN EACH COUNTY AHR REPORTS THAT TENNESSEE AND VIRGINIA BOTH SAW AN INCREASE IN DIABETES AND OBESITY WITHIN THE PAST TEN YEARS TENNESSEE ALSO RANKS 44TH FOR CARDIOVASCULAR DISEASE AND 45TH FOR CANCER DEATHS AND 46TH FOR DIABETES VIRGINIA OVERALL HAS A BETTER RANKING IN THESE THREE CATEGORIES BUT AS STATED EARLIER SOUTHWEST VIRGINIA CLOSELY RESEMBLES TENNESSEE SINCE COMPLETION OF THE CHNA AND ITS IMPLEMENTATION PLAN MSHA HAS PARTNERED WITH SCHOOLS NONPROFIT AGENCIES AND OTHERS ON VARIOUS INITIATIVES TO ADDRESS HEALTH ISSUES CHILDHOOD OBESITY IN PARTICULAR
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	PART VI LINE 3 MSHA PROVIDES COMMUNICATION OF FINANCIAL ASSISTANCE ON ITS WEBSITE AND ON POSTERS LOCATED IN PROMINENT AREAS OF THE HOSPITALS SUCH AS ADMITTING AND THE EMERGENCY DEPARTMENTS PRINTED EDUCATIONAL MATERIALS INCLUDING FINANCIAL ASSISTANCE CONTACT INFORMATION ARE ALSO PROVIDED IN EACH PATIENTS PAPERWORK POSTERS AND REFERENCE MATERIALS ARE WRITTEN IN BOTH ENGLISH AND SPANISH ADMITTING STAFF ARE TRAINED TO EDUCATE PATIENTS ON MSHAS FINANCIAL ASSISTANCE POLICY MSHA ALSO HAS FINANCIAL COUNSELORS TO PROVIDE FURTHER INFORMATION AND ASSISTANCE TO MSHA PATIENTS REGARDING MSHAS FINANCIAL ASSISTANCE POLICY THESE COUNSELORS ALSO HELP UNINSURED PATIENTS DETERMINE SOURCES OF PAYMENT FOR MEDICAL BILLS AND HELP PATIENTS DETERMINE ELIGIBILITY FOR PROGRAMS SUCH AS TNCAREMEDICAID IN ADDITION MSHA CONTRACTS WITH THE COMPANY FIRSTSOURCE SOLUTIONS USA TO WORK WITH SELFPAYING PATIENTS WHO HAVE LIMITED FINANCIAL RESOURCES FIRSTSOURCE SOLUTIONS DETERMINES A PATIENTS ELIGIBILITY IN MEDICAL COVERAGE OPTIONS AND ASSISTS WITH THEIR ENROLLMENT MSHA BEARS THE COST FOR THE FIRSTSOURCE SOLUTIONS PROGRAM

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	PART VI LINE 4 MSHA SERVES THE HEALTHCARE NEEDS OF 29 APPALACHIAN COUNTIES IN TENNESSEE SOUTHWEST VIRGINIA KENTUCKY AND NORTH CAROLINA SOME OF THE COUNTIES MSHA SERVES ARE FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS MSHA OPERATES 2 CRITICAL ACCESS HOSPITALS DICKENSON COMMUNITY HOSPITAL IN VIRGINIA AND JOHNSON COUNTY COMMUNITY HOSPITAL IN TENNESSEE THESE TWO FACILITIES OPERATE IN FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS THE HEALTH STATUS OF THE POPULATION IN MSHAS SERVICE AREA IS GENERALLY POOR THE SERVICE AREA EXTENDS TO SOME OF THE POOREST RURAL COUNTIES IN THE REGION WITH A POVERTY RATE OF ALMOST 30 SOME OF THE MOST WELL OFF COUNTIES IN MSHAS SERVICE AREA STILL HAVE A MEDIAN HOUSEHOLD INCOME LOWER THAN STATE AND NATIONAL AVERAGES RURAL SERVICE AREA COUNTIES SHARE COMMON CHALLENGES OF 1 HIGH RATES OF UNINSURED 2 HIGH PREVALENCE OF OBESITY 3 HIGH PREVALENCE OF DIABETES
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	PART VI LINE 5 MSHA IS DEDICATED TO OPERATING EFFICIENTLY SO THAT WASTE IS MINIMIZED MSHAS LEADERSHIP REMAINS MINDFUL OF MANAGING THE ALLIANCES LIMITED RESOURCES SO THAT ADEQUATE FACILITIES AND EQUIPMENT ARE AVAILABLE FOR THE CARE OF OUR PATIENTS VARIOUS CHECKS AND BALANCES ARE ESTABLISHED TO ENSURE THAT EXPENDITURES FOR OPERATING EXPENSES AND CAPITAL COSTS ARE REASONABLE AND NECESSARY SURPLUS FUNDS ARE INVESTED IN IMPROVING HEALTHCARE WITHIN OUR COMMUNITIES THE MAJORITY OF MSHAS GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE ORGANIZATIONS PRIMARY SERVICE AREA PHYSICIANS THAT REQUEST PRIVILEGES WHO ARE QUALIFIED AND CREDENTIALED ARE EXTENDED PRIVILEGES BY MSHA

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE INFORMATION	PART VI	PART VI LINE 6 MSHA PROVIDES CARE TO PEOPLE IN 29 COUNTIES IN TENNESSEE VIRGINIA KENTUCKY AND NORTH CAROLINA EACH HOSPITAL IS FULLY ACCREDITED MOST BY THE JOINT COMMISSION MSHA IS INTEGRATED BOTH VERTICALLY AND HORIZONTALLY AND IS THE LARGEST REGIONAL HEALTHCARE SYSTEM WITH 13 HOSPITALS NINE FACILITIES ARE WHOLLYOWNED FACILITIES 8 FACILITIES IN TENNESSEE AND 1 IN VIRGINIA EACH FACILITY IN THIS FORM 990 IS ACCREDITED BY THE JOINT COMMISSION WITH THE EXCEPTION OF JCCH JCCH RECEIVES CERTIFICATION THROUGH THE STATE OF TENNESSEE SINCE IT IS A CRITICAL ACCESS HOSPITAL IN ADDITION TO THE WHOLLYOWNED HOSPITALS WITHIN THIS FORM 990 MSHA ALSO HAS MAJORITY OWNERSHIP IN 4 HOSPITALS IN SOUTHWEST VIRGINIA IN ADDITION TO OUR ACUTE CARE HOSPITALS OUR SYSTEM ALSO INCLUDES SUCH SERVICES AS PRIMARYSPECIALTY PHYSICIAN PRACTICES URGENT CARE CENTERS EMERGENCY DEPARTMENTS OCCUPATIONAL MEDICINE REHABILITATION OUTREACH LABORATORY MENTAL HEALTH NEONATAL INTENSIVE CARE A NACHRIAFFILIATED CHILDRENS HOSPITAL RENAL DIALYSIS ST JUDES ONCOLOGY INPATIENTOUTPATIENT SURGERY SKILLED NURSING HOME HEALTH AIR AMBULANCE TRANSPORT AND MORE WITH THESE ADDITIONAL FACILITIES AND SERVICES MSHA EXTENDS A HIGHLY EFFECTIVE HEALTH CARE DELIVERY SYSTEM SINCE OUR SYSTEM IS BOTH HORIZONTALLY AND VERTICALLY INTEGRATED PATIENTS CAN BE EFFICIENTLY MOVED ALONG AN INTEGRATED COMPREHENSIVE CONTINUUM OF CARE AS THEIR HEALTH STATUS DICTATES OUR FLAGSHIP FACILITY JOHNSON CITY MEDICAL CENTER IS AT THE CORE OF OUR SYSTEM OFFERING FULL SERVICE TERTIARY CARE IN ADDITION TO OUR HOSPITALS MSHA IS THE SOLE MEMBER OF BLUE RIDGE MEDICAL MANAGEMENT CORPORATION BRMMC MSHA EXTENDS AN INTEGRATED HEALTHCARE DELIVERY SYSTEM THROUGH BRMMC TO INCLUDE MULTIPLE PRIMARY AND SPECIALTY CARE PATIENT ACCESS CENTERS AND NUMEROUS OUTPATIENT CARE SITES INCLUDING URGENT CARE CENTERS OCCUPATIONAL MEDICINE SERVICES A SAME DAY SURGERY CENTER AND OUTPATIENT REHABILITATION MSHA COUNTYSPECIFIC OPERATIONS ARE GOVERNED BY A COMMUNITY BOARD OF DIRECTORS COUNTY BOARDS REPORT TO A SYSTEM LEVEL BOARD OF DIRECTORS ALL BOARDS ARE PRIMARILY COMPOSED OF LOCAL COMMUNITY RESIDENTS PART VI LINE 8 MSHA SUBMITS COMMUNITY BENEFIT DATA TO THE VIRGINIA HEALTH AND HOSPITAL ASSOCIATION VHHA AND THE HOSPITAL ALLIANCE OF TENNESSEE HAT VHHA COMBINES DATA FROM ALL SOURCES TO DEMONSTRATE THE COMMUNITY BENEFITS PROVIDED BY BOTH FORPROFIT AND NOTFORPROFIT HOSPITALS AND HEALTH SYSTEMS TO THE STATE OF VIRGINIA HAT PROVIDES ITS MEMBERS AND TENNESSEE LEGISLATORS WITH COMMUNITY BENEFIT DATA IN AN EFFORT TO PROVIDE A CLEAR PICTURE OF NOTFORPROFIT HEALTH SYSTEMS INVESTMENT IN THE COMMUNITIES THEY SERVE
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	TENNESSEE VIRGINIA

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED WITHIN THE CORE COUNTIES OF MSHA FACILITIES 16 COUNTIES EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPROPRIATE FACILITY IMPLEMENTATION PLAN
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES JCMCS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE FRANKLIN WOODS COMMUNITY HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 MSHA ANNUALLY TRACKS PROGRESS OF IMPLEMENTATION STRATEGIES FOR EACH HOSPITAL DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 14G	PART V LINE 14G	THE MOUNTAIN STATES FINANCIAL ASSISTANCE POLICY HAS BEEN APPROVED BY THE BOARD OF DIRECTORS AND APPLIES TO ALL MSHA HOSPITALS DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
JOHNSON CITY MEDICAL CENTER LINE NUMBER 1 PART V LINE 20D	PART V LINE 20D	UNINSURED PATIENTS RECEIVE A 62 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED WITHIN THE CORE COUNTIES OF MSHA FACILITIES 16 COUNTIES EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPROPRIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES IPMCS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE FRANKLIN WOODS COMMUNITY HOSPITAL JCMC SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 MSHA ANNUALLY TRACKS PROGRESS OF IMPLEMENTATION STRATEGIES FOR EACH HOSPITAL DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 14G	PART V LINE 14G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY
INDIAN PATH MEDICAL CENTER LINE NUMBER 2 PART V LINE 20D	PART V LINE 20D	UNINSURED PATIENTS RECEIVE A 62 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED WITHIN THE CORE COUNTIES OF MSHA FACILITIES 16 COUNTIES EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPROPRIATE FACILITY IMPLEMENTATION PLAN
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES FWCHS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE JCMC INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 MSHA ANNUALLY TRACKS PROGRESS OF IMPLEMENTATION STRATEGIES FOR EACH HOSPITAL DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 14G	PART V LINE 14G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
FRANKLIN WOODS COMMUNITY HOSPITAL LINE NUMBER 3 PART V LINE 20D	PART V LINE 20D	UNINSURED PATIENTS RECEIVE A 62 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED WITHIN THE CORE COUNTIES OF MSHA FACILITIES 16 COUNTIES EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPROPRIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES SSHS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE FRANKLIN WOODS COMMUNITY HOSPITAL INDIAN PATH MEDICAL CENTER JCMC JOHNSON COUNTY COMMUNITY HOSPITAL RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 MSHA ANNUALLY TRACKS PROGRESS OF IMPLEMENTATION STRATEGIES FOR EACH HOSPITAL DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 14G	PART V LINE 14G	DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY
SYCAMORE SHOALS HOSPITAL LINE NUMBER 4 PART V LINE 20D	PART V LINE 20D	UNINSURED PATIENTS RECEIVE A 62 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED WITHIN THE CORE COUNTIES OF MSHA FACILITIES 16 COUNTIES EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPROPRIATE FACILITY IMPLEMENTATION PLAN
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES RCMCS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE FRANKLIN WOODS COMMUNITY HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JOHNSON COUNTY COMMUNITY HOSPITAL JCMC JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 MSHA ANNUALLY TRACKS PROGRESS OF IMPLEMENTATION STRATEGIES FOR EACH HOSPITAL DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 14G	PART V LINE 14G	THE MOUNTAIN STATES FINANCIAL ASSISTANCE POLICY HAS BEEN APPROVED BY THE BOARD OF DIRECTORS AND APPLIES TO ALL MSHA HOSPITALS DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
RUSSELL COUNTY MEDICAL CENTER LINE NUMBER 5 PART V LINE 20D	PART V LINE 20D	UNINSURED PATIENTS RECEIVE A 62 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 3	PART V LINE 3	MSHA MET WITH TEN FOCUS GROUPS EACH REPRESENTING ONE OF THE TEN HOSPITAL FACILITIES INCLUDING ALL OF THE HOSPITALS INCLUDED IN THIS 990 LOCATED WITHIN THE CORE COUNTIES OF MSHA FACILITIES 16 COUNTIES EACH GROUP CONSISTED OF PUBLIC HEALTH LEADERS NURSES NONPROFIT DIRECTORS COMMUNITY DEVELOPERS FAITH BASED LEADERS PUBLIC OFFICIALS AND SCHOOL REPRESENTATIVES EACH GROUP RANGED IN ATTENDANCE FROM 6 TO 21 INDIVIDUALS PARTICIPANTS WERE GIVEN SURVEYS TO DETERMINE A COUNTYS HEALTH STATUS RATING AVAILABLE RESOURCES TOP HEALTH PRIORITIES AND SUGGESTIONS FOR IMPROVEMENT OPEN DISCUSSION FOLLOWED THE COLLECTED INFORMATION WAS THEN PAIRED WITH STATISTICAL DATA IN ORDER TO PRIORITIZE HEALTH NEEDS THE SPECIFIC NEEDS FOR EACH COUNTY WERE INCLUDED IN THE APPROPRIATE FACILITY IMPLEMENTATION PLAN

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 4	PART V LINE 4	EACH HOSPITAL WITHIN THE MSHA SYSTEM COMPLETED A CHNA FOR THOSE HOSPITALS THAT ARE LOCATED IN THE SAME COUNTY ONLY ONE COMMUNITY GROUP WAS SURVEYED FOR INSTANCE JOHNSON CITY MEDICAL CENTER AND FRANKLIN WOODS COMMUNITY HOSPITAL ARE BOTH LOCATED IN WASHINGTON COUNTY TENNESSEE WE SURVEYED 21 INDIVIDUALS FROM WASHINGTON COUNTY IN ORDER TO DETERMINE HEALTH PRIORITIES JCCHS CHNA WAS CONDUCTED WITH ALL MSHA HOSPITALS TO INCLUDE FRANKLIN WOODS COMMUNITY HOSPITAL INDIAN PATH MEDICAL CENTER SYCAMORE SHOALS HOSPITAL JCMC RUSSELL COUNTY MEDICAL CENTER JOHNSTON MEMORIAL HOSPITAL SMYTH COUNTY COMMUNITY HOSPITAL NORTON COMMUNITY HOSPITAL AND DICKENSON COMMUNITY HOSPITAL
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 7	PART V LINE 7	MSHA PUBLISHED ITS COMMUNITY HEALTH NEEDS ASSESSMENT ON JUNE 29 OF FY12 THE DATA INCLUDED WAS COLLECTED OVER THE COURSE OF 2011 AND 2012 AN IMPLEMENTATION PLAN WAS CREATED FOR EACH HOSPITAL AND EACH HOSPITALS BOARD APPROVED THE IMPLEMENTATION PLAN DURING THE MONTHS OF MAY AND JUNE 2012 MSHA ANNUALLY TRACKS PROGRESS OF IMPLEMENTATION STRATEGIES FOR EACH HOSPITAL DUE TO LACK OF RESOURCES SOME OF MSHA FACILITIES WERE UNABLE TO ADDRESS ISSUES THAT WERE IDENTIFIED

Identifier	ReturnReference	Explanation
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 14G	PART V LINE 14G	THE MOUNTAIN STATES FINANCIAL ASSISTANCE POLICY HAS BEEN APPROVED BY THE BOARD OF DIRECTORS AND APPLIES TO ALL MSHA HOSPITALS DURING THE ADMISSION PROCESS PATIENTS ARE TOLD THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY AND ADMISSION PAPERS GIVEN TO EACH PATIENT ADVISES THEM OF THE POLICY BILLING CORRESPONDENCE ALSO ADVISES THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE A COMMUNITY RESOURCE GUIDE REPORTS THAT THE HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY
JOHNSON COUNTY COMMUNITY HOSPITAL LINE NUMBER 6 PART V LINE 20D	PART V LINE 20D	UNINSURED PATIENTS RECEIVE A 62 DISCOUNT AND BASED ON OTHER FACTORS SUCH AS INCOME OR MEDICAL INDIGENCY MAY QUALIFY FOR AN ADDITIONAL DISCOUNT

Additional Data

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

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?
10

Name and address	Type of Facility (describe)
JCMC AMBULATORY SURGERY CENTER 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	LICENSED AMBULATORY SURGERY CENTER
MOUNTAIN STATES IMAGING CENTER 301 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED AMBULATORY SURGERY CENTER
PRINCETON TRANSITIONAL CARE 401 PRINCETON ROAD JOHNSON CITY,TN 37601	LICENSED AMBULATORY SURGERY CENTER
INDIAN PATH TRANSITIONAL CARE 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660	LICENSED AMBULATORY SURGERY CENTER
MEDICAL CNTR HOME CARE-JOHNSON CITY 101 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED AMBULATORY SURGERY CENTER
MEDICAL CNTR HOME CARE-KINGSPORT 2020 BROOKSIDE DRIVE 28 KINGSPORT,TN 37660	LICENSED AMBULATORY SURGERY CENTER
RUSSELL CO MEDICAL CNTR HOME HLTH 116 FLANNAGAN AVENUE LEBANON,VA 24266	LICENSED AMBULATORY SURGERY CENTER
MEDICAL CENTER HOSPICE 101 MED TECH PARKWAY SUITE 100 JOHNSON CITY,TN 37604	LICENSED AMBULATORY SURGERY CENTER
JOHNSON COUNTY HOME HEALTH 1987 SOUTH SHADY STREET MOUNTAIN CITY,TN 37683	LICENSED AMBULATORY SURGERY CENTER
RUSSELL COUNTY MEDICAL CNTR HOSPICE 116 FLANNAGAN AVENUE LABANON,VA 24266	LICENSED AMBULATORY SURGERY CENTER

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132028024

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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. 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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 16

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. 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

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
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	MSHA ADHERED TO THE FOLLOWING CRITERIA FOR OUR CONTRIBUTIONS TO ORGANIZATIONS IN THE REGION HEALTHCARE THE ORGANIZATION ENHANCED OR IMPROVED ACCESS FOR THE UNINSURED OR UNDERINSURED POPULATION OR SUPPORTED A PROGRAM TO IMPROVE THE HEALTH OF OUR CHILDREN (I E , CHILDHOOD OBESITY PREVENTION) EDUCATION THE ORGANIZATION PROVIDED A PROGRAM TO IMPROVE EDUCATION OF THE RESIDENTS IN OUR REGION ALL THE WAY TO COLLEGE AGE STUDENTS (SUCH AS RN NURSING AND LAB TECHNOLOGY PROGRAMS) QUALITY OF LIFE THE ORGANIZATION SUPPORTED PROGRAMS TO ENHANCE THE QUALITY OF LIFE, WHICH IS IMPORTANT IN THE RECRUITMENT EFFORTS OF BUSINESSES IN THE REGION AS WE WORK TO ATTRACT AND RETAIN THE BEST TALENT FOR THE SUPPORTED PROGRAMS, METRICS WERE ESTABLISHED TO DETERMINE THE SUCCESS (OR FAILURE) OF EACH PROGRAM TO WHICH MSHA CONTRIBUTES AS DOWNWARD REIMBURSEMENT CONTINUED DURING FY13, THE CRITERIA USED IN THE DECISION MAKING PROCESS FOR LARGER DONATIONS WAS REVISED TO SUPPORT THOSE PROGRAMS WHICH FOCUSED ON HEALTH AND WELLNESS INITIATIVES, PARTICULARLY THOSE FIGHTING CHILDHOOD OBESITY

Additional Data

Return to Form

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

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY508 PRINCETON RD SUITE 102 JOHNSON CITY,TN 37601	64-0329009	501C3	20,100				PROGRAM SUPPORT
AMERICAN HEART ASSOCIATION208 SUNSET DRIVE JOHNSON CITY,TN 37604	13-5613797	501C3	66,250	702		PRINTING	PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BARTER THEATREPO BOX 867 ABINGDON,VA 24212	54-6000120	501C3	19,000			PRINTING	CONTRIBUTION
BRISTOL FAMILY YMCA400 ML KING JR BLVD BRISTOL,TN 37620	62-0521204	501C3	7,000				PROGRAM SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
COALITION FOR KIDS INC PO BOX 3156 JOHNSON CITY,TN 37602	62-1765487	501C3	2,000	5,601		PRINTING	FIGHT CHILD OBESITY
EAST TENNESSEE STATE UNIVERSITYPO BOX 70732 JOHNSON CITY,TN 37614	62-6021046	501C3	11,500				SUPPORT FIT KIDS

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
ETSU FOUNDATIONP O BOX 70721 JOHNSON CITY,TN 37614	23-7092731	501C3	10,000				ECONOMIC DEVELOPMENT
GOOD SAMARITAN MINISTRY100 NORTH ROAN STREET JOHNSON CITY,TN 37601	62-1233320	501C3		5,657		PRINTING	PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
JOHNSON CITY PARKS & RECREATIONPO BOX 1535 JOHNSON CITY,TN 37605	62-6000320	501C3	5,000	405		PRINTING	SPONSORSHIP
JOHNSON CITY SYMPHONY ORCHESTRAPO BOX 533 JOHNSON CITY,TN 37605	62-0910261	501C3		5,897		PRINTING	PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MARCH OF DIMES2313 BROWNS MILL ROAD JOHNSON CITY,TN 37604	13-1846366	501C3	15,000				PROGRAM SUPPORT
MOUNTAIN STATES FOUNDATION2335 KNOB CREEK ROAD SUITE 101 JOHNSON CITY,TN 37604	58-1418862	501C3	59,500				PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NORTHEAST STATE COMMUNITY COLLEGE 2425 HIGHWAY 75 BLOUNTVILLE,TN 37617	62-1265326	501C3		11,000		LAB EQUIPMENT	
PREMIER PURCHASING 13034 BALLANTYNE CORPORATE PLACE CHARLOTTE,NC 28277	33-0387407	501C3	61,052				SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SUSAN KOMEN BREAST CANCER FOUNDPO BOX 5835 KINGSPORT,TN 37663	84-1689067	501C3	5,000	590		PRINTING	SPONSORSHIP
TOWN OF JONESBOROUGH 123 BOONE STREET JONESBOROUGH,TN 37659	62-6000322	501C3		10,069		PRINTING	CONTRIBUTION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	BOARD MEMBERS AND TEAM MEMBERS OF MSHA ARE NOT PERMITTED TO TRAVEL FIRST-CLASS WITH THE EXCEPTION OF MSHA'S CEO AS SANCTIONED BY MSHA'S BOARD OF DIRECTORS, MSHA'S CEO IS PERMITTED TO TRAVEL FIRST-CLASS WHEN THE FLIGHT'S DURATION IS GREATER THAN TWO HOURS DUE TO THE LENGTH OF SUCH FLIGHTS, THE BOARD BELIEVES IT IS IN THE BEST INTEREST OF MSHA FOR THE CEO TO TRAVEL FIRST-CLASS CHARTER TRAVEL IS LIMITED TO MSHA BUSINESS TRIPS THAT INCLUDE NUMEROUS TRAVELERS AND WHICH CAN BE JUSTIFIED BASED UPON FINANCIAL AND/OR ESSENTIAL TIME SAVINGS CHARTER FLIGHTS MUST BE APPROVED BY THE CEO PRIOR TO BOOKING THE FLIGHT
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	CANDACE JENNINGS 0 41,057 0 ANN FLEMING 0 35,925 0 DAVID NICELY 0 14,885 0 MONTY MCLAURIN 0 13,518 0 MORRIS SELIGMAN, M D 0 43,110 0 DOUGLAS EDEMA 0 16,778 0 JAMES PASKERT, M D 0 17,385 0
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	PART I, LINE 4B DENNIS VONDERFECHT RECEIVED PAYMENT OF 1,683,614 DURING THE REPORTING PERIOD FROM A 457(F) DEFERRED COMPENSATION PLAN THAT SPANNED A NUMBER OF YEARS MR VONDERFECHT MET THE CONDITIONS FOR PAYOUT FROM THE AT-RISK PLAN AND MSHA WITHHELD FEDERAL, STATE AND LOCAL TAXES AS REQUIRED BY LAW MR VONDERFECHT SERVED AS MSHA'S CEO FOR 24 YEARS AND RETIRED AT THE END OF 2013 THE FOLLOWING EXECUTIVES LISTED IN SCHEDULE J, PART II PARTICIPATED IN A 457(F) RETIREMENT PLAN PROVIDED BY MOUNTAIN STATES HEALTH ALLIANCE (MSHA) DENNIS VONDERFECHT, ANN FLEMING, CANDACE JENNINGS, MONTY MCLAURIN, CINDY SALYER, MORRIS SELIGMAN, FRANK LAURO, DAVID NICELY, JAMES PASKERT, DOUGLAS EDEMA, AND CARL KILGORE THE 457(F)PLAN IS A NONQUALIFIED TAX-DEFERRED COMPENSATION PLAN AVAILABLE TO A SELECT GROUP OF KEY EXECUTIVES FOR THE INTENT OF SUPPORTING RETENTION AND TO OFFER A COMPETITIVE TOTAL RETIREMENT PROGRAM ACCOUNT BALANCES HAVE A "SUBSTANTIAL RISK OF FORFEITURE" IN ADDITION TO CREDITOR RISK, SUBSTANTIAL RISK OF FORFEITURE IS CREATED THROUGH DEFAULT RISK IF THE PARTICIPANT'S EMPLOYMENT WITH MSHA IS TERMINATED PRIOR TO AGE 65 HOWEVER, THE 457(F) PLAN CONTAINS A NON-COMPETE PROVISION THAT PROVIDES THE ACCOUNT BALANCE TO BE PAID IN A LUMP SUM AFTER THE EXECUTIVE SATISFIES THE TWO-YEAR NON-COMPETE PERIOD THIS PROVISION APPLIES TO EMPLOYER CONTRIBUTIONS IF THE EXECUTIVE HAS PROVIDED ELIGIBLE SERVICE FOR SIX OR MORE YEARS (ELIGIBLE SERVICE IS OFFICER SERVICE THAT PERMITTED THE EXECUTIVE TO PARTICIPATE IN THE PLAN) THE EXECUTIVE WILL RECEIVE THE ENTIRE ACCOUNT BALANCE IF HE/SHE BECOMES DISABLED, DIES OR IF THE EXECUTIVE TERMINATES FOR "GOOD REASON" OR IS INVOLUNTARILY TERMINATED WITHOUT "GOOD CAUSE" WITHIN A 24 MONTH PERIOD AFTER A CHANGE-OF-CONTROL OCCURS DISTRIBUTIONS FROM THIS PLAN ARE SUBJECT TO FEDERAL, STATE, AND LOCAL TAXES ON THE ENTIRE ACCOUNT BALANCE UPON DISTRIBUTION

Additional Data

Return to Form

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DENNIS VONDERFECHT	(I) (II)	777,545	1,900,431	485,771	20,000	22,698	3,206,445	125,000
MARVIN EICHORN	(I) (II)	447,614	94,466	78,022	15,000	24,538	659,640	
CANDACE JENNINGS	(I) (II)	402,118	82,014	20,803	53,557	24,293	582,785	
ANN FLEMING	(I) (II)	351,697	51,836	22,747	48,425	17,857	492,562	
DAVID NICELY	(I) (II)	291,022	52,219	11,768	28,073	26,351	409,433	
MONTY MCLAURIN	(I) (II)	260,109	51,174	14,876	28,444	30,243	384,846	
LYNN KRUTAK	(I) (II)	213,083	37,903	1,996	15,089	19,138	287,209	
SHANE HILTON	(I) (II)	198,625	36,612	3,880	12,794	23,317	275,228	
MORRIS SELIGMAN MD	(I) (II)	421,443	82,938	43,542	55,862	37,844	641,629	
DOUGLAS EDEMA	(I) (II)	327,718	62,141	18,478	29,188	27,094	464,619	
JAMES PASKERT MD	(I) (II)	342,153	49,161	12,559	29,961	26,006	459,840	
JOHN SCHARIO	(I) (II)	326,339	68,681	6,502	6,630	24,558	432,710	
KATHERINE BALL	(I) (II)	124,094	41,113	233,588	4,897	16,728	420,420	
DALE CLAYTORE	(I) (II)	175,520	34,278	21,777	10,531	3,324	245,430	
PAT NIDAY	(I) (II)	152,049	26,352	18,241	7,985	25,714	230,341	
BRAD NURKIN	(I) (II)			141,265		8,180	149,445	
CYNTHIA SALYER	(I) (II)	63,790	19,891	153,995	4,206	18,268	260,150	

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Bond Issues

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

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	4,975,000	17,070,000	2,435,000	61,790,000
2	Amount of bonds legally defeased				
3	Total proceeds of issue	195,840,000	206,132,699	125,642,956	129,700,306
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds	2,719,365			2,719,365
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	2,353,905	3,474,644	2,481,706	1,953,563
8	Credit enhancement from proceeds	324,975			324,975
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	157,897,590		99,702,968	77,394,022
11	Other spent proceeds	34,166,505	197,461,005	15,096,666	47,308,380
12	Other unspent proceeds	1,422,000	8,297,792	8,361,616	
13	Year of substantial completion	2012			2012

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use 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?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	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	%		%		%		%	
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	MERRILL LYNCH CAPITAL SERVICES INC						CAPITAL SERVICES INC CAPITAL SERVICES INC	
c	Term of hedge		30 4						30 4
d	Was the hedge superintegrated?		X						X
e	Was a hedge terminated?		X						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								
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							

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

Identifier	Return Reference	Explanation
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	HLTH EDU FACIL BD 2011ABCD LINE A CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING TAXABLE DEBT RELATING THERETO REFUND BONDS ISSUED 12012001 REFINANCING LOANS AND EQUIPMENT LEASES HLTH EDU FACILITIES BD 2010AB LINE B PARTIAL REFUNDING OF BONDS ISSUED 12142007 2007A AND 2007C AND 2202008 2008A HLTH EDU FACILIT BD 2009ABC LINE C CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING OF TAXABLE INDEBTEDNESS RELATING THERETO HLTH EDU FACILITIES BD 2008AB LINE D ACQUIRE CONSTRUCT AND EQUIP HOSPITAL FACILITIES INCLUDING REFINANCING OF TAXABLE INDEBTEDNESS RELATING THERETO AND WORKING CAPITAL EXPENDITURES RELATING TO CAPITAL EXPENDITURES HLTH EDU FACILITIES BD 2006A LINE E CONSTRUCT AND EQUIP HOSPITAL FACILITIESINCLUDING REFINANCING TAXABLE DEBT RELATING THERETO AND COST OF INTEREST RATE HEDGE REFUND BONDS ISSUED 32801 70103 70804 112304 9705 AND 112305 HLTH EDU FACILIL BD 2012ABC LINE F CONSTRUCT AND EQUIP SURGERY CENTER AT JCMC CONSTRUCT AND EQUIP HOSPITAL FACILITIES INCLUDING REFINANCING OF INDEBTEDNESS RELATING THERETO
DATE REBATE COMPUTATION PERFORMED	SCHEDULE K	HLTH EDU FACILITIES BD 2008AB 022013 HLTH EDU FACILITIES BD 2006A 021710
ADDITIONAL INFORMATION	SCHEDULE K	HLTH EDU FACILITIES BD 2006A SCHEDULE K PART VI 1COMMENT ON SCHEDULE K PART I LINES A B C D AND F MOUNTAIN STATES HEALTH ALLIANCE OWNS ANDOR OPERATES HOSPITALS IN A NUMBER OF DIFFERENT LOCATIONS BOTH IN TENNESSEE AND IN VIRGINIA AS A RESULT MOUNTAIN STATES HEALTH ALLIANCE MUST UTILIZE CONDUIT GOVERNMENTAL BOND ISSUERS IN A NUMBER OF JURISDICTIONS IN ORDER TO FINANCE IMPROVEMENTS TO ITS HOSPITAL FACILITIES IN 2008 2009 2010 2011 AND 2012 MOUNTAIN STATES HEALTH ALLIANCE WAS THE CONDUIT BORROWER OF TAXEXEMPT BONDS ISSUED BY MULTIPLE ISSUERS IN TENNESSEE AND VIRGINIA FOR FEDERAL TAX PURPOSES EVEN THOUGH DIFFERENT GOVERNMENT ISSUERS WERE INVOLVED THESE MULTIPLE ISSUES IN EACH YEAR WERE REQUIRED TO BE TREATED AND WERE TREATED AS A SINGLE ISSUE BECAUSE THEY MET THE SINGLE ISSUE TEST UNDER THE APPLICABLE FEDERAL TAX REGULATIONS THEREFORE MULTIPLE ISSUERS ARE LISTED UNDER LINES A B C D AND F BECAUSE THE BONDS THAT WERE ISSUED WERE PART OF A SINGLE ISSUE FOR FEDERAL TAX PURPOSES 2COMMENT ON SCHEDULE K PART II LINE 3 FOR THE BOND ISSUES LISTED IN LINES B C D E AND F DOES NOT MATCH THE APPLICABLE ISSUE PRICE FOR EACH SUCH BOND ISSUE BECAUSE OF INTEREST EARNINGS EARNED ON THE SALE PROCEEDS OF EACH SERIES OF BONDS 3COMMENT ON SCHEDULE K PART II LINES 9 THROUGH 11 THE INSTRUCTIONS ARE UNCLEAR AS TO WHETHER AMOUNTS USED TO REFINANCE SHORTTERM TAXABLE LOANS INCURRED TO TEMPORARILY FINANCE ELIGIBLE COSTS SHOULD BE SHOWN AS CAPITAL EXPENDITURES AND WORKING CAPITAL LINES 9 AND 10 OR AS OTHER SPENT PROCEEDS LINE 11 BASED UPON A REVIEW OF OTHER 990 FILINGS IT APPEARS THAT MOST REPORTING ENTITIES HAVE LISTED THE APPLICATION OF PROCEEDS FOR SUCH PURPOSE UNDER OTHER SPENT PROCEEDS LINE 11 THIS FILING TAKES THAT APPROACH 4COMMENT ON SCHEDULE K PART II LINE 12 IT IS UNCLEAR UNDER THE INSTRUCTIONS WHETHER TRANSFERRED PROCEEDS SHOULD BE TREATED AS OTHER UNSPENT PROCEEDS FOR REPORTING PURPOSES ON LINE 12 AS AN ABUNDANCE OF CAUTION TRANSFERRED PROCEEDS HAVE BEEN INCLUDED ON LINE 12 FOR EACH ISSUE TO THE EXTENT APPLICABLE DURING THE FISCAL YEAR AS TO WHICH THIS SCHEDULE RELATES MOUNTAIN STATES HEALTH ALLIANCE WAS ABLE TO REMOVE THE REQUIREMENT THAT CERTAIN DEBT SERVICE RESERVE FUNDS BE MAINTAINED AS A RESULT MOUNTAIN STATES HEALTH ALLIANCE WAS ABLE TO TRANSFER PROCEEDS FROM DEBT SERVICE RESERVE FUNDS FOR CERTAIN ISSUES TO BOND SINKING FUNDS FOR THOSE ISSUES TO PAY PRINCIPAL ON THE ISSUE AND TO REDUCE THE AMOUNT OF TAXEXEMPT BONDS OUTSTANDING IN THE MARKET AS A RESULT UNSPENT PROCEEDS HAVE INCREASED FOR CERTAIN ISSUES WHILE SUCH FUNDS ARE HELD IN THE BOND SINKING FUNDS AND THE AMOUNTS PREVIOUSLY HELD IN DEBT SERVICE RESERVE FUNDS FOR SUCH ISSUES HAVE BEEN REDUCED MOUNTAIN STATES HEALTH ALLIANCE IS USING SUCH PROCEEDS TO PAY PRINCIPAL AS QUICKLY ON THOSE ISSUES AS THE BOND DOCUMENTS PERMIT 5COMMENT ON SCHEDULE K PART IV LINE 1 PRIOR TO JUNE 30 2013 THE REPORTING DATE OF THE 990 THE ONLY ARBITRAGE REBATE CALCULATIONS THAT WERE REQUIRED RELATED TO THE BONDS DESCRIBED IN LINES D AND E OF PART I THE SERIES 2006 AND 2008 BONDS MOUNTAIN STATES HEALTH ALLIANCE RETAINED A REBATE CALCULATION AGENT TO CALCULATE WHETHER ANY ARBITRAGE REBATE WAS DUE WITH RESPECT TO THOSE BONDS AND THERE WAS NEGATIVE ARBITRAGE REBATE LIABILITY IN A SIGNIFICANT AMOUNT THEREFORE NO FORM 8038T WAS REQUIRED TO BE FILED WITH RESPECT TO THOSE BOND ISSUES 6COMMENT ON SCHEDULE K PART IV LINE 4D PART IV LINE 4D RELATIVE TO THE BOND ISSUE DESCRIBED ON LINE E SHOWS THAT THE REGULATORY SAFE HARBOR FOR ESTABLISHING FAIR MARKET VALUE OF THE GIC DESCRIBED IN LINE 4A WAS NOT SATISFIED DUE TO MARKET CONDITIONS AT THE TIME MOUNTAIN STATES HEALTH ALLIANCE DID NOT RECEIVE THREE BIDS FOR THIS GIC HOWEVER THE YIELD ON THE GIC WAS SO SUBSTANTIALLY BELOW THE YIELD ON THE RELEVANT BONDS THAT THERE WAS NO DOUBT THAT THE YIELD ON THE GIC DID NOT EXCEED THE APPROPRIATE YIELD ON THE RELEVANT BONDS 7COMMENT ON SCHEDULE K PART IV LINE 5 THE BOND ISSUES DESCRIBED IN LINES B C AND D OF PART I FINANCED SIGNIFICANT CAPITAL IMPROVEMENTS TO HOSPITAL FACILITIES THERE HAVE BEEN UNEXPECTED DELAYS IN THE CONSTRUCTION AND EQUIPPING OF CERTAIN OF THESE HOSPITAL FACILITIES AND THEREFORE NOT ALL OF THE BOND PROCEEDS WERE SPENT WITHIN THE THREEYEAR TEMPORARY PERIOD RELATIVE TO CONSTRUCTION PROJECTS HOWEVER MOUNTAIN STATES HEALTH ALLIANCE HAS YIELD RESTRICTED THESE PROCEEDS AFTER THE END OF THE APPLICABLE TEMPORARY PERIOD ANDOR WILL BE MAKING A YIELD REDUCTION PAYMENT WITH RESPECT TO THOSE PROCEEDS IF REQUIRED

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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, 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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

1 (a) Name of disqualified person	(b) 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? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) DENNIS VONDERFECHT		SPLIT LIFE INSUR LOAN,INCL PR YRS		X	6,444,805	7,367,035		No	Yes		Yes	
(2) MARVIN EICHORN		SPLIT DOLLAR LIFE INSURANCE LOAN		X	350,000	360,710		No	Yes		Yes	
(3) MARVIN EICHORN		SPLIT DOLLAR LIFE INSURANCE LOAN		X	304,332	304,332		No	Yes		Yes	
(4) MARVIN EICHORN		SPLIT DOLLAR LIFE INSURANCE LOAN		X	272,483	272,483		No	Yes		Yes	
(5) MARVIN EICHORN		SPLIT DOLLAR LIFE INSURANCE LOAN		X	91,682	93,947		No	Yes		Yes	
(6) MARVIN EICHORN		SPLIT DOLLAR LIFE INSURANCE LOAN		X	91,682	93,947		No	Yes		Yes	
Total		▶ $				8,492,454						

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

Additional Data

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

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
(1) WATAUGA PATHOLOGY ASSOC PC	M D SERVICES	340,304	SEE PART V		No
(2) MATTHEW MARTIN	FAMILY MEMBER	18,268	SEE PART V		No
(3) MITCH HATHAWAY	FAMILY MEMBER	98,315	SEE PART V		No
(4) SYCAMORE SHOALS ANESTHESIA ASSOC	M D SERVICES	819,996	SEE PART V		No
(5) PAULA CLAYTORE	FAMILY MEMBER	272,107	SEE PART V		No
(6) CLEM WILKES III	FAMILY MEMBER	65,040	SEE PART V		No
(7) JAMES TEIXEIRA	FAMILY MEMBER	76,017	SEE PART V		No
(8) WORKSPACE INTERIORS INC	VENDOR	645,484	SEE PART V		No

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	PART I, LINE 1 MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE. WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION SEE ATTACHED NARRATIVE-PROGRAM SERVICE ACCOMPLISHMENTS

Identifier	Return Reference	Explanation
SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS	FORM 990, PAGE 6, PART VI, LINE 4	BY OPERATION OF THE CHARTER OF THE ORGANIZATION, THE VOTING MEMBERSHIP OF THE ORGANIZATION CEASED TO EXIST DURING THIS FISCAL YEAR AS A RESULT OF THIS OCCURRENCE, THE ORGANIZATION BECAME A NON-MEMBERSHIP CORPORATION UNDER TENNESSEE LAW, AND THE BOARD OF DIRECTORS BECAME A SELF PERPETUATING BOARD AS A RESULT, THE CHARTER AND BYLAWS OF THE ORGANIZATION WERE MODIFIED TO REFLECT THE CURRENT STRUCTURE OF THE ORGANIZATION

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	DURING A PORTION OF THIS FISCAL YEAR, THE ORGANIZATION DID HAVE MEMBERS, BUT THE MEMBERSHIP CEASED TO EXIST DURING THE YEAR, AND THE ORGANIZATION BECAME A NON-MEMBERSHIP CORPORATION

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	DURING A PORTION OF THE YEAR, THE ORGANIZATION HAD MEMBERS AS A RESULT, THE ANSWER TO THIS QUESTION IS YES, BUT FOR ONLY A PORTION OF THE YEAR DURING THE PERIOD WHEN MSHA HAD MEMBERS, THE CLASS A MEMBERS ANNUALLY ELECTED MEMBERS TO THE BOARD OF DIRECTORS

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

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

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ANNUALLY, THE CORPORATE AUDIT AND COMPLIANCE DEPARTMENT OF MSHA FORWARDS THE CONFLICT OF INTEREST POLICY AND DISCLOSURE FORM TO ALL MSHA MANAGEMENT TEAM MEMBERS AND BOARD MEMBERS EMPLOYEES AND BOARD MEMBERS MUST NOTE ANY CONFLICTS OR ATTEST THEY HAVE "NONE", AND RETURN THE FORM TO THE AUDIT AND COMPLIANCE DEPARTMENT ANY NOTED DISCLOSURES ARE FORWARDED TO THE APPROPRIATE MANAGEMENT OR BOARD PERSONNEL TO EVALUATE AND UTILIZE WHEN A TRANSACTION INVOLVING A CONFLICTED PERSON ARISES ADDITIONALLY, PERSONNEL WHO HAVE A CONFLICT ARISE BETWEEN THE ANNUAL DISTRIBUTION OF THE POLICY AND FORMS ARE REQUIRED TO DISCLOSE THE CONFLICT AND WOULD BE DISCIPLINED IN ANY INSTANCE WHERE THEY HAVE NOT DISCLOSED AND ENGAGED IN A CONFLICTED TRANSACTION

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE CEO'S COMPENSATION AND BENEFITS ARE SUBJECT TO THE EXECUTIVE COMPENSATION POLICY OF MOUNTAIN STATES HEALTH ALLIANCE (MSHA) THE POLICY WAS ESTABLISHED BY MSHA'S BOARD OF DIRECTORS AND IS ALLIGNED WITH THE MSHA MISSION, VISION, AND VALUES, SUPPORTING THE ACHIEVEMENT OF THE HEALTH SYSTEM'S STRATEGIC PLANS AND ANNUAL GOALS AND OBJECTIVES THE POLICY ENSURES THAT MSHA'S EXECUTIVE COMPENSATION IS COMPLIANT WITH THE LEGAL, REGULATORY, AND STATUTORY ENVIRONMENT AFFECTING COMPENSATION MSHA'S PRESIDENT AND CEO MAKES RECOMMENDATIONS TO THE EXECUTIVE COMMITTEE OF THE MSHA BOARD FOR ALL ELEMENTS OF COMPENSATION FOR THE SENIOR MANAGEMENT TEAM THE BOARD OF DIRECTORS MONITORS THE PERFORMANCE OF THE SENIOR MANAGEMENT TEAM ON AN ONGOING BASIS, BUT AT LEAST ANNUALLY

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SIMILAR TO THE CEO'S COMPENSATION, THE CFO RECEIVES COMPENSATION AND BENEFITS THAT COMPLY WITH MSHA'S SALARY POLICY HIS PAY IS SET AT A MARKET PERCENTILE SPECIFIC TO HIS POSITION

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

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

Identifier	Return Reference	Explanation
OTHER FEES FOR SERVICES	FORM 990, PART IX, LINE 11G	84,136,191 7,818,901 229,313

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 9	PARTNERSHIP CHARITABLE CONTRIBUTION NOT ON BOOKS 61,080 PORTFOLIO EXPENSES NOT ON BOOKS 5 PARTNERSHIP GAIN NOT ON BOOKS -119 CHANGE IN FAIR VALUE OF DERIVATIVES -29,805 P/S ORDINARY INCOME/LOSS-NOT ON BOOKS -2,104,308 P/S INTEREST INCOME-NOT ON BOOKS -19,823 TEMPORARILY RESTRICTED GRANTS 23,482 TOTAL TO FORM 990, PART XI, LINE 9 -2,116,452

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" 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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) INTEGRATED SOLUTIONS HEALTH NETWORK 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 62-1711997	INVESTMENT	TN	NA	EXCLUDED	-17,985	5,942,091		No			No	99 170 %
(2) EMMAUS COMMUNITY HEALTHCARE LLC 6070 HWY 11E PINEY FLATS, TN 37686 20-0577483	MED SERV	TN	NA					No			No	
(3) MEDICAL SPECIALISTS OF JC LLC 2528 WESLEY STREET SUITE 2 JOHNSON CITY, TN 37601 27-2199037	MED SERV	TN	NA	EXCLUDED	-234,419	81,508		No			No	51 000 %
(4) INTEGRATED SOLUTIONS HEALTH NETWORK 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 62-1711997	INVESTMENT	TN	NA	EXCLUDED	-17,985	5,942,091		No			No	99 170 %
(5) EMMAUS COMMUNITY HEALTHCARE LLC 6070 HWY 11E PINEY FLATS, TN 37686 20-0577483	MED SERV	TN	NA					No			No	
(6) MEDICAL SPECIALISTS OF JC LLC 2528 WESLEY STREET SUITE 2 JOHNSON CITY, TN 37601 27-2199037	MED SERV	TN	NA	EXCLUDED	-234,419	81,508		No			No	51 000 %

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	(i) No
See Additional Data Table									

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

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

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

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

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

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

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
BLUE RIDGE MEDICAL MANAGEMENT CORP 1021 W OAKLAND AVENUE STE 207 JOHNSON CITY, TN 37604 62-1490616	MED SERV	TN	NA	C CORP	105,058,961	203,141,889	100 000 %		No
MEDISERVE MEDICAL EQUIPMENT 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1212286	DME	TN	BRMMC	C CORP	5,065,565	4,279,186	100 000 %		No
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1845895	PROP MGMT	TN	BRMMC	C CORP	14,786,575	149,156,249	100 000 %		No
MOUNTAIN STATES PHYSICIAN GROUP 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1700412	MED SERV	TN	BRMMC	C CORP	59,446,917	6,131,411	100 000 %		No
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA 24273 54-1453810	DME	VA	NCH	C CORP	375,002	382,370	50 100 %		No
SOUTHWEST COMMUNITY HEALTH SERV PO BOX 880 MARION, VA 24354 54-1460695	MED SERV	VA	SCCH	C CORP	190,852	1,098,214	80 000 %		No
WILSON PHARMACY INC PO BOX 5289 JOHNSON CITY, TN 37604 62-0329587	PHARMACY	TN	BRMMC	C CORP	4,782,181	2,903,651	100 000 %		No
CRESTPOINT HEALTH INSURANCE COMPANY 208 SUNSET DRIVE SUITE 101 JOHNSON CITY, TN 37604 62-0381170	INSURANCE	TN	ISHN	C CORP			99 170 %		No
BLUE RIDGE MEDICAL MANAGEMENT CORP 1021 W OAKLAND AVENUE STE 207 JOHNSON CITY, TN 37604 62-1490616	MED SERV	TN	NA	C CORP	105,058,961	203,141,889	100 000 %		No
MEDISERVE MEDICAL EQUIPMENT 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1212286	DME	TN	BRMMC	C CORP	5,065,565	4,279,186	100 000 %		No
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1845895	PROP MGMT	TN	BRMMC	C CORP	14,786,575	149,156,249	100 000 %		No
MOUNTAIN STATES PHYSICIAN GROUP 1021 W OAKLAND AVENUE SUITE 207 JOHNSON CITY, TN 37604 62-1700412	MED SERV	TN	BRMMC	C CORP	59,446,917	6,131,411	100 000 %		No
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA 24273 54-1453810	DME	VA	NCH	C CORP	375,002	382,370	50 100 %		No
SOUTHWEST COMMUNITY HEALTH SERV PO BOX 880 MARION, VA 24354 54-1460695	MED SERV	VA	SCCH	C CORP	190,852	1,098,214	80 000 %		No
WILSON PHARMACY INC PO BOX 5289 JOHNSON CITY, TN 37604 62-0329587	PHARMACY	TN	BRMMC	C CORP	4,782,181	2,903,651	100 000 %		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
CRESTPOINT HEALTH INSURANCE COMPANY 208 SUNSET DRIVE SUITE 101 JOHNSON CITY, TN 37604 62-0381170	INSURANCE	TN	ISHN	C CORP			99 170 %		No

--> **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
MSHA AUXILIARY	P	71,464	
MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	
HEALTHPLUS	O	103,659	
HEALTHPLUS	P	68,399	
HEALTHPLUS	Q	12,333,583	
HEALTHPLUS	R	621,612	
MEDISERVE	K	179,587	
MEDISERVE	L	169,719	
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	
MOUNTAIN STATES PROPERTIES	O	73,430	
MOUNTAIN STATES PROPERTIES	Q	745,635	
MOUNTAIN STATES PROPERTIES	R	736,347	
MOUNTAIN STATES FOUNDATION	B	58,000	

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
MOUNTAIN STATES FOUNDATION	C	1,513,427	
NORTON COMMUNITY HOSPITAL	D	21,238,380	
NORTON COMMUNITY HOSPITAL	L	5,850,147	
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	
DICKENSON COMMUNITY HOSPITAL	P	982,689	
ISHN	A	50,000	
ISHN	B	6,882,150	
ISHN	L	232,591	
ISHN	M	2,158,748	
ISHN	P	133,333	
ISHN	Q	1,351,630	
SMYTH COUNTY COMMUNITY HOSPITAL	D	16,208,216	
SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	
APP	L	1,927,539	
MSHA AUXILIARY	P	71,464	
MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	

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
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	
HEALTHPLUS	O	103,659	
HEALTHPLUS	P	68,399	
HEALTHPLUS	Q	12,333,583	
HEALTHPLUS	R	621,612	
MEDISERVE	K	179,587	
MEDISERVE	L	169,719	
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	
MOUNTAIN STATES PROPERTIES	O	73,430	
MOUNTAIN STATES PROPERTIES	Q	745,635	
MOUNTAIN STATES PROPERTIES	R	736,347	
MOUNTAIN STATES FOUNDATION	B	58,000	
MOUNTAIN STATES FOUNDATION	C	1,513,427	
NORTON COMMUNITY HOSPITAL	D	21,238,380	
NORTON COMMUNITY HOSPITAL	L	5,850,147	

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
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	
DICKENSON COMMUNITY HOSPITAL	P	982,689	
ISHN	A	50,000	
ISHN	B	6,882,150	
ISHN	L	232,591	
ISHN	M	2,158,748	
ISHN	P	133,333	
ISHN	Q	1,351,630	
SMYTH COUNTY COMMUNITY HOSPITAL	D	16,208,216	
SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	
APP	L	1,927,539	
MSHA AUXILIARY	P	71,464	
MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	

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
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	
HEALTHPLUS	O	103,659	
HEALTHPLUS	P	68,399	
HEALTHPLUS	Q	12,333,583	
HEALTHPLUS	R	621,612	
MEDISERVE	K	179,587	
MEDISERVE	L	169,719	
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	
MOUNTAIN STATES PROPERTIES	O	73,430	
MOUNTAIN STATES PROPERTIES	Q	745,635	
MOUNTAIN STATES PROPERTIES	R	736,347	
MOUNTAIN STATES FOUNDATION	B	58,000	
MOUNTAIN STATES FOUNDATION	C	1,513,427	
NORTON COMMUNITY HOSPITAL	D	21,238,380	
NORTON COMMUNITY HOSPITAL	L	5,850,147	
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	

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
DICKENSON COMMUNITY HOSPITAL	P	982,689	
ISHN	A	50,000	
ISHN	B	6,882,150	
ISHN	L	232,591	
ISHN	M	2,158,748	
ISHN	P	133,333	
ISHN	Q	1,351,630	
SMYTH COUNTY COMMUNITY HOSPITAL	D	16,208,216	
SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	
APP	L	1,927,539	
MSHA AUXILIARY	P	71,464	
MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	

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
HEALTHPLUS	O	103,659	
HEALTHPLUS	P	68,399	
HEALTHPLUS	Q	12,333,583	
HEALTHPLUS	R	621,612	
MEDISERVE	K	179,587	
MEDISERVE	L	169,719	
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	
MOUNTAIN STATES PROPERTIES	O	73,430	
MOUNTAIN STATES PROPERTIES	Q	745,635	
MOUNTAIN STATES PROPERTIES	R	736,347	
MOUNTAIN STATES FOUNDATION	B	58,000	
MOUNTAIN STATES FOUNDATION	C	1,513,427	
NORTON COMMUNITY HOSPITAL	D	21,238,380	
NORTON COMMUNITY HOSPITAL	L	5,850,147	
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	
DICKENSON COMMUNITY HOSPITAL	P	982,689	
ISHN	A	50,000	
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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
ISHN	L	232,591	
ISHN	M	2,158,748	
ISHN	P	133,333	
ISHN	Q	1,351,630	
SMYTH COUNTY COMMUNITY HOSPITAL	D	16,208,216	
SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	
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MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	
HEALTHPLUS	O	103,659	
HEALTHPLUS	P	68,399	
HEALTHPLUS	Q	12,333,583	

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
HEALTHPLUS	R	621,612	
MEDISERVE	K	179,587	
MEDISERVE	L	169,719	
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
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MOUNTAIN STATES PROPERTIES	Q	745,635	
MOUNTAIN STATES PROPERTIES	R	736,347	
MOUNTAIN STATES FOUNDATION	B	58,000	
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NORTON COMMUNITY HOSPITAL	L	5,850,147	
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	
DICKENSON COMMUNITY HOSPITAL	P	982,689	
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ISHN	L	232,591	
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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
ISHN	Q	1,351,630	
SMYTH COUNTY COMMUNITY HOSPITAL	D	16,208,216	
SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	
APP	L	1,927,539	
MSHA AUXILIARY	P	71,464	
MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	
HEALTHPLUS	O	103,659	
HEALTHPLUS	P	68,399	
HEALTHPLUS	Q	12,333,583	
HEALTHPLUS	R	621,612	
MEDISERVE	K	179,587	
MEDISERVE	L	169,719	

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(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	
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NORTON COMMUNITY HOSPITAL	L	5,850,147	
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	
DICKENSON COMMUNITY HOSPITAL	P	982,689	
ISHN	A	50,000	
ISHN	B	6,882,150	
ISHN	L	232,591	
ISHN	M	2,158,748	
ISHN	P	133,333	
ISHN	Q	1,351,630	
SMYTH COUNTY COMMUNITY HOSPITAL	D	16,208,216	
SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	

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
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	
APP	L	1,927,539	
MSHA AUXILIARY	P	71,464	
MSHA AUXILIARY	Q	279,988	
BLUE RIDGE MEDICAL MANAGMENT CORP	L	10,728,044	
BLUE RIDGE MEDICAL MANAGEMENT CORP	M	37,124,494	
BLUE RIDGE MEDICAL MANAGEMENT CORP	O	1,980,659	
BLUE RIDGE MEDICAL MANAGEMENT CORP	Q	8,844,230	
HEALTH PLUS	J	57,281	
HEALTHPLUS	L	408,335	
HEALTHPLUS	M	332,150	
HEALTHPLUS	O	103,659	
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MEDISERVE	K	179,587	
MEDISERVE	L	169,719	
MEDISERVE	O	53,550	
MEDISERVE	P	193,553	
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(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	
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NORTON COMMUNITY HOSPITAL	L	5,850,147	
NORTON COMMUNITY HOSPTIAL	N	482,656	
NORTON COMMUNITY HOSPITAL	P	6,856,647	
NORTON COMMUNITY HOSPITAL	Q	691,339	
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SMYTH COUNTY COMMUNITY HOSPITAL	L	4,757,932	
SMYTH COUNTY COMMUNITY HOSPITAL	Q	67,367	
JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	

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
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
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MEDISERVE	P	193,553	
MEDISERVE	Q	2,441,200	
MOUNTAIN STATES PROPERTIES	G	941,514	
MOUNTAIN STATES PROPERTIES	K	2,070,952	
MOUNTAIN STATES PROPERTIES	L	249,140	

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
MOUNTAIN STATES PROPERTIES	O	73,430	
MOUNTAIN STATES PROPERTIES	Q	745,635	
MOUNTAIN STATES PROPERTIES	R	736,347	
MOUNTAIN STATES FOUNDATION	B	58,000	
MOUNTAIN STATES FOUNDATION	C	1,513,427	
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NORTON COMMUNITY HOSPITAL	Q	691,339	
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ISHN	A	50,000	
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JOHNSTON MEMORIAL HOSPITAL	L	10,436,254	
JOHNSTON MEMORIAL HOSPTIAL	O	887,811	
JOHNSTON MEMORIAL HOSPITAL	P	72,637	
JOHNSTON MEMORIAL HOSPITAL	R	216,014	
APP	M	1,078,900	

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
APP	L	1,927,539	

[redacted]

MOUNTAIN STATES HEALTH ALLIANCE

Audited Consolidated Financial Statements (and Supplemental Schedules)

Years Ended June 30, 2013 and 2012

PYA
Certified Public Accountants

MOUNTAIN STATES HEALTH ALLIANCE

Audited Consolidated Financial Statements (and Supplemental Schedules)

Years Ended June 30, 2013 and 2012

PYA
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mountain States Health Alliance:

We have audited the accompanying consolidated financial statements of Mountain States Health Alliance and its subsidiaries (the Alliance), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial 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 accounting principles generally accepted in the United States of America; 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free 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 auditor's 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 Alliance'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 Alliance'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 Mountain States Health Alliance and its subsidiaries as of June 30, 2013 and 2012, and the results of their operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

Pershing Yoakley & Associates PC

Knoxville, Tennessee
October 24, 2013

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Balance Sheets
(Dollars in Thousands)

	June 30, 2013	June 30, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 74,902**	$ 65,107
Current portion of investments - Note C	**20,386**	36,557
Patient accounts receivable, less estimated allowances for uncollectible accounts of $49,449 in 2013 and $52,696 in 2012	**164,187**	147,466
Other receivables, net	**33,468**	30,190
Inventories and prepaid expenses	**31,073**	28,810
TOTAL CURRENT ASSETS	**324,016**	308,130
INVESTMENTS, less amounts required to meet current obligations	**601,352**	560,697
PROPERTY, PLANT AND EQUIPMENT, net	**884,293**	853,625
OTHER ASSETS		
Goodwill	**154,391**	154,391
Net deferred financing, acquisition costs and other charges	**28,480**	28,187
Other assets	**46,544**	39,975
TOTAL OTHER ASSETS	**229,415**	222,553
	$ 2,039,076	$ 1,945,005

	June 30, 2013	June 30, 2012
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest payable	$ 19,706	$ 18,525
Current portion of long-term debt and capital lease obligations	34,417	32,477
Current portion of estimated fair value of derivatives - Note D	-	10,395
Accounts payable and accrued expenses	94,302	108,870
Accrued salaries, compensated absences and amounts withheld	63,665	55,589
Estimated amounts due to third-party payors, net	26,775	22,018
TOTAL CURRENT LIABILITIES	238,865	247,874
OTHER LIABILITIES		
Long-term debt and capital lease obligations, less current portion	1,090,348	1,048,098
Estimated fair value of derivatives, less current portion	8,185	8,986
Deferred revenue	2,216	3,134
Estimated professional liability self-insurance	8,758	9,344
Other long-term liabilities	17,721	16,822
TOTAL LIABILITIES	1,366,093	1,334,258
COMMITMENTS AND CONTINGENCIES - Notes D, F, G, and N		
NET ASSETS		
Unrestricted net assets		
Mountain States Health Alliance	490,414	436,388
Noncontrolling interests in subsidiaries	169,614	162,959
TOTAL UNRESTRICTED NET ASSETS	660,028	599,347
Temporarily restricted net assets		
Mountain States Health Alliance	12,776	11,223
Noncontrolling interests in subsidiaries	52	50
TOTAL TEMPORARILY RESTRICTED NET ASSETS	12,828	11,273
Permanently restricted net assets	127	127
TOTAL NET ASSETS	672,983	610,747
	$ 2,039,076	$ 1,945,005

See notes to consolidated financial statements.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Statements of Operations
(Dollars in Thousands)

	Year Ended June 30, 2013	2012
Revenue, gains and support:		
Patient service revenue, net of contractual allowances and discounts	$ 1,045,245	$ 1,075,050
Provision for bad debts	(112,497)	(122,917)
Net patient service revenue	932,748	952,133
Premium revenue	1,003	-
Net investment gain	40,980	9,734
Net derivative gain	7,118	1,317
Other revenue, gains and support	77,455	50,643
TOTAL REVENUE, GAINS AND SUPPORT	1,059,304	1,013,827
Expenses:		
Salaries and wages	355,590	358,607
Physician salaries and wages	74,258	65,706
Contract labor	3,942	6,375
Employee benefits	74,590	69,600
Fees	105,891	97,959
Supplies	162,955	170,186
Utilities	16,857	17,289
Medical costs	1,039	-
Other	80,211	76,285
Loss on early extinguishment of debt - Note F	-	2,636
Depreciation	78,941	73,060
Amortization	2,260	2,245
Interest and taxes	43,203	45,903
TOTAL EXPENSES	999,737	985,851
EXCESS OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES	$ 59,567	$ 27,976

See notes to consolidated financial statements.

MOUNTAIN STATES HEALTH ALLIANCE

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

Year Ended June 30, 2013

	Mountain States Health Alliance	*Noncontrolling Interests*	*Total*
UNRESTRICTED NET ASSETS:			
Excess of Revenue, Gains and Support over Expenses and Losses	$ 52,692	$ 6,875	$ 59,567
Pension and other defined benefit plan adjustments	(172)	(171)	(343)
Net assets released from restrictions used for the purchase of property, plant and equipment	1,506	-	1,506
Distributions to noncontrolling interests	-	(49)	(49)
INCREASE IN UNRESTRICTED NET ASSETS	54,026	6,655	60,681
TEMPORARILY RESTRICTED NET ASSETS:			
Restricted grants and contributions	4,969	21	4,990
Net assets released from restrictions	(3,416)	(19)	(3,435)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	1,553	2	1,555
INCREASE IN TOTAL NET ASSETS	55,579	6,657	62,236
NET ASSETS, BEGINNING OF YEAR	447,738	163,009	610,747
NET ASSETS, END OF YEAR	$ 503,317	$ 169,666	$ 672,983

MOUNTAIN STATES HEALTH ALLIANCE

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

Year Ended June 30, 2012

	Mountain States Health Alliance	*Noncontrolling Interests*	*Total*
UNRESTRICTED NET ASSETS:			
Excess (Deficit) of Revenue, Gains and Support over Expenses and Losses	$ 31,702	$ (3,726)	$ 27,976
Pension and other defined benefit plan adjustments	(1,119)	(1,115)	(2,234)
Net assets released from restrictions used for the purchase of property, plant and equipment	1,550	-	1,550
Distributions to noncontrolling interests	-	(324)	(324)
Repurchases of noncontrolling interests	3,860	(3,860)	-
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	35,993	(9,025)	26,968
TEMPORARILY RESTRICTED NET ASSETS:			
Restricted grants and contributions	3,860	39	3,899
Net assets released from restrictions	(3,352)	(46)	(3,398)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	508	(7)	501
INCREASE (DECREASE) IN TOTAL NET ASSETS	36,501	(9,032)	27,469
NET ASSETS, BEGINNING OF YEAR	411,237	172,041	583,278
NET ASSETS, END OF YEAR	$ 447,738	$ 163,009	$ 610,747

See notes to consolidated financial statements.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidated Statements of Cash Flows
(Dollars in Thousands)

	Year Ended June 30, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	**$ 62,236**	$ 27,469
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Provision for depreciation and amortization	**81,786**	75,777
Provision for bad debts	**112,497**	122,917
Loss on early extinguishment of debt	**-**	2,636
Change in estimated fair value of derivatives	**(457)**	6,198
Equity in net income of joint ventures, net	**(636)**	(979)
Loss (gain) on disposal of assets	**(1)**	446
Amounts received on interest rate swap settlements	**(6,661)**	(7,515)
Gain on escrow restructuring - Note F	**(13,847)**	(5,337)
Gain on swap settlement - Note D	**(3,020)**	-
Income recognized through forward sale agreements	-	(864)
Gain on termination of swaption and forward sale agreements - Note D	-	(7,766)
Capital Appreciation Bond accretion and other	**3,910**	3,159
Restricted contributions	**(4,990)**	(3,899)
Pension and other defined benefit plan adjustments	**343**	2,234
Increase (decrease) in cash due to change in:		
Patient accounts receivable	**(129,218)**	(138,996)
Other receivables, net	**(3,192)**	(3,501)
Inventories and prepaid expenses	**(2,263)**	155
Trading securities	**(17,845)**	107,593
Other assets	**(1,073)**	(2,733)
Accrued interest payable	**1,181**	(1,522)
Accounts payable and accrued expenses	**(20,263)**	4,131
Accrued salaries, compensated absences and amounts withheld	**8,076**	(2,211)
Estimated amounts due to third-party payers, net	**4,757**	3,247
Other long-term liabilities	**556**	236
Estimated professional liability self-insurance	**(586)**	(348)
Total adjustments	**9,054**	153,058
NET CASH PROVIDED BY OPERATING ACTIVITIES	**71,290**	180,527
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	**(105,751)**	(132,890)
Purchases of land held for expansion	**(5,769)**	-
Additions to goodwill	**-**	(5,725)
Purchases of held-to-maturity securities	**(8,722)**	(9,516)
Net distribution from joint ventures and unconsolidated affiliates	**732**	882
Proceeds from sale of property, plant and equipment	**335**	1,881
NET CASH USED IN INVESTING ACTIVITIES	**(119,175)**	(145,368)

	Year Ended June 30, 2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt and capital lease obligations, including deposits to escrow	**(75,066)**	(71,997)
Payment of acquisition and financing costs	**(2,314)**	(2,742)
Proceeds from issuance of long-term debt and other financing arrangements	**117,085**	67,451
Payment on termination of derivative agreements - Note D	**(7,375)**	(93,353)
Gain on escrow restructuring - Note F	**13,847**	5,337
Net amounts received on interest rate swap settlements	**6,661**	7,515
Restricted contributions received	**4,842**	4,969
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**57,680**	(82,820)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**9,795**	(47,661)
CASH AND CASH EQUIVALENTS, beginning of year	**65,107**	112,768
CASH AND CASH EQUIVALENTS, end of year	**$ 74,902**	$ 65,107

SUPPLEMENTAL INFORMATION AND NON-CASH TRANSACTIONS:		
Cash paid for interest	**$ 37,023**	$ 41,168
Cash paid for federal and state income taxes	**$ 616**	$ 336
Construction related payables in accounts payable and accrued expenses	**$ 11,598**	$ 6,821
Property acquired through capital lease arrangement	**$ -**	$ 13,959
Payable on termination of forward sale agreements in accounts payable and accrued expenses	**$ -**	$ 13,429
Land held for expansion placed in use	**$ -**	$ 1,610

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

NOTE A--ORGANIZATION AND OPERATIONS

Mountain States Health Alliance (the Alliance) is a tax-exempt entity with operations primarily located in Washington, Sullivan, and Carter counties of Tennessee and Smyth, Wise, Dickenson, Russell and Washington counties of Virginia. The initial funds for the establishment of the Alliance in 1945 were provided by individuals and various institutions.

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

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

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

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

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

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

The Alliance is the sole shareholder of Blue Ridge Medical Management Corporation (BRMM), a for-profit entity that owns and manages physician practices and provides other healthcare services to patients in Tennessee and Virginia. BRMM also operates as a medical office real estate developer by owning, selling and leasing real estate to physician practices and other entities. BRMM is either the sole shareholder, a significant shareholder, or member of the following consolidated organizations:

NOTE A--ORGANIZATION AND OPERATIONS - Continued

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

Mountain States Properties, Inc. (MSPI): An entity that owns and manages certain real estate (primarily medical office buildings) and provides rehabilitation and fitness services.

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

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

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

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

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

The Alliance is a 99.6% shareholder of Integrated Solutions Health Network, LLC (ISHN). The primary function of ISHN is to establish, operate and administer a provider-sponsored health care delivery network. ISHN is the sole shareholder of the following subsidiaries:

CrestPoint Health Insurance Company (CHIC): A for-profit insurance company licensed in the State of Tennessee which provides network access and administration and third-party Medicare administrator services. During 2013, CHIC entered into a risk-based contract with the Center for Medicare & Medicaid Services (CMS) to provide or arrange for the provision of healthcare

NOTE A--ORGANIZATION AND OPERATIONS - Continued

services to senior citizens who have Medicare Part A, Medicare Part B and Medicare Part D entitlements.

AnewCare Collaborative (AnewCare): A for-profit accountable care organization which began participating in the CMS's Medicare Shared Savings Program (MSSP) in July 2012.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Alliance and its subsidiaries after elimination of all significant intercompany accounts and transactions.

Noncontrolling Interests in Subsidiaries: The Alliance's accompanying consolidated financial statements include all assets, liabilities, revenues, expenses, and changes in net assets, including amounts attributable to the noncontrolling interests. Noncontrolling interests represent the portion of equity (net assets) in a subsidiary not attributable, directly or indirectly, to the Alliance. For the years ending June 30, 2013 and 2012, the Alliance attributed an Excess (Deficit) of Revenue, Gains and Support over Expenses and Losses of $6,875 and ($3,726), respectively, to the noncontrolling interests in JMH, NCH, SCCH, KASC, PFUC and ISHN based on the noncontrolling interests' respective ownership percentage.

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

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

Investments: Investments as reported in the Consolidated Balance Sheets include trading securities and held-to-maturity securities (Note C). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320, *Investments – Debt and Equity Securities*, allows not-for-profit organizations to report in a manner similar to business entities by identifying securities as available-for-sale or held-to-maturity and to exclude the unrealized gains and losses on

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

those securities from the Performance Indicator (as defined below). Investments which the Alliance has the positive intent and ability to hold to maturity are considered as held-to-maturity. Substantially all other investments are considered as trading securities.

On June 30, 2013, the Alliance determined that it no longer intended to hold certain of its held-to-maturity investment portfolios to maturity and reclassified investments with an amortized cost of $161,929 into the trading designation. As a result, the Alliance recognized net unrealized gains of approximately $8,255 in the accompanying 2013 Consolidated Statement of Operations. The investments that remain designated as held-to-maturity are limited as to use under a safekeeping agreement or are otherwise unavailable for disposition.

Management annually evaluates investments designated as held-to-maturity and recognizes any "other-than-temporary" losses as deductions from the Performance Indicator (as defined below). Management's evaluation considers the amount of decline in fair value, as well as the time period of any such decline. Management does not believe any investment classified as held-to-maturity is other-than-temporarily impaired at June 30, 2013.

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

Realized gains and losses are computed using the specific identification method for cost determination. Interest and dividend income is reported net of related investment fees.

Investments in joint ventures are generally reported under the equity method of accounting, which approximates the Alliance's equity in the underlying net book value, unless the ownership structure requires consolidation. Other assets include investments in joint ventures of $2,057 and $2,153 at June 30, 2013 and 2012, respectively. Subsequent to June 30, 2013, the Alliance liquidated a portion of its investment in one joint venture (Note S).

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

Property, Plant and Equipment: Property, plant and equipment is stated on the basis of cost, or if donated, at the fair value at the date of gift. Generally, depreciation is computed by the straight-line method over the estimated useful life of the asset. Equipment held under capital lease obligations is

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

amortized under the straight-line method over the shorter of the lease term or estimated useful life. Amortization of buildings and equipment held under capital leases is shown as a part of depreciation expense and accumulated depreciation in the accompanying consolidated financial statements. Renewals and betterments are capitalized and depreciated over their useful life, whereas costs of maintenance and repairs are expensed as incurred.

Interest costs incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. The amount capitalized is net of investment earnings on assets limited as to use derived from borrowings designated for capital assets.

The Alliance reviews capital assets for indications of potential impairment when there are changes in circumstances related to a specific asset. If this review indicates that the carrying value of these assets may not be recoverable, the Alliance estimates future cash flows from operations and the eventual disposition of such assets. If the sum of these undiscounted future cash flows is less than the carrying amount of the asset, a write-down to estimated fair value is recorded. The Alliance did not recognize any impairment losses during 2013 and 2012.

Other assets include property held for resale and property held for expansion of $20,220 and $14,451, respectively, at June 30, 2013 and 2012. Property held for resale and property held for expansion primarily represent land contributed to, or purchased by, the Alliance plus costs incurred to develop the infrastructure of such land. Management annually evaluates its investment and records non-temporary declines in value when it is determined the ultimate net realizable value is less than the recorded amount. No such declines were identified in 2013 and 2012.

Goodwill: Goodwill represents the difference between the acquisition cost of assets and the estimated fair value of net tangible and any separately identified intangible assets. In accordance with ASC 350, *Intangibles – Goodwill and Other,* goodwill is evaluated for impairment at least annually. The reporting unit for evaluation of the majority of the Alliance's goodwill is the aggregate acute-care operations. Management performed an evaluation of goodwill for impairment considering qualitative and quantitative factors and does not believe it is more likely than not that goodwill associated with any of its reporting units is impaired as of June 30, 2013.

Deferred Financing, Acquisition Costs and Other Charges: Other assets, including deferred financing, acquisition costs and other charges, total $28,480 and $28,187 at June 30, 2013 and 2012, respectively. Deferred financing costs are amortized over the life of the respective bond issue principally using the average bonds outstanding method. Other intangible assets include licenses and similar assets and are being amortized over the intangible's estimated useful life under the straight-line method.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Derivative Financial Instruments: As further described in Note D, the Alliance is a party to various interest rate swaps. These financial instruments are not designated as hedges and have been presented at estimated fair market value in the accompanying Consolidated Balance Sheets as either current or long-term liabilities, based upon the remaining term of the instrument. Changes in the estimated fair value of these derivatives are included in the Consolidated Statements of Operations as part of net derivative gain.

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

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

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

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

provision for bad debts. Patient accounts written off as uncollectible are deducted from the allowance for uncollectible accounts.

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

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

Charity Care: The Alliance accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Alliance and various guidelines outlined by the Federal Government. These policies define charity as those services for which no payment is anticipated and, as such, charges at established rates are not included in net patient service revenue. The estimated direct and indirect cost of providing these services totaled approximately $24,354 and $24,709 in 2013 and 2012, respectively. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated.

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

Excess (Deficit) of Revenue, Gains and Support Over Expenses and Losses: The Consolidated Statements of Operations and the Consolidated Statements of Changes in Net Assets includes the caption Excess (Deficit) of Revenue, Gains and Support Over Expenses and Losses (the Performance Indicator). Changes in unrestricted net assets which are excluded from the Performance Indicator, consistent with industry practice, include contributions of long-lived assets or amounts restricted to the purchase of long-lived assets, certain pension and related adjustments, and transactions with noncontrolling interests.

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

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

Taxes (Note L). The Alliance has no significant uncertain tax positions at June 30, 2013 and 2012. At June 30, 2013, tax returns for 2009 through 2013 are subject to examination by the Internal Revenue Service.

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

Premium Revenue: Premiums earned include premiums from individuals and Medicare. Medicare revenue includes premiums based on predetermined prepaid rates under Medicare risk contracts. Premiums are recognized in the month in which the members are entitled to health care services. Premiums collected in advance are deferred and recorded as unearned premium revenue. Premium deficiency losses are recognized when it is probable that expected future claim expenses will exceed future premiums on existing contracts. CHIC evaluated the need for a premium deficiency reserve and recorded an estimated reserve of $1,500 at June 30, 2013.

Medicare Shared Savings Program (MSSP): AnewCare, an Accountable Care Organization (ACO), participates in CMS's Medicare Shared Savings Program which is designed to facilitate coordination and cooperation among providers to improve the quality of care for Medicare beneficiaries and reduce unnecessary costs. ACOs participating in the program are assigned beneficiaries by CMS and are entitled to share in the savings if they are able to lower growth in Medicare Parts A and B fee-for-service costs while meeting performance standards on quality of care. The program is based on performance periods, the first of which specific to AnewCare is the period of July 2012 to December 2013. Utilizing statistical data and the methodology employed by CMS, AnewCare has estimated and recognized $2,644 of net shared savings through June 30, 2013. Variability is inherent in the estimation methodology and due to uncertainties in the estimation; it is probable that management's estimates of shared savings, if any, will change by the end of the performance period, and such change could be significant.

Electronic Health Record Incentives: The American Recovery and Reinvestment Act of 2009 (ARRA) provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstrate meaningful use of certified electronic health

NOTE B--SIGNIFICANT ACCOUNTING POLICIES - Continued

record (EHR) technology. The incentive payments are calculated based upon estimated discharges, charity care and other input data and are predicated upon the Alliance's attainment of program and attestation criteria and are subject to regulatory audit. During the years ending June 30, 2013 and 2012, the Alliance recognized EHR incentive revenues of $22,474 and $4,894, respectively, comprised of $17,340 of Medicare revenues in 2013 and $5,134 and $4,894 of Medicaid revenues in 2013 and 2012, respectively. EHR incentive revenues are included in other revenue, gains and support in the accompanying Consolidated Statements of Operations.

The Alliance incurs both capital expenditures and operating expenses in connection with the implementation of its various EHR initiatives. The amount and timing of these expenditures does not directly correlate with the timing of the Alliance's receipt or recognition of the EHR incentive payments.

Medical Costs: The cost of health care services is recognized in the period in which services are provided. Medical costs include an estimate of the cost of services provided to CHIC members by third-party providers, which have been incurred but not provided to CHIC. The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims and industry data. Due to uncertainties in the estimation, it is at least reasonably possible that management's estimates of incurred but not reported claims will change in 2014, although the amount of the change cannot be estimated.

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

Subsequent Events: The Alliance evaluated all events or transactions that occurred after June 30, 2013, through October 24, 2013, the date the consolidated financial statements were available to be issued. During this period management did not note any material recognizable subsequent events that required recognition or disclosure in the June 30, 2013 consolidated financial statements, other than as discussed in Note S.

Reclassifications: Certain 2012 amounts have been reclassified to conform with the 2013 presentation in the accompanying consolidated financial statements. Prior to 2013, the Alliance classified only those activities directly associated with its mission of providing healthcare services, as well as other activities deemed significant to its operations, as operating activities. In 2013, the Alliance no longer presents an intermediate measure of operating income (loss) and the 2012 Consolidated Statement of Operations has been reformatted to be consistent with this presentation.

(Dollars in Thousands)

NOTE C--INVESTMENTS

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

	2013	2012
Designated or restricted:		
Under safekeeping agreements and other	$ 10,350	$ 24,026
By Board for capital improvements	-	4
Under bond indenture agreements:		
For debt service and interest payments	60,823	77,602
For capital acquisitions	36,989	29,578
	108,162	131,210
Less: amount required to meet current obligations	(20,386)	(36,557)
	$ 87,776	$ 94,653

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

	2013	2012
Cash, cash equivalents and money market funds	$ 57,190	$ 80,304
U.S. Government securities	11,164	8,582
U.S. Agency securities	30,407	40,398
Corporate and foreign bonds	7,530	-
Municipal obligations	1,871	1,926
	$ 108,162	$ 131,210

Trading securities consist of the following at June 30:

	2013	2012
Cash, cash equivalents and money market funds	$ 9,488	$ 5,186
U.S. Government securities	18,481	10,697
U.S. Agency securities	19,620	26,165
Corporate and foreign bonds	172,350	52,581
Municipal obligations	17,749	961
Preferred and asset backed securities	3,491	11,183
U.S. equity securities	10,944	28,344
Mutual funds	186,028	141,968
Other	37,353	34,880
	$ 475,504	$ 311,965

(Dollars in Thousands)

NOTE C--INVESTMENTS - Continued

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

	2013	*2012*
Cash, cash equivalents and money market funds	$ 75	$ 298
Corporate and foreign bonds	33,060	138,232
Municipal obligations	4,937	15,549
	$ 38,072	$ 154,079

Held-to-maturity securities had gross unrealized gains and losses of $15 and $1,421, respectively, at June 30, 2013 and $11,432 and $33, respectively at June 30, 2012. At June 30, 2013 and 2012, the Alliance held no securities within the held-to-maturity portfolio which had been at an unrealized loss position for over one year. At June 30, 2013, the contractual maturities of held-to-maturity securities were $2,702 due in one year or less, $17,923 due from one to five years and $17,447 due after five years. At June 30, 2012, the contractual maturities of held-to-maturity securities were $11,225 due in one year or less, $67,532 due from one to five years and $75,322 due after five years.

The net investment gain is comprised of the following for the years ending June 30:

	2013	*2012*
Interest and dividend income, net of fees	$ 13,881	$ 15,213
Net realized (losses) gains on the sale of securities	3,074	(2,595)
Change in net unrealized gains on securities	24,025	(2,884)
	$ 40,980	$ 9,734

At June 30, 2013 and 2012, the Alliance held investments in certain limited partnerships and hedge funds with a recorded value of $37,353 and $34,880, respectively, that have a wide range of investment strategies with various levels of risk. These funds are included within trading securities and do not have readily determinable fair values. The funds are reported at estimated fair market value pursuant to FASB ASC 825, *Financial Instruments*.

NOTE D--DERIVATIVE TRANSACTIONS

The Alliance is a party to a number of derivative transactions. These derivatives have not been designated as hedges and are valued at estimated fair value in the accompanying Consolidated Balance Sheets. Management's primary objective in holding such derivatives is to introduce a

(Dollars in Thousands)

NOTE D--DERIVATIVE TRANSACTIONS - Continued

variable rate component into its fixed rate debt structure. Under the terms of these agreements, changes in the interest rate environment could have a significant effect on the Alliance. Deferred financing and acquisition costs, net of amortization, include $5,791 and $6,135 at June 30, 2013 and 2012, respectively, related to these swaps.

These derivative agreements require that the Alliance post additional collateral for the derivatives' fair market value deficits above specified levels. As of June 30, 2013, the Alliance was not required to post additional collateral. Such investments totaling $13,809 are included as assets limited as to use in the accompanying 2012 Consolidated Balance Sheet.

The following is a summary of the interest rate swap agreements at June 30, 2013 and 2012:

Notional Amount	*Term*	*Counterparty*	*Payments by:* *Receive*	*Pay*	*Estimated Fair Value* *2013*	*2012*
$ 170,000	4/2008-4/2026	Bank of America, Merrill Lynch	1.27% 7/2012-4/2013 1.07% 5/2013-6/2013	0.00%	$ 3,895	$ 3,500
95,000	4/2008-4/2026	Bank of America, Merrill Lynch	1.27% 7/2012-4/2013 1.08% 5/2013-6/2013	0.00%	2,205	1,983
173,030	4/2008-4/2034	Bank of America, Merrill Lynch	1.32% 7/2012-4/2013 1.12% 5/2013-6/2013	0.00%	(710)	(513)
82,055	12/2007-7/2033	Bank of America, Merrill Lynch	67% USD-LIBOR-BBA	0.312% + USD-SIFMA	(9,322)	(9,520)
50,000	2/2008-7/2038	Bank of America, Merrill Lynch	67% (USD-LIBOR-BBA + 0.15%)	USD-SIFMA	(4,218)	(3,895)
21,400	7/2007-7/2015	Bank of America, Merrill Lynch	1.05% + USD-SIFMA	4.50%	35	(320)
5,524	Various	Various	Various	Various	(70)	(221)
					$ (8,185)	$ (8,986)

(Dollars in Thousands)

NOTE D--DERIVATIVE TRANSACTIONS - Continued

The terms of five of these agreements were modified without settlement during 2013. No gain or loss was realized as a result of the modifications although such modifications did impact the estimated fair value of the interest rate swaps as of June 30, 2013.

The net investment derivative gain is comprised of the following for the years ending June 30:

	2013	*2012*
Settlement income and other	$ 6,661	$ 7,515
Change in estimated fair value	457	(6,198)
	$ 7,118	$ 1,317

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

The Alliance was previously a party to a total return swap with Lehman Brothers as the counterparty. Lehman Brothers filed for bankruptcy in September 2008. The Alliance subsequently received notification from Lehman Brothers Special Financing, Inc. indicating the intent of the counterparty to terminate this agreement effective January 1, 2009. The Alliance and Lehman Brothers Special Financing, Inc. were unable to reach a settlement agreement at the time the swap was terminated. An estimated liability related to the agreement of $10,395 was recognized by the Alliance at June 30, 2012. In addition, a third party held investments with a fair market value of approximately $13,809, at June 30, 2012, as collateral. In 2013, the parties reached a settlement agreement and in full settlement of the liability, the Alliance paid the counterparty $7,375 from the funds held as collateral and the remaining collateral was returned to the Alliance. A gain of approximately $3,020 was recognized on the settlement, which is included within other revenue, gains and support in the accompanying 2013 Consolidated Statement of Operations.

In June 2004, the Alliance entered into an agreement with Bear Stearns (acquired by JP Morgan) whereby Bear Stearns purchased from the Alliance an option to enter into an interest rate swap agreement (swaption) with the Alliance beginning July 1, 2011. During 2012, the counterparty expressed their intent to exercise the swaption on January 1, 2012 and the Alliance exercised its right to terminate the swaption at its fair market value. To effectuate the termination, the Alliance transferred $93,353 of a Guaranteed Investment Contract (GIC), to the third party as a termination payment. A gain of $3,058 was recognized on the termination, which is included within other

(Dollars in Thousands)

NOTE D--DERIVATIVE TRANSACTIONS - Continued

revenue, gains and support in the accompanying 2012 Consolidated Statement of Operations. Net derivative gain in the accompanying 2012 Consolidated Statement of Operations includes an unrealized loss of $4,676 related to this derivative, prior to termination.

Also in June 2004, the Alliance entered into two related forward sale agreements with the counterparty to the swaption agreements and the Master Trustee of the Series 2000 Bonds. In June 2012, the Alliance and the counterparty terminated the agreements. To effectuate the termination, the Alliance agreed to pay $13,429 to the counterparty. The termination payable is included in accounts payable and accrued expenses in the accompanying 2012 Consolidated Balance Sheet. The Alliance recognized a gain of $4,708 on the termination of these agreements, which is included within other revenue, gains and support in the accompanying 2012 Consolidated Statement of Operations.

NOTE E--PROPERTY, PLANT AND EQUIPMENT

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

	2013	*2012*
Land	$ 60,180	$ 57,525
Buildings and leasehold improvements	718,489	661,146
Property and improvements held for leasing	77,767	74,914
Equipment	664,469	571,774
Buildings and equipment held under capital lease	671	20,540
	1,521,576	1,385,899
Less: Allowances for depreciation and amortization	(704,002)	(626,552)
	817,574	759,347
Construction in progress (Note N)	66,719	94,278
	$ 884,293	$ 853,625

Accumulated depreciation and amortization on property and improvements held for leasing purposes is $25,146 and $22,951 at June 30, 2013 and 2012, respectively. Net interest capitalized was $4,163 and $3,110 for the years ended June 30, 2013 and 2012, respectively.

During 2012, the Alliance executed an Amendment and Mutual Release Agreement with a vendor whereby the Alliance waived its right to take any action with respect to prior contracts in exchange for professional services in future periods, primarily related to accelerated deployment of information

(Dollars in Thousands)

NOTE E--PROPERTY, PLANT AND EQUIPMENT - Continued

systems. The Alliance recognized approximately $3,386 and $3,799 in 2013 and 2012 as additions to property, plant and equipment with an offsetting gain related to the agreed-upon value of such professional services. The Alliance anticipates recognition of additional amounts in future periods as such services are provided.

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

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

Description	*Maturities*	*Rates*	*Outstanding Balance* 2013	2012
2012A Hospital Revenue Bonds, net of unamortized premium of $1,817 at June 30, 2013	$55,000 uninsured term bonds, due August 15, 2042, subject to early redemption	5.00%	$ 56,817	$ -
2012B Hospital Revenue Bonds	$28,095 uninsured term bonds, due August 15, 2042, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	28,095	-
2012C Hospital Revenue Bonds	$9,785 uninsured term bonds, due August 15, 2042, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	9,785	-
2011A Hospital Revenue Bonds	$61,185 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	61,185	65,260
2011B Hospital Revenue Bonds	$20,000 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	20,000	20,000
2011C Hospital Revenue Bonds	$48,974 uninsured term bonds, due July 1, 2031, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	48,974	49,875
2011D Hospital Revenue Bonds	$60,705 uninsured term bonds, due July 1, 2031, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	60,705	60,705
2011E Taxable Bonds	$15,960 uninsured term bonds, due July 1, 2026, subject to early redemption or tender	Variable, 0.17% at June 30, 2013	15,960	15,960
2011 Hospital Facility Revenue Refunding and Improvement Bonds (JMH)	$23,095 uninsured term bonds, due July 1, 2033, subject to early redemption or tender	Variable, 1.14% at June 30, 2013	23,095	24,870
2010A Hospital Revenue Bonds, net of unamortized premium of $978 and $1,017 at June 30, 2013 and 2012, respectively	$28,780 uninsured serially, through 2020 $14,985 uninsured term bonds, due July 1, 2025 $19,230 uninsured term bonds, due July 1, 2030 $39,570 uninsured term bonds, due July 1, 2038 $55,480 uninsured term bonds, due July 1, 2038	3.00% to 5.00% 5.38% 5.63% 6.50% 6.00%	159,023	162,952
2010B Hospital Revenue Bonds, net of unamortized premium of $626 and $669 at June 30, 2013 and 2012, respectively	$20,295 uninsured serially, through 2020 $4,355 uninsured term bonds, due July 1, 2023 $4,250 uninsured term bonds, due July 1, 2028	2.50% to 5.00% 5.00% 5.50%	29,526	33,129
2009A Hospital Revenue Bonds, net of unamortized discount of $113 and $117 at June 30, 2013 and 2012, respectively	$655 uninsured term bonds, due July 1, 2019 $1,730 uninsured term bonds, due July 1, 2029 $3,105 uninsured term bonds, due July 1, 2038	7.25% 7.50% 7.75%	5,377	5,443
2009B Hospital Revenue Bonds	$5,470 uninsured term bonds, due July 1, 2038	8.00%	5,470	5,535
2009C Hospital Revenue Bonds, net of unamortized discount of $2,246 and $2,334 at June 30, 2013 and 2012, respectively	$18,800 uninsured term bonds, due July 1, 2019 $20,000 uninsured term bonds, due July 1, 2029 $74,855 uninsured term bonds, due July 1, 2038	7.25% 7.50% 7.75%	111,409	113,621
2008A Hospital Revenue Bonds	$13,245 uninsured term bonds, due July 1, 2038, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	13,245	13,245
2008B Hospital Revenue Bonds	$51,965 uninsured term bonds, due July 1, 2038, subject to early redemption or tender	Variable, 0.06% at June 30, 2013	51,965	52,930
2007B Taxable Hospital Revenue Bonds, sub-series B-1 and B-2	$123,335 uninsured term bonds, due July 1, 2033, subject to early redemption or tender, sub-series B-3 redeemed in 2013	Variable, 0.17% to 0.18% at June 30, 2013	123,335	156,760

(Dollars in Thousands)

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

Description	*Maturities*	*Rates*	*Outstanding Balance* 2013	2012
2006A Hospital First Mortgage Revenue Bonds, net of unamortized premium of $135 and $141 at June 30, 2013 and 2012, respectively	$5,295 uninsured serially, through 2019 $7,375 uninsured term bonds, due July 1, 2026 $20,505 uninsured term bonds, due July 1, 2031 $135,175 uninsured term bonds, due July 1, 2036	5.00% 5.25% 5.50% 5.50%	168,485	169,136
2001A Hospital First Mortgage Revenue Bonds	$21,400 term bonds, due July 1, 2026, subject to early redemption or tender	4.50%	21,400	22,300
2000A Hospital First Mortgage Revenue Refunding Bonds	$34,645 insured Capital Appreciation Bonds, interest and principal due July 1, 2026 through 2030	6.63%	34,645	32,431
2000C Hospital First Mortgage Revenue Bonds	$32,040 insured term bonds, due July 1, 2026	8.50%	32,040	33,230
2000D First Mortgage Taxable Bonds	$13,800 insured term bonds, due July 1, 2026	8.50%	13,800	14,315
Capitalized lease obligations secured by equipment	Various monthly payments of principal and interest	Various	1,240	1,645
$1,593 note payable, secured by equipment	Various annual principal payments through July 2014	Unspecified	896	1,343
Capitalized lease obligation secured by medical office building (JMH)	Lease was paid-off in 2013	N/A	-	15,498
Master installment payment agreement	Various quarterly payments through May 2014	Unspecified	2,320	4,438
Master installment payment agreement, secured by equipment	Various quarterly payments through May 2014	Unspecified	1,503	3,032
$1,640 note payable, secured by land	Monthly principal payments of $10 through maturity in July 2015	Unspecified	1,640	1,870
$985 in promissory notes secured by assets of Emmaus Community Healthcare, LLC	Various monthly principal and interest payments through 2019	3.00% - 3.75%	985	1,052
$17,607 term note	Monthly principal and interest payments of $60 beginning November 2012 maturing September 2015; remaining principal due October 2015	Variable, 1.14% at June 30, 2013	17,607	-
$4,238 in notes payable, secured by land	Annual principal payments of $215 beginning October 2013 maturing October 2015; remaining principal due October 2016. Interest is payable monthly.	Variable, 0.19% at June 30, 2013	4,238	-
			1,124,765	1,080,575
	Less current portion		(34,417)	(32,477)
			$ 1,090,348	$ 1,048,098

Series 2012 Bonds: In September 2012, the Alliance issued $55,000 (Series 2012A) fixed rate and $28,095 (Series 2012B) variable rate tax-exempt Hospital Revenue Bonds through The Health and Educational Facilities Board of the City of Johnson City, Tennessee, and $9,785 (Series 2012C) variable rate tax-exempt Hospital Revenue Bonds through the Industrial Development Authority of Wise, Virginia (collectively, the Series 2012 Bonds). The proceeds from the Series 2012A Bonds will be used to finance a surgery center project at JCMC and pay issuance costs related to these Bonds. The proceeds from the Series 2012B and 2012C Bonds will be used to finance or refinance capital improvements and equipment acquisitions and to pay issuance costs associated with these Bonds. The timely payment of the Series 2012B and Series 2012C Bonds is secured by irrevocable transferable direct-pay letters of credit which expire September 17, 2015.

Series 2011 Bonds: In October 2011, the Alliance issued $65,260 (Series 2011A) and $20,000 (Series 2011B) variable rate tax-exempt Hospital Revenue Bonds through The Health and

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

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

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

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

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

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

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

transferable, direct-pay letter of credit. A portion ($59,525) of the Series 2008A Bonds were repaid from proceeds of the Series 2010 Bonds.

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

During 2012, the Alliance redeemed $115,135 of the Series 2007B-1 Bonds and $29,405 of the Series 2007B-3 Bonds. The Alliance redeemed $26,530 of the Series 2007B-3 Bonds during 2013. The payment of principal and interest on the outstanding Sub-Series 2007B Bonds and the purchase price of any tendered bonds on each series are secured by a separate, irrevocable, transferable, direct-pay letter of credit.

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

Series 2001 Bonds: During 2001, the Alliance issued $26,000 Hospital First Mortgage Revenue Bonds (Series 2001A). The Alliance redeemed the 2001A Bonds and released a new Series 2001A to Bank of America Merrill Lynch during 2012.

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

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

proceeds from the sale of the First Mortgage Bonds (Series 2000D Taxable Bonds) were used primarily to fund working capital for the Alliance.

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

Derecognized Bonds: The advance refunding of previously issued debt requires funds to be placed in irrevocable trusts in order to satisfy remaining scheduled principal and interest payments. Management, upon advice of legal counsel, believes the amounts deposited in such irrevocable trust accounts have contractually relieved the Alliance of any future obligations with respect to this debt, and the debt and escrowed securities are not considered liabilities or assets of the Alliance. Therefore, such debt has been derecognized. Debt outstanding and not recognized in the Consolidated Balance Sheet at June 30, 2013 due to previous advance refundings of the Series 2000A Bonds, Series 2000B Bonds, Series 1998C Bonds, and Series 1991 Bonds, totaled approximately $213,060.

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

The Alliance instructed the trustee of the 1998C Bonds to liquidate certain investments held in the related irrevocable trust account and to redeem a portion of the 1998C Bonds with the proceeds from the liquidation. The fair value of the liquidated assets exceeded the payment necessary to redeem the 1998C Bonds and the excess was paid to the Alliance. As a result of this transaction, the Alliance recognized a net gain in 2013 and 2012 of $13,847 and $5,337, respectively, which is included in other revenue, gains and support in the accompanying Consolidated Statements of Operations.

Variable Rate Issuances: The variable rate of interest on the Series 2012, Series 2011, Series 2008 and Series 2007 Bonds is determined weekly by the Remarketing Agent, as the rate equal to the lowest rate which, in regard to general financial conditions and other special conditions bearing on the rate, would produce as nearly as possible a par bid for the Bonds in the secondary market. In no

(Dollars in Thousands)

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

event shall the variable rate on the Bonds during any period where interest is calculated weekly exceed the lesser of 12% annually or the maximum contract rate of interest permitted by the applicable State of issue. The Alliance has the option, upon written approval of the holder of the letters of credit, the Remarketing Agent and others, to convert to a medium-term rate period or to a fixed rate.

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

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

The scheduled maturities and mandatory sinking fund payments of the long-term debt and capital lease obligations (excluding interest), exclusive of net unamortized original issue discount and premium, at June 30, 2013 are as follows:

Year Ending June 30,		
2014	$	34,417
2015		28,191
2016		45,427
2017		32,290
2018		29,253
Thereafter		953,990
		1,123,568
Net premium		1,197
	$	1,124,765

Certain members of the Alliance and JMH are each members of separate Obligated Groups. The bond indentures, master trust indentures, letter of credit agreements and loan agreements related to the various bond issues and notes payable contain covenants with which the respective Obligated Groups must comply. These requirements include maintenance of certain financial and liquidity ratios, deposits to trustee funds, permitted indebtedness, use of facilities and disposals of property.

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

These covenants also require that failure to meet certain debt service coverage tests will require the deposit of all daily cash receipts of the Alliance into a trust fund. Management has represented the Alliance and JMH are in compliance with all such covenants at June 30, 2013.

In connection with the tax-exempt bonds, the Alliance is required every five years, and at maturity, to remit to the Internal Revenue Service amounts which are due related to positive arbitrage on the borrowed funds. The Alliance performs such computations when required and recognizes any liability at that time. Management does not believe there are any significant arbitrage liabilities at June 30, 2013 or 2012.

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

NOTE G--SELF-INSURANCE PROGRAMS

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

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

At June 30, 2013, the Alliance is involved in litigation relating to medical malpractice and workers' compensation and other claims arising in the ordinary course of business. There are also known incidents occurring through June 30, 2013 that may result in the assertion of additional claims, and other unreported claims may be asserted arising from services provided in the past. Alliance management has estimated and accrued for the cost of these unreported claims based on historical data and actuarial projections. The estimated net present value of malpractice and workers' compensation claims, both reported and unreported, as of June 30, 2013 and 2012 was $12,348 and $12,896, respectively. The discount rate utilized was 5% at June 30, 2013 and 2012.

(Dollars in Thousands)

NOTE G--SELF-INSURANCE PROGRAMS - Continued

Additionally, the Alliance is self-insured for employee health claims and recognizes expense each year based upon actual claims paid and an estimate of claims incurred but not yet paid, including a catastrophic claims reserve based on historical claims in excess of $75. Such amount is included in accounts payable and accrued expenses in the Consolidated Balance Sheets.

NOTE H--NET PATIENT SERVICE REVENUE

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

	2013	*2012*
Inpatient service charges	$ 2,086,519	$ 2,095,036
Outpatient service charges	2,120,400	1,982,154
Gross patient service charges	4,206,919	4,077,190
Less:		
Estimated contractual adjustments and other discounts	3,058,580	2,899,678
Charity care	103,094	102,462
Provision for bad debts	112,497	122,917
	3,274,171	3,125,057
Net patient service revenue	$ 932,748	$ 952,133

Patient service revenue, net of contractual allowances and discounts is composed of the following for the years ended June 30:

	2013	*2012*
Third-party payers	946,979	$ 968,101
Patients	98,266	106,949
Patient service revenue	$ 1,045,245	$ 1,075,050

Patient deductibles and copayments under third-party payment programs are included within the patient amounts above.

NOTE H--NET PATIENT SERVICE REVENUE - Continued

Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Alliance analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not paid or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Alliance records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged against the allowance for uncollectible accounts.

The Alliance's allowance for doubtful accounts totaled $49,449 and $52,696 at June 30, 2013 and 2012, respectively. The allowance for doubtful accounts decreased from 26% of patient accounts receivable, net of contractual allowances, at June 30, 2012 to 23% of patient accounts receivable, net of contractual allowances, as of June 30, 2013. During 2013, MSHA began recording contractual allowances at time-of-billing for three additional payers, two of whom are MSHA's largest commercial payers. Previously, MSHA had recorded an allowance for bad debt for those three payers in addition to an estimated allowance for contractual adjustments. As a result of a more accurate methodology for recording contractual allowances for those three payers, MSHA was able to decrease its allowance for bad debts by a minimal amount. The provision for bad debts associated with the Alliance's ancillary service lines are not significant.

NOTE I--THIRD-PARTY REIMBURSEMENT

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

NOTE I--THIRD-PARTY REIMBURSEMENT - Continued

Reimbursement under the State of Tennessee's Medicaid waiver program (TennCare) for inpatient and outpatient services is administered by various managed care organizations (MCOs) and is based on diagnosis related group assignments, a negotiated per diem or fee schedule basis. The Alliance also receives additional supplemental payments from the State of Tennessee. These supplemental payments recognized totaled $8,455 and $11,300 for the years ended June 30, 2013 and 2012, respectively. Such payments are not guaranteed in future periods.

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

Amounts earned under the contractual agreements with the Medicare and Medicaid programs are subject to review and final determination by fiscal intermediaries and other appropriate governmental authorities or their agents. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. During 2013, the State of Virginia outsourced its Medicaid program to six managed care organizations. ISHN provides the provider network for Southwest Virginia to five Virginia Medicaid managed care organizations; two of which are on an exclusive basis. ISHN is not at-risk under these contracts.

Activity with respect to audits and reviews of the governmental programs in the healthcare industry has increased and is expected to increase in the future. No additional specific reserves or allowances have been established with regard to these increased audits and reviews as management is not able to estimate such amounts, if any. Management believes that any adjustments from these increased audits and reviews will not have a material adverse impact on the consolidated financial statements. However, due to uncertainties in the estimation, it is at least reasonably possible that management's estimate will change in 2014, although the amount of any change cannot be estimated. The impact of final settlements of cost reports or changes in estimates increased net patient service revenue by $1,328 in 2013 and decreased net patient service revenue by $1,556 in 2012.

Participation in the Medicare program subjects the Alliance to significant rules and regulations; failure to adhere to such could result in fines, penalties or expulsion from the program. Management believes that adequate provision has been made for any adjustments, fines or penalties which may result from final settlements or violations of other rules or regulations. Management has represented that the Alliance is in substantial compliance with these rules and regulations as of June 30, 2013.

The Alliance has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred provider organizations and employer groups. The basis

NOTE I--THIRD-PARTY REIMBURSEMENT - Continued

for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

NOTE J--EMPLOYEE BENEFIT PLANS

The Alliance sponsors a retirement plan (the Plan) which covers substantially all employees. The Plan is a defined contribution plan which consists principally of employer-funded contributions. During 2013 and 2012, the Alliance made contributions to the Plan under a stratified system, whereby the Alliance's contribution percentage is based on each employee's years of service. Employees of certain other subsidiaries are covered by other plans, although such plans are not significant. The total expense related to defined contribution plans for the years ended June 30, 2013 and 2012 was $16,121 and $15,072, respectively.

NCH maintains a defined benefit pension plan and a post-retirement employee benefit plan. The accrued unfunded pension liability was $3,028 and $2,560, and the accrued unfunded post-retirement liability was $4,943 and $4,554 at June 30, 2013 and 2012, respectively.

The Alliance sponsors a secured executive benefit program (SEBP) for certain key executives. Contributions to the plan by the Alliance are based on an annual amount of funding necessary to produce a target benefit for the participants at their retirement date, although the Alliance does not guarantee any level of benefit will be achieved. The Alliance contributed $1,020 and $1,734 to the plan during 2013 and 2012, respectively. Other assets at June 30, 2013 and 2012 include $10,721 and $9,675, respectively, related to the Alliance's portion of the benefits which are recoverable upon the death of the participant. In addition, the Alliance sponsors a Section 457(f) plan for certain key executives. The Alliance contributed $294 and $452 to the Section 457(f) plan during 2013 and 2012, respectively.

NOTE K--CONCENTRATION OF RISK

The Alliance has locations primarily in upper East Tennessee and Southwest Virginia which is considered a geographic concentration. The Alliance grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Net patient service revenue from Washington County, Tennessee operations were approximately 51% and 51% of total net patient service revenue for 2013 and 2012, respectively.

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

(Dollars in Thousands)

NOTE K--CONCENTRATION OF RISK - Continued

	2013	*2012*
Medicare	38%	36%
Tenncare/Medicaid	16%	14%
Commercial	28%	26%
Other third-party payers	9%	13%
Patients	9%	11%
	100%	100%

Approximately 88% and 94% of the consolidated total revenue, gains and support were related to the provision of healthcare services during 2013 and 2012, respectively. Admitting physicians are primarily practitioners in the regional area.

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

The Hospital maintains bank accounts at various financial institutions covered by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, the Alliance may maintain bank account balances in excess of the FDIC insured limit. Management believes the credit risk associated with these deposits is not significant.

The Alliance routinely invests in investment vehicles as listed in Note C. The Alliance's investment portfolio is managed by outside investment management companies. Investments in corporate and foreign bonds, municipal obligations, money market funds, equities and other vehicles that are held by safekeeping agents are not insured or guaranteed by the U.S. government.

NOTE L--INCOME TAXES

BRMM and its subsidiaries file a consolidated federal tax return and separate state tax returns. As of June 30, 2013 and 2012, BRMM and its subsidiaries had net operating loss carryforwards for consolidated federal purposes of $33,620 and $35,968, respectively, related to operating loss carryforwards which expire through 2031. At June 30, 2013 and 2012, BRMM had state net operating loss carryforwards of $70,347 and $69,403, respectively, which expire through 2027. The net operating loss carryforwards may be offset against future taxable income to the extent permitted by the Internal Revenue Code and Tennessee Code Annotated.

NOTE L--INCOME TAXES - Continued

At June 30, 2013 and 2012, SWCH had federal and state net operating loss carryforwards of $5,906 and $5,614, respectively, which expire through 2032. The net operating loss carryforwards may be off-set against future taxable income to the extent permitted by the Internal Revenue Code and tax codes of the Commonwealth of Virginia.

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

NOTE M--RELATED PARTY TRANSACTIONS

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

NOTE N--OTHER COMMITMENTS AND CONTINGENCIES

Construction in Progress: Construction in progress at June 30, 2013 represents costs incurred related to various hospital and medical office building facility renovations and additions and information technology infrastructure. The Alliance has outstanding contracts and other commitments related to the completion of these projects, and the cost to complete these projects is estimated to be approximately $39,110 at June 30, 2013. The Alliance does not expect any significant costs to be incurred for infrastructure improvements to assets held for resale.

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

In addition, the Alliance has entered into contractual relationships with non-employed physicians to provide services in Upper East Tennessee and Southwest Virginia. These contracts guarantee certain base payments and allowable expenses and have terms of varying lengths. Amounts drawn and outstanding under each agreement are treated as a loan bearing interest at various rates and are subject to repayment over a specified period. The physician notes may also be amortized by virtue of the physician's continued practice in the specified community during the repayment period. A net receivable of $884 and $1,436 related to these agreements is included in the accompanying Consolidated Balance Sheets at June 30, 2013 and 2012, respectively.

(Dollars in Thousands)

NOTE N--OTHER COMMITMENTS AND CONTINGENCIES - Continued

Employee Scholarships: The Alliance offers scholarships to certain individuals which require that the recipients return to the Alliance to work for a specified period of time after they complete their degree. Amounts due are then forgiven over a specific period of time as provided in the individual contracts. If the recipient does not return and work the required period of time, the funds disbursed on their behalf become due immediately and interest is charged until the funds are repaid. Other receivables at June 30, 2013 and 2012 include $9,021 and $8,005, respectively, related to students in school, graduates working at the Alliance and amounts due from others who are no longer in the scholarship program, net of an estimated allowance.

Operating Leases and Maintenance Contracts: Total lease expense for the years ended June 30, 2013 and 2012 was $8,739 and $8,823, respectively. Future minimum lease payments for each of the next five years and in the aggregate for the Alliance's noncancellable operating leases with remaining lease terms in excess of one year are as follows:

Year Ending June 30,		
2014	$	5,165
2015		6,044
2016		4,491
2017		2,459
2018		1,848
Thereafter		6,297
	$	26,304

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

Other: The Alliance is a party to various transactions and agreements in the normal course of business, which include purchase and re-purchase agreements, put arrangements and other commitments, which may bind the Alliance to undertake additional transactions or activities in the future. In addition, the Alliance has agreed to guarantee a portion of the outstanding indebtedness of a joint venture. Management estimates that the fair value of the guarantee of this debt is immaterial as of June 30, 2013.

(Dollars in Thousands)

NOTE N--OTHER COMMITMENTS AND CONTINGENCIES - Continued

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

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

NOTE O--RENTAL INCOME UNDER OPERATING LEASES

The Alliance leases rental properties to third parties, most of whom are physician practices, for various terms, generally five years. The following is a schedule by year and in the aggregate of minimum future rental income due under noncancellable operating leases at June 30, 2013:

Year Ending June 30,		
2014	$	1,779
2015		1,487
2016		727
2017		379
2018		248
Thereafter		225
Total minimum future rentals	$	4,845

NOTE P--FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments has been estimated by the Alliance using available market information as of June 30, 2013 and 2012, and valuation methodologies considered appropriate. The estimates presented are not necessarily indicative of amounts the Alliance could realize in a current market exchange. The carrying value of substantially all financial instruments approximates fair value due to the nature or term of the instruments, except as described below.

NOTE P--FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

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

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

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

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

	2013		*2012*	
	Carrying Value	*Estimated Fair Value*	*Carrying Value*	*Estimated Fair Value*
FINANCIAL LIABILITIES:				
Long-term debt	$ 1,124,765	$ 1,167,846	$ 1,080,575	$ 1,150,201

NOTE Q--FAIR VALUE MEASUREMENT

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

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

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

(Dollars in Thousands)

NOTE Q--FAIR VALUE MEASUREMENT - Continued

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

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

The following table sets forth, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis and long-term debt as disclosed at fair value as of June 30, 2013 and 2012:

	Total	*Level 1*	*Level 2*	*Level 3*
June 30, 2013				
Cash, cash equivalents and money market funds	$ 66,075	$ 66,075	$ -	$ -
U.S. Government securities	25,905	25,905	-	-
U.S. Agency securities	45,997	45,997	-	-
Corporate and foreign bonds	179,880	-	179,880	-
Municipal obligations	17,749	-	17,749	-
Preferred and asset backed securities	3,491	-	3,491	-
U.S. equity securities	10,944	10,944	-	-
Mutual funds	186,028	125,479	60,548	
Other	37,353	-	-	37,353
Total assets	$ 573,422	$ 274,400	$ 261,668	$ 37,353
Fair value of derivative agreements - Note D	$ (8,185)	$ -	$ -	$ (8,185)
Fair value of long-term debt	$ (1,167,846)	$ -	$ -	$ (1,167,846)

(Dollars in Thousands)

NOTE Q--FAIR VALUE MEASUREMENT - Continued

	Total	*Level 1*	*Level 2*	*Level 3*
June 30, 2012				
Cash, cash equivalents and money market funds	$ 85,017	$ 85,017	$ -	$ -
U.S. Government securities	15,693	15,693	-	-
U.S. Agency securities	62,437	62,437	-	-
Corporate and foreign bonds	52,581	-	52,581	-
Municipal obligations	961	-	961	-
Preferred and asset backed securities	11,183	-	11,183	-
U.S. equity securities	28,344	28,344	-	-
Mutual funds	141,968	97,600	44,368	-
Other	34,880	-	-	34,880
Total assets	$ 433,064	$ 289,091	$ 109,093	$ 34,880
Fair value of derivative agreements - Note D	$ (19,381)	$ -	$ -	$ (19,381)
Fair value of long-term debt	$ (1,150,201)	$ -	$ -	$ (1,150,201)

The valuation of the Alliance's derivative agreements is determined using market valuation techniques, including discounted cash flow analysis on the expected cash flows of each agreement. This analysis reflects the contractual terms of the agreement, including the period to maturity, and uses certain observable market-based inputs. The fair values of interest rate agreements are determined by netting the discounted future fixed cash payments (or receipts) and the discounted expected variable cash receipts (or payments). The variable cash receipts (or payments) are based on the expectation of future interest rates and the underlying notional amount. The Alliance also incorporates credit valuation adjustments (CVAs) to appropriately reflect both its own nonperformance or credit risk and the respective counterparty's nonperformance or credit risk in the fair value measurements. The CVA on the Alliance's interest rate swap agreements at June 30, 2013 and 2012 resulted in a decrease in the fair value of the related liability of $3,080 and $5,726, respectively.

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

The following tables provide a summary of changes in the fair value of the Alliance's Level 3 financial assets and liabilities during the fiscal years ended June 30, 2013 and 2012:

(Dollars in Thousands)

NOTE Q--FAIR VALUE MEASUREMENT - Continued

	Trading Securities	*Derivatives, Net*
July 1, 2011	$ 32,718	$ (110,732)
Total unrealized/realized gains in the Performance Indicator, net	1,466	(6,198)
Net investment income	1,221	515
Purchases	5,107	-
Settlements	-	97,034
Distributions	(5,632)	-
June 30, 2012	34,880	(19,381)
Total unrealized/realized gains in the Performance Indicator, net	1,614	457
Net investment income	1,360	399
Purchases	807	-
Settlements	-	10,340
Distributions	(1,308)	-
June 30, 2013	$ 37,353	$ (8,185)

There were no changes in valuation techniques in 2013 or 2012.

NOTE R--OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

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

NOTE S--SUBSEQUENT EVENTS

On March 28, 2013, the Alliance executed an agreement to acquire Unicoi County Memorial Hospital (UCMH), a 48-bed acute care hospital located in Erwin, Tennessee. UCMH has approximately 250 employees and offers emergency, surgical, and home health services. Nursing home services are provided in a 46 licensed bed long term care facility. The Alliance will fund the acquisition from cash flow and intends to construct a new acute care hospital in Erwin, Tennessee. After consideration of the revenues and expenses expected from operation of the facility, management of the Alliance does not expect this acquisition to have a material effect on the Alliance. The Tennessee attorney general's office is expected to approve the transaction and the Alliance anticipates that Unicoi County Memorial Hospital will become a member of Mountain States Health Alliance on or around November 1, 2013.

NOTE S--SUBSEQUENT EVENTS - Continued

In July 2013, the Alliance issued $16,235 (Series 2013A) tax-exempt variable rate Hospital Revenue Bonds and $99,680 (Series 2013B) variable rate Taxable Hospital Refunding Revenue Bonds through The Health and Educational Facilities Board of the City of Johnson City, Tennessee. The proceeds from the Series 2013A Bonds will be used to finance or refinance capital improvements and equipment acquisitions and pay issuance costs related to these Bonds. The proceeds from the Series 2013B Bonds will be used to refund $97,915 of the Series 2007B-2 Bonds and to pay issuance costs associated with these Bonds. Contemporaneously with the issuance of the Series 2013A and Series 2013B Bonds, the Alliance refunded the Series 2008A, Series 2008B, Series 2011C, Series 2011D, Series 2012B and Series 2012C through private placements with financial institutions.

At June 30, 2013 and 2012, the Alliance owned membership units in Premier, Inc. Subsequent to yearend Premier, as part of a reorganization, converted to a publically traded entity. As part of its reorganization, certain of the Alliance's membership units were redeemed for approximately $3,000 and a gain was recognized on the sale of these units. Unredeemed units continue to be held by the Alliance and may be effectively exchanged for Class A common stock of Premier ratably over a seven year period. The unredeemed membership units may be exchanged for up to 723 thousand Class A shares.

Supplemental Schedules

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Balance Sheet
(Dollars in Thousands)

June 30, 2013

	Blue Ridge Medical Management *	*Other Obligated Group Members*	*Eliminations*	*Total Obligated Group*	*Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$ 659	$ 48,607	$ -	$ 49,266	$ 25,137	$ 499	$ -	$ 74,902
Current portion of investments	-	20,387		20,387	(1)	-	-	20,386
Patient accounts receivable, less estimated allowance for uncollectible accounts	6,928	128,708	-	135,636	28,551	-	-	164,187
Other receivables, net	649	20,580	-	21,229	12,862	377	(1,000)	33,468
Inventories and prepaid expenses	605	23,068	-	23,673	7,333	67	-	31,073
TOTAL CURRENT ASSETS	8,841	241,350	-	250,191	73,882	943	(1,000)	324,016
INVESTMENTS, less amounts required to meet current obligations	19,735	416,147	-	435,882	110,109	55,361	-	601,352
EQUITY IN AFFILIATES	146,284	333,086	(161,250)	318,120	-	-	(318,120)	-
PROPERTY, PLANT AND EQUIPMENT, net	18,743	614,210	-	632,953	197,192	54,148	-	884,293
OTHER ASSETS								
Goodwill	7,575	144,708	-	152,283	2,108	-	-	154,391
Net deferred financing, acquisition costs and other charges	270	26,800	-	27,070	860	550	-	28,480
Other assets	9,663	28,193	-	37,856	6,126	2,562	-	46,544
TOTAL OTHER ASSETS	17,508	199,701	-	217,209	9,094	3,112	-	229,415
	$ 211,111	$ 1,804,494	$ (161,250)	$ 1,854,355	$ 390,277	$ 113,564	$ (319,120)	$ 2,039,076

* Management Services Organization only

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Balance Sheet - Continued
(Dollars in Thousands)

June 30, 2013

	*Blue Ridge Medical Management **	*Other Obligated Group Members*	*Eliminations*	*Total Obligated Group*	*Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accrued interest payable	$ 46	$ 19,622	$ -	$ 19,668	$ 38	$ -	$ -	$ 19,706
Current portion of long-term debt and capital lease obligations	13	31,422	-	31,435	2,982	-	-	34,417
Accounts payable and accrued expenses	5,543	74,934	-	80,477	12,902	923	-	94,302
Accrued salaries, compensated absences and amounts withheld	3,836	44,713	-	48,549	15,116	-	-	63,665
Payables to (receivables from) affiliates, net	16,697	2,194	-	18,891	7,738	(26,629)	-	-
Estimated amounts due to third-party payers, net	-	25,970	-	25,970	805	-	-	26,775
TOTAL CURRENT LIABILITIES	26,135	198,855	-	224,990	39,581	(25,706)	-	238,865
OTHER LIABILITIES								
Long-term debt and capital lease obligations, less current portion	13,663	1,036,740	-	1,050,403	40,945	-	(1,000)	1,090,348
Estimated fair value of derivatives	-	8,220	-	8,220	-	(35)	-	8,185
Deferred revenue	-	2,130	-	2,130	86	-	-	2,216
Estimated professional liability self-insurance	2,576	5,198	-	7,774	984	-	-	8,758
Other long-term liabilities	7,487	10,058	-	17,545	176	-	-	17,721
TOTAL LIABILITIES	49,861	1,261,201	-	1,311,062	81,772	(25,741)	(1,000)	1,366,093
NET ASSETS								
Unrestricted net assets								
Mountain States Health Alliance	161,250	490,414	(161,250)	490,414	171,901	139,305	(311,206)	490,414
Noncontrolling interests in subsidiaries	-	39,923	-	39,923	123,945	-	5,746	169,614
TOTAL UNRESTRICTED NET ASSETS	161,250	530,337	(161,250)	530,337	295,846	139,305	(305,460)	660,028
Temporarily restricted net assets								
Mountain States Health Alliance	-	12,776	-	12,776	12,531	-	(12,531)	12,776
Noncontrolling interests in subsidiaries	-	53	-	53	1	-	(2)	52
TOTAL TEMPORARILY RESTRICTED NET ASSETS	-	12,829	-	12,829	12,532	-	(12,533)	12,828
Permanently restricted net assets	-	127	-	127	127		(127)	127
TOTAL NET ASSETS	161,250	543,293	(161,250)	543,293	308,505	139,305	(318,120)	672,983
	$ 211,111	$ 1,804,494	$ (161,250)	$ 1,854,355	$ 390,277	$ 113,564	$ (319,120)	$ 2,039,076

*Management Services Organization only.

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

Consolidating Statement of Operations
(Dollars in Thousands)

Year Ended June 30, 2013

	*Blue Ridge Medical Management **	*Other Obligated Group Members*	*Eliminations*	*Total Obligated Group*	*Other Entities*	*Mountain States Properties*	*Eliminations*	*Total*
Revenue, gains and support:								
Patient service revenue, net of contractual allowances and discounts	$ 60,981	$ 800,370	$ (2,002)	$ 859,349	$ 185,896	$ -	$ -	$ 1,045,245
Provision for bad debts	(5,851)	(84,508)	-	(90,359)	(22,138)	-	-	(112,497)
Net patient service revenue	55,130	715,862	(2,002)	768,990	163,758	-	-	932,748
Premium revenue	-	-	-	-	1,003	-	-	1,003
Net investment gain	2,029	27,241	-	29,270	7,543	4,230	(63)	40,980
Net derivative gain	-	5,803	-	5,803	133	1,182	-	7,118
Other revenue, gains and support	47,477	46,942	(36,666)	57,753	86,929	8,384	(75,611)	77,455
Equity in net gain (loss) of affiliates	3,380	731	(4,151)	(40)	-	-	40	-
TOTAL REVENUE, GAINS AND SUPPORT	108,016	796,579	(42,819)	861,776	259,366	13,796	(75,634)	1,059,304
Expenses:								
Salaries and wages	23,274	271,876	-	295,150	65,919	430	(5,909)	355,590
Physician salaries and wages	52,482	1,354	-	53,836	70,450	-	(50,028)	74,258
Contract labor	1,169	1,505	-	2,674	1,545	-	(277)	3,942
Employee benefits	8,493	56,307	(2,067)	62,733	17,033	57	(5,233)	74,590
Fees	4,997	114,967	(36,005)	83,959	28,619	692	(7,379)	105,891
Supplies	2,989	133,185	-	136,174	26,976	13	(208)	162,955
Utilities	604	12,172	-	12,776	3,065	1,019	(3)	16,857
Medical Costs	-	-	-	-	1,039	-	-	1,039
Other	8,981	48,958	(596)	57,343	25,324	4,118	(6,574)	80,211
Depreciation	1,828	58,199	-	60,027	16,664	2,250	-	78,941
Amortization	34	2,179	-	2,213	47	-	-	2,260
Interest and taxes	(986)	42,213	-	41,227	684	1,355	(63)	43,203
TOTAL EXPENSES	103,865	742,915	(38,668)	808,112	257,365	9,934	(75,674)	999,737
EXCESS OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES	$ 4,151	$ 53,664	$ (4,151)	$ 53,664	$ 2,001	$ 3,862	$ 40	$ 59,567

*Management Services Organization only.

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

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

Year Ended June 30, 2013

	Blue Ridge Medical Management *	Other Obligated Group Members: Mountain States Health Alliance	Other Obligated Group Members: Noncontrolling Interests	Eliminations	Total Obligated Group	Other Entities: Mountain States Health Alliance	Other Entities: Noncontrolling Interests	Total Other Entities	Mountain States Properties	Eliminations	Total
UNRESTRICTED NET ASSETS:											
Excess of Revenue, Gains and Support over Expenses and Losses	$ 4,151	$ 52,692	$ 972	$ (4,151)	$ 53,664	$ (2,539)	$ 4,540	$ 2,001	$ 3,862	$ 40	$ 59,567
Pension and other defined benefit plan adjustments	-	(172)	(171)	-	(343)	(2)	(2)	(4)	-	4	(343)
Net assets released from restrictions used for the purchase of property, plant and equipment	-	1,506	-	-	1,506	1,506	-	1,506	-	(1,506)	1,506
Distributions to noncontrolling interests	-	-	-	-	-	-	(49)	(49)	-	-	(49)
Net asset transfers	-	-	-	-	-	8,820	2,080	10,900	-	(10,900)	-
INCREASE IN UNRESTRICTED NET ASSETS	4,151	54,026	801	(4,151)	54,827	7,785	6,569	14,354	3,862	(12,362)	60,681
TEMPORARILY RESTRICTED NET ASSETS:											
Restricted grants and contributions	-	4,969	18	-	4,987	4,556	8	4,564	-	(4,561)	4,990
Net assets released from restrictions	-	(3,416)	(16)	-	(3,432)	(2,980)	(8)	(2,988)	-	2,985	(3,435)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	-	1,553	2	-	1,555	1,576	-	1,576	-	(1,576)	1,555
INCREASE IN TOTAL NET ASSETS	4,151	55,579	803	(4,151)	56,382	9,361	6,569	15,930	3,862	(13,938)	62,236
NET ASSETS, BEGINNING OF YEAR	157,099	447,738	39,173	(157,099)	486,911	175,198	117,377	292,575	135,443	(304,182)	610,747
NET ASSETS, END OF YEAR	$ 161,250	$ 503,317	$ 39,976	$ (161,250)	$ 543,293	$ 184,559	$ 123,946	$ 308,505	$ 139,305	$ (318,120)	$ 672,983

*Management Services Organization only.

See note to supplemental schedules.

MOUNTAIN STATES HEALTH ALLIANCE

Note to Supplemental Schedules

Year Ended June 30, 2013

NOTE A--OBLIGATED GROUP MEMBERS

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

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

MOUNTAIN STATES HEALTH ALLIANCE **62-0476282**
JUNE 30, 2013

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

MOUNTAIN STATES HEALTH ALLIANCE (MSHA) WAS CREATED IN SEPTEMBER 1998 AS A PRIVATE, LOCALLY OWNED, TAX-EXEMPT, REGIONAL HEALTHCARE SYSTEM. MSHA IS A 1,200 BED TERTIARY-CARE AND REFERRAL HOSPITAL SYSTEM, THE REGION'S LARGEST BY BED COUNT AND VOLUMES. FOR THE YEAR ENDING JUNE 30, 2013, MSHA RECORDED 45,377 INPATIENT ADMISSIONS, AND PROVIDED FOR 717,987 OUTPATIENT VISITS. THERE WERE 159,372 EMERGENCY VISITS AND 146,429 HOME HEALTH VISITS.

THE ALLIANCE IS COMPOSED OF 9 HOSPITALS, AN OUTPATIENT SURGERY CENTER, AN OUTPATIENT RADIATION ONCOLOGY CENTER AND TWO OUTPATIENT REHABILITATION THERAPY CENTERS. IT ALSO HAS SERVICES FOR HOME HEALTH, HOSPICE AND PARISH NURSING. BLUE RIDGE MEDICAL MANAGEMENT CORPORATION, SOLELY OWNED BY MSHA, PROVIDES DURABLE MEDICAL EQUIPMENT, INFUSION THERAPY, PHARMACY, AND PHYSICIAN SERVICES.

MSHA ENTITIES, IN CONCERT WITH THE MOUNTAIN STATES HEALTHCARE NETWORK OF MORE THAN 50 AFFILIATED HOSPITALS AND NURSING HOMES, PROVIDE AN INTEGRATED, COMPREHENSIVE CONTINUUM OF CARE TO RESIDENTS ACROSS A WIDESPREAD, PREDOMINANTLY RURAL 29-COUNTY AREA OF APPALACHIA. THE SERVICE AREA INCLUDES PARTS OF NORTHEAST TENNESSEE, SOUTHWEST VIRGINIA, SOUTHEAST KENTUCKY AND WESTERN NORTH CAROLINA. ALL 9 MSHA HOSPITALS ARE LOCATED IN NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA. JOHNSON CITY MEDICAL CENTER, THE COMPANY'S FLAGSHIP FACILITY, IS HOME TO MANY OF THE REGION'S CRITICALLY NEEDED PROGRAMS.

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

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

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

FETAL CARE. STATE DESIGNATION IS BASED ON GUIDELINES FOR THE SERVICE PROVISIONS AND DESIGNATIONS OF LEVELS OF CARE GOVERNED AND REVIEWED BY A STATE APPOINTED COMMITTEE THROUGH TN DEPARTMENT OF HEALTH.

- HOME OF THE REGION'S LARGEST AIR AMBULANCE FLEET, WINGS AIR RESCUE
- 2001-2013 CONSUMER'S CHOICE AWARD FOR THE REGION THROUGH AN INDEPENDENT SURVEY CONDUCTED BY THE NATIONAL RESEARCH COUNCIL: BEST OVERALL QUALITY, BEST DOCTORS, BEST NURSES, MOST PERSONALIZED CARE AND HAVING THE BEST REPUTATION

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

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

SULLIVAN COUNTY, TN **INDIAN PATH MEDICAL CENTER**

CARTER COUNTY, TN **SYCAMORE SHOALS HOSPITAL**

JOHNSON COUNTY, TN **JOHNSON COUNTY COMMUNITY HOSPITAL**, A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL LOCATED IN ONE OF TENNESSEE'S POOREST COUNTIES, A MEDICALLY UNDERSERVED AREA

RUSSELL COUNTY, VA **RUSSELL COUNTY MEDICAL CENTER,** A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL LOCATED IN A MEDICALLY UNDERSERVED AREA.

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

AARP RECOGNIZED MSHA AS ONE OF THE 50 BEST EMPLOYERS IN THE NATION FOR WORKERS OVER 50. MSHA WAS THE ONLY COMPANY IN TENNESSEE TO RECEIVE THE HONOR IN 2013. CANDIDATES ARE VETTED TO ENSURE THAT PRACTICES MEET THE NEEDS OF MATURE WORKERS, AND APPLICATIONS ARE REVIEWED BY AN INDEPENDENT PANEL OF JUDGES COMPOSED OF PRIVATE SECTOR, NON-PROFIT AND GOVERNMENT LABOR EXPERTS. AREAS OF CONSIDERATION INCLUDE RECRUITING PRACTICES; OPPORTUNITIES FOR TRAINING, EDUCATION AND CAREER DEVELOPMENT; WORKPLACE ACCOMMODATIONS; ALTERNATIVE WORK OPTIONS, SUCH AS FLEXIBLE SCHEDULING, JOB SHARING AND PHASED RETIREMENT; EMPLOYEE HEALTH AND PENSION BENEFITS; AND BENEFITS FOR RETIREES.

MOUNTAIN STATES HEALTH ALLIANCE RECEIVED THE TENNESSEE CENTER FOR PERFORMANCE EXCELLENCE (TNCPE) 2013 EXCELLENCE AWARD, THE HIGHEST HONOR FOR PERFORMANCE EXCELLENCE. TNCPE IS TENNESSEE'S ONLY STATE-WIDE QUALITY PROGRAM PATTERNED ON THE NATIONAL BALDRIGE PERFORMANCE EXCELLENCE PROGRAM, WHICH WAS ESTABLISHED IN 1987 BY PRESIDENT RONALD REAGAN. THE ANNUAL EXCELLENCE AWARD RECIPIENT IS

DETERMINED BY A PANEL OF JUDGES TO BE A HIGH-PERFORMANCE ORGANIZATION, EXHIBITING CONTINUOUS IMPROVEMENT AND BEST PRACTICE PROCESSES THAT SERVE AS A ROLE MODEL FOR OTHER ORGANIZATIONS. SINCE THE PROGRAM WAS FOUNDED IN 1993, ONLY 22 ORGANIZATIONS HAVE ATTAINED THE EXCELLENCE DESIGNATION AND MOUNTAIN STATES HEALTH ALLIANCE HAS EARNED THE HONOR THREE TIMES (2005, 2009, AND 2013). THE 2013 BOARD OF EXAMINERS WAS MADE UP OF OVER 200 EXPERTS IN BUSINESS, EDUCATION, HEALTH CARE AND GOVERNMENT. EXAMINERS SPENT MORE THAN 15,000 HOURS ASSESSING THE 2013 APPLICANTS IN SEVEN CATEGORIES: LEADERSHIP; STRATEGIC PLANNING; CUSTOMER FOCUS; MEASUREMENT, ANALYSIS AND KNOWLEDGE MANAGEMENT; WORKFORCE FOCUS; OPERATIONS FOCUS; AND RESULTS. THE PANEL OF JUDGES IS COMPOSED OF EXPERTS SELECTED FROM ALL INDUSTRY SECTORS AND REPRESENTS EACH DIVISION OF THE STATE.

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

MOUNTAIN STATES HEALTH ALLIANCE HAS BEEN INCLUDED AMONG THE NATION'S "100 INTEGRATED HEALTH SYSTEMS TO KNOW" IN THE 2013 EDITION OF BECKER'S HOSPITAL REVIEW. THE LIST RECOGNIZES HEALTH SYSTEMS THAT FOCUS ON THE CONTINUUM OF CARE, FROM WELLNESS AND PREVENTIVE SERVICES TO URGENT CARE, INPATIENT CARE, OUTPATIENT CARE, HOSPICE, HEALTH PLAN OFFERINGS AND MORE. THE CHOSEN HEALTH SYSTEMS HAVE ALSO DEMONSTRATED INNOVATION THROUGH THEIR PARTICIPATION IN CARE AND PAYMENT REFORM INITIATIVES, SUCH AS ACCOUNTABLE CARE

ORGANIZATIONS. FRANKLIN WOODS COMMUNITY HOSPITAL AND MSHA CHIEF FINANCIAL OFFICER MARVIN EICHORN WERE ALSO RECOGNIZED ON OTHER NATIONAL BECKER'S LISTS. FRANKLIN WOODS COMMUNITY HOSPITAL WAS LISTED AMONG THE "100 GREAT COMMUNITY HOSPITALS IN AMERICA" AND EICHORN WAS NAMED AS ONE OF THE "125 HOSPITAL AND HEALTH SYSTEM CHIEF FINANCIAL OFFICERS TO KNOW". THE "100 GREAT COMMUNITY HOSPITALS" LIST WAS BASED ON HOSPITALS' QUALITY OF CARE AND SERVICE TO COMMUNITY. THE CFO LIST IS BASED ON SEVERAL RESOURCES INCLUDING INPUT FROM INDUSTRY EXPERTS.

MSHA WAS NAMED A 2013 "100 MOST WIRED HOSPITALS" WINNER. TOP 100 HOSPITALS/ HEALTH SYSTEMS SHOW BETTER OUTCOMES IN FOUR KEY AREAS: MORTALITY RATES, PATIENT SAFETY MEASURES FROM THE AGENCY FOR HEALTHCARE RESEARCH AND QUALITY (AHRQ), CORE MEASURES FROM HOSPITAL COMPARISONS AND AVERAGE LENGTH OF STAY. THE SURVEY IS CONDUCTED BY THE AMERICAN HOSPITAL ASSOCIATION, THE COLLEGE OF HEALTHCARE INFORMATION MANAGEMENT EXECUTIVES, AT&T AND MCKESSON AND PUBLISHED IN HOSPITALS & HEALTH NETWORKS. THE ANNUAL SURVEY POLLED 1,713 HOSPITALS (ROUGHLY ONE-THIRD OF THOSE IN THE U.S.). THE SURVEY, WHICH IS AN INDUSTRY-STANDARD BENCHMARK STUDY ANALYZES SURVEY RESULTS OF THE MOST WIRED DATA AND DEVELOPS BENCHMARKS THAT ARE BECOMING THE INDUSTRY STANDARD FOR MEASURING IT ADOPTION FOR OPERATIONAL, FINANCIAL AND CLINICAL PERFORMANCE IN HEALTH CARE DELIVERY SYSTEMS. MSHA WAS ONE OF FOUR ORGANIZATIONS IN TENNESSEE TO BE RECOGNIZED AND THE ONLY HOSPITAL TO MAKE THE LIST IN OUR REGION.

JOHNSON CITY MEDICAL CENTER AND INDIAN PATH MEDICAL CENTER WERE RECOGNIZED BY U.S. NEWS AND WORLD REPORT IN THE BEST HOSPITALS 2012 AND 2013 RANKINGS. THE RECOGNITION IS BROKEN DOWN BY SPECIALTIES AND RECOGNIZES HIGH PERFORMERS IN EACH CATEGORY.

THE NATIONAL RESEARCH CORPORATION ANNUALLY PROVIDES CONSUMER CHOICE AWARDS FOR THE MOST-PREFERRED HOSPITALS IN MARKETS ACROSS THE U.S. WINNERS, NAMED IN MODERN HEALTHCARE MAGAZINE, ARE SELECTED FROM THE NATION'S MOST COMPREHENSIVE, NATIONWIDE CONSUMER HEALTH CARE PROFILE, THE NATIONAL RESEARCH CORPORATION HEALTHCARE MARKET GUIDE. THE AWARD IDENTIFIES THE TOP HOSPITALS THAT HEALTHCARE CONSUMERS HAVE CHOSEN AS HAVING THE HIGHEST QUALITY AND IMAGE IN MARKETS THROUGHOUT THE UNITED STATES. JOHNSON CITY MEDICAL CENTER WAS ONE OF ONLY SIX HOSPITALS IN THE STATE OF TENNESSEE RECEIVING THIS RECOGNITION.

MSHA IS ONE OF EIGHT HEALTH CARE SYSTEMS NATIONWIDE TO WIN THE 2013 EMERGENCY CARE RESEARCH INSTITUTE (ECRI) SUPPLY CHAIN AWARD. ECRI IS AN INDEPENDENT, NON-PROFIT ORGANIZATION THAT RESEARCHES THE BEST APPROACHES TO IMPROVING PATIENT CARE. THE AWARD HONORS HEALTHCARE ORGANIZATIONS THAT DEMONSTRATE EXCELLENCE IN OVERALL SPEND MANAGEMENT BY FINDING THE BEST DEALS WHILE ALSO FINDING THE BEST QUALITY SUPPLIES TO BENEFIT PATIENTS.

THREE MSHA FACILITIES – FRANKLIN WOODS COMMUNITY HOSPITAL, SYCAMORE SHOALS HOSPITAL AND SMYTH COUNTY COMMUNITY HOSPITAL – WERE RECOGNIZED THIS YEAR BY THE PREMIER HEALTHCARE ALLIANCE FOR SEVERAL KEY QUALITY MEASURES, INCLUDING LOW MORTALITY, POSITIVE PATIENT EXPERIENCE, AND LOW COST OF CARE. THE QUEST HIGH PERFORMING HOSPITALS COLLABORATIVE ALLOWS HOSPITALS NATIONWIDE TO SHARE BEST PRACTICES AND COMPARE DATA ON PATIENT SAFETY, CLINICAL OUTCOMES, COST OF CARE, AND PATIENT SATISFACTION, WITH THE GOAL OF IMPROVING ALL METRICS FOR THE BENEFIT OF THE PATIENT.

THE VIRGINIA HEALTH QUALITY CENTER (VHQC), A NON-PROFIT HEALTH QUALITY CONSULTING COMPANY, SELECTED WINNERS IN SIX CATEGORIES FOR THEIR CONTRIBUTIONS TO

IMPROVING HEALTH CARE FOR PATIENTS IN VIRGINIA. MSHA'S FIVE VIRGINIA HOSPITALS, INCLUDING RUSSELL COUNTY MEDICAL CENTER, WERE AMONG THE RECIPIENTS. VHQC STATED (OF MSHA) "BY ESTABLISHING 10 GUIDING PRINCIPLES AND INCORPORATING THEM INTO EACH HOSPITAL'S OPERATIONS, THIS ORGANIZATION HAS SIGNIFICANTLY IMPROVED PATIENT-PROVIDER RELATIONSHIPS, ENVIRONMENTS AND SERVICE DELIVERY."

THE AMERICAN HEART ASSOCIATION AND AMERICAN STROKE ASSOCIATION RECOGNIZED JCMC AS A GOLD PLUS ACHIEVEMENT AWARD HOSPITAL. THIS AWARD IS GIVEN TO HOSPITALS FOR ACHIEVING 85% OR HIGHER ADHERENCE TO ALL "GET WITH THE GUIDELINES®" HEART FAILURE ACHIEVEMENT INDICATORS FOR TWO OR MORE CONSECUTIVE 12-MONTH INTERVALS AND AT LEAST 12 CONSECUTIVE MONTHS OF 75% OR HIGHER COMPLIANCE WITH 4 OF 10 "GET WITH THE GUIDELINES®" HEART FAILURE QUALITY MEASURES TO IMPROVE QUALITY OF PATIENT CARE AND OUTCOMES. INDIAN PATH MEDICAL CENTER WAS AWARDED THE SILVER ACHIEVEMENT AWARD FROM THE AMERICAN HEART ASSOCIATION.

SYCAMORE SHOALS HOSPITAL AND JOHNSON COUNTY COMMUNITY HOSPITAL WERE NAMED 2013 GUARDIAN OF EXCELLENCE AWARD WINNERS BY PRESS GANEY ASSOCIATES, INC. FOR THEIR STRONG PHYSICIAN ENGAGEMENT. THE GUARDIAN OF EXCELLENCE AWARD USES SURVEY RESULTS TO RECOGNIZE TOP-PERFORMING FACILITIES THAT CONSISTENTLY ACHIEVED THE 95TH PERCENTILE AS COMPARED TO OTHER FACILITIES ACROSS THE NATION. BOTH HOSPITALS RATED IN THE 99TH PERCENTILE, MEANING THEY HAD A HIGHER LEVEL OF PHYSICIAN PARTNERSHIP THAN 99 PERCENT OF THE FACILITIES IN PRESS GANEY'S DATABASE. MORE THAN 10,000 HEALTH CARE FACILITIES ARE INCLUDED IN THE PRESS GANEY DATABASE, REPRESENTING MORE THAN HALF OF ALL U.S. HOSPITALS.

SYCAMORE SHOALS HOSPITAL (SSH) RECEIVED NATIONAL RECOGNITION FOR AN INNOVATIVE HAND HYGIENE PROGRAM

CALLED "BUMMER" THAT HAS BEEN AWARDED AN HONORABLE MENTION AND A CASH PRIZE IN THE SPIRIT OF EXCELLENCE AWARDS, CO-SPONSORED BY SODEXO HEALTH CARE SERVICES AND MODERN HEALTHCARE MAGAZINE. "BUGS UNDER MEDICAL MANAGEMENT TO ELIMINATE RESISTANCE" (BUMMER) IS A CAMPAIGN DESIGNED TO INCREASE COMPLIANCE IN HAND HYGIENE AND USE OF PERSONAL PROTECTIVE EQUIPMENT. AFTER IMPLEMENTATION OF THE BUMMER PROGRAM, COMPLIANCE RATES ARE NOW CLOSE TO 100 PERCENT. THE 20 YEAR OLD SPIRIT OF EXCELLENCE AWARDS PROGRAM IS DESIGNED TO HONOR HEALTH CARE ORGANIZATIONS AND INDIVIDUALS FOR CREATIVE PROGRAMS THAT SERVE PATIENTS AND COMMUNITIES.

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

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

AUDIT AND COMPLIANCE PRACTICES: MSHA IS GOVERNED BY A BOARD OF DIRECTORS, WHOSE MEMBERS ARE FROM THE

COMMUNITIES MSHA SERVES. THE CORPORATE BOARD INCLUDES A LONGSTANDING AUDIT AND COMPLIANCE COMMITTEE. ALL AUDITORS AND COMPLIANCE SPECIALISTS, INTERNAL AND EXTERNAL, REPORT DIRECTLY TO THE AUDIT AND COMPLIANCE COMMITTEE AS A WAY TO ENSURE THE AUDIT AND COMPLIANCE PROCESS IS INDEPENDENT.

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

HOTLINE FOR REPORTING SUSPECTED ILLEGAL BEHAVIOR, ETHICAL VIOLATIONS OR SAFETY RISKS AND IS AVAILABLE TO ALL TEAM MEMBERS VIA A TOLL-FREE NUMBER.

MEDICAL EDUCATION AND RESEARCH

A TRAUMATIC INJURY IS SOMETHING THAT CAN STRIKE ANYONE, ANYTIME AND JUST ABOUT ANYWHERE. IT IS THE LEADING CAUSE OF DEATH FOR AGES 1 TO 44 IN THE NATION. THAT'S WHY MSHA/JCMC HOSTED THE FOURTH ANNUAL TRAUMA CONFERENCE. THE EVENT WAS OPEN TO ANYONE INVOLVED IN TREATING TRAUMA – EMERGENCY PERSONNEL, PHYSICIANS, NURSES, REHAB SPECIALISTS AND OTHERS. THE CONFERENCE LOOKED AT THE MANY ASPECTS OF TRAUMA, WITH A FOCUS ON DEALING WITH TRAUMA IN A RURAL AREA. RURAL TRAUMA IS OFTEN DIFFERENT FROM WHAT IS COMMON IN A LARGER CITY. OUR REGION RECEIVES 85 TO 90 PERCENT BLUNT TRAUMA, WHILE IN LARGE INNER-CITY SETTINGS, THERE MAY BE A HIGHER INCIDENCE OF PENETRATING TRAUMA. RURAL TRAUMA IS MORE LIKELY TO BE FROM ACCIDENTS RELATED TO HIKING, HORSEBACK RIDING, FARMING, USE OF FOUR-WHEELERS, ETC. AND THE PATIENTS HURT IN RURAL AREAS MAY EXTEND TIMES FOR RESCUE, PLUS PHYSICAL AND GEOGRAPHICAL CHALLENGES ARE OFTEN INVOLVED. THE CONFERENCE PROMOTED BEST PRACTICES AND NATIONAL GUIDELINES IN TRAUMA CARE. MSHA IS THE FIRST TO PROVIDE A TRAUMA CONFERENCE THAT IS OPEN TO EVERYONE AS AN OUTREACH TO OUR ENTIRE REGION AND NOT JUST SPECIFIC TO OUR TEAM MEMBERS. THE CONFERENCE GOAL IS TO IMPROVE THE TRAUMA EDUCATION FOR CARE PROVIDERS IN NORTHEAST TENNESSEE, SOUTHWEST VIRGINIA, WESTERN NORTH CAROLINA AND SOUTHEASTERN KENTUCKY, AND TO IMPROVE OUTCOMES FOR TRAUMA PATIENTS IN THIS REGION. MSHA INCURRED UNREIMBURSED COSTS RELATED TO THE CONFERENCE OF $25,491.

MSHA PROVIDES CLINICAL EXPERIENCE TO MEDICAL STUDENTS AND RESIDENTS OF THE JAMES H. QUILLEN COLLEGE OF MEDICINE AT ETSU. MSHA CONTRIBUTED AN

UNREIMBURSED COST AMOUNT OF $5,948,457 TO THE RESIDENCY PROGRAM IN FY13.

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

INCLUDED IN THE PARTICIPANTS RECEIVING CLINICAL EXPERIENCE AT MSHA WERE 1,859 NURSING STUDENTS FROM VARIOUS COLLEGES, UNIVERSITIES AND PROGRAMS. THIS NURSING CLINICAL EXPERIENCE REQUIRED EXTENSIVE MSHA NURSING STAFF INVOLVEMENT AT FIVE MSHA FACILITIES. THE CLINICAL SETTING AND HANDS-ON INSTRUCTION COST MSHA $3,810,059.

MSHA PROVIDED A CLINICAL SETTING FOR ANOTHER 874 STUDENTS TRAINING IN HEALTH-RELATED PROGRAMS SUCH AS RADIOLOGY, PHARMACY, LABORATORY, PHYSICAL THERAPY AND OTHER ALLIED-HEALTH DISCIPLINES. THESE ADDITIONAL CLINICAL STUDENTS COST MSHA $843,428.

MSHA PROVIDED ASSISTANCE TO 631 HIGH SCHOOL AND COLLEGE STUDENTS WHO WERE CONSIDERING A HEALTHCARE CAREER PATH BY ALLOWING THEM TO OBSERVE LICENSED MSHA CLINICAL PROFESSIONALS. THE SHADOWING OF CLINICAL STAFF BY THESE STUDENTS COST MSHA $14,311.

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

THIS SERVICE IS ALSO USED BY OTHER HEALTH PROFESSION EDUCATION STUDENTS, PHYSICIANS AND STAFF, AND IS OPEN TO THE COMMUNITY. MORE THAN 3,000 ARTICLE REQUESTS ARE FILLED EVERY YEAR. THE FY13 COST OF PROVIDING THIS SERVICE WAS $286,839.

CLINICAL RESEARCH IS A VITAL COMPONENT OF MODERN MEDICINE. THE DEVELOPMENT OF SAFE AND EFFECTIVE PHARMACEUTICALS, BIOLOGICS AND MEDICAL DEVICES EMERGES FROM CONTROLLED CLINICAL TRIALS. MSHA SUPPORTS MSHA PHYSCIANS AND NURSES, AS WELL AS ETSU FACULTY, RESIDENTS AND FELLOWS, IN CONDUCTING RESEARCH TRIALS AND BRINGING INNOVATIVE CARE TO OUR PATIENTS. MSHA'S RESEARCH DEPARTMENT PROVIDES DIFFERENT LEVELS OF SUPPORT TO TRIALS, INCLUDING, BUT NOT LIMITED TO, ADMINISTRATIVE, LEGAL, AND EDUCATIONAL SUPPORT, BUDGETARY EVALUATION, AND OBTAINING AND MAINTAINING IRB APPROVALS. MSHA REPORTED $134,204 IN UNREIMBURSED RESEARCH EXPENSE DURING FY13.

MSHA'S RESEARCH DEPARTMENT HOSTED ITS 8TH ANNUAL EVIDENCE-BASED PRACTICE AND RESEARCH CONFERENCE FOR NURSES AND OTHER DISCIPLINES IN THE RESEARCH FIELD. CONFERENCE TOPICS INCLUDED STAFF VS. STAPH, SAFE SLEEP STRATEGIES IN NICU, NURSE RESIDENTS' EVIDENCE BASED PRACTICE PROJECT: ICU OPEN VISITATION, AMONG OTHER TOPICS. OVER 40 PROFESSIONALS ATTENDED THE CONFERENCE, AT A COST OF $5,590 TO MSHA.

MSHA PRESENTED THE 19TH ANNUAL PULMONARY CRITICAL CARE HEALTH SYMPOSIUM WITH A NET UNREIMBURSED COST OF ALMOST $3,000. THIS TWO DAY SYMPOSIUM IS DESIGNED TO ENHANCE THE EDUCATION OF PHYSICIANS, RESPIRATORY THERAPISTS, NURSES, SLEEP TECHNOLOGISTS AND OTHER ALLIED HEALTH CARE PROFESSIONALS IN THE MOST RECENT SCIENTIFIC ADVANCEMENTS INVOLVING MANAGEMENT OF PULMONARY PATIENTS AND FUTURISTIC TRENDS.

WINGS AIR RESCUE PROVIDES AEROMEDICAL TRANSPORTATION OF CRITICALLY ILL OR INJURED PATIENTS. IMPORTANT TO THE EFFICIENT AND SAFE OPERATION OF THE AIR AMBULANCE IS A CLEAR UNDERSTANDING OF HOW TO CLEAR AND PREPARE LANDING ZONES AND APPROPRIATE METHODS FOR COMMUNICATING WITH AIR HELICOPTER PILOTS AT ACCIDENT SCENES AND TRANSPORT SITES. DURING FY13, WINGS AIR RESCUE MADE 158 TRAINING RUNS TO AREA EMERGENCY MEDICAL SERVICE FACILITIES AND EMERGENCY DEPARTMENTS TO PERFORM TRAINING OF EMS AND EMERGENCY DEPARTMENT PERSONNEL.

PATIENT CARE SERVICES

DATA SHOWS THAT THE HEALTH STATUS OF MSHA'S SERVICE AREA IS GENERALLY POOR. MSHA'S PRIMARY SERVICE AREA CONSISTS OF COUNTIES IN TENNESSEE AND SOUTHWEST VIRGINIA. AMONG THE 50 STATES, TENNESSEE RANKS 42ND AND VIRGINIA RANKS 26TH IN TERMS OF HEALTH STATUS. HOWEVER, IT SHOULD BE NOTED THAT SOUTHWEST VIRGINIA (WHERE SOME OF MSHA FACILITIES ARE LOCATED) CLOSELY RESEMBLES THE HEALTH RANKINGS FOR TENNESSEE. SOME OF THE OVERWHELMING HEALTH ISSUES IN OUR SERVICE AREA INCLUDE:

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

GIVEN THIS HEALTH PROFILE, MSHA EXISTS TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF ALL INDIVIDUALS AND COMMUNITIES IN THE REGION AND TO ASSIST THEM IN ATTAINING THEIR HIGHEST POSSIBLE LEVEL OF HEALTH. MSHA LIVES ITS MISSION TO BRING LOVING CARE TO HEALTH

CARE IN OUR REGION. MSHA OPERATES ON A NON-DISCRIMINATORY BASIS, PROVIDING QUALITY HEALTH CARE TO ALL PATIENTS REGARDLESS OF RACE, RELIGION, GENDER, ETHNICITY, DISABILITY, AGE OR ABILITY TO PAY.

MSHA ADDED A HOSPITAL-BASED PHARMACY PROGRAM IN 2012. A YEAR LATER, AFTER SOME GROWING PAINS, THE PHARMACY IS 95% DEPLOYED AT JCMC. THIS COMPREHENSIVE SERVICE FOR PATIENTS ASSISTS THEM WITH INSURANCE AND PAYMENT OPTIONS AND ASSURES THEY HAVE ALL THE MEDICATIONS THEY NEED UPON DISCHARGE. THE MAIN REASON FOR ADDING THIS SERVICE WAS TO PROVIDE SAFER AND MORE EFFICIENT PATIENT CARE AS PATIENTS TRANSITION FROM HOSPITAL TO HOME. ONE OF THE PRIMARY REASONS FOR HOSPITAL READMISSION IS MEDICATION MISMANAGEMENT ONCE A PATIENT GOES HOME. PATIENTS CAN NOW LEAVE THE HOSPITAL WITH MEDICATIONS IN HAND AND AFTER RECEIVING CLEAR INSTRUCTION FROM A TRANSITION SPECIALIST THROUGHOUT THEIR HOSPITAL STAY. THE NEW PHARMACY HAS BEEN SUCCESSFUL WITH ITS GOAL OF LOWERING READMISSIONS – THE READMISSION RATE FOR PATIENTS WHO USE THE PHARMACY IS ABOUT 31% LOWER THAN FOR PATIENTS WHO DON'T USE IT. THE MSHA PHARMACY OFFERS AN OPTION FOR PATIENTS LEAVING LATE IN THE DAY, PATIENTS THAT ARE TIRED AND WANT TO GO STRAIGHT HOME; OR, THE PATIENT'S PHARMACY DOESN'T HAVE A NEEDED MEDICATION IN STOCK CAUSING A DELAY IN STARTING THE DRUG. PATIENTS ARE APPRECIATIVE OF THE CONVENIENCE THIS PHARMACY OPTION GIVES THEM. FOR EXAMPLE, A SAME-DAY SURGERY PATIENT THAT CHOOSES THIS PHARMACY OPTION WILL HAVE EVERYTHING READY FOR THEM BEFORE THEY ARE DISCHARGED.

BOTH IPMC AND JCMC EARNED CERTIFICATION BY THE JOINT COMMISSION AS CENTERS OF EXCELLENCE. IPMC'S CERTIFICATION WAS THE FIRST SUCH HONOR IN THE AREA, FOLLOWED CLOSELY BY JCMC. THERE ARE NO OTHER CERTIFIED JOINT REPLACEMENT CENTERS WITHIN A 75-MILE RADIUS TO THE TRI-CITIES. THE CERTIFICATION VALIDATES A COMMITMENT TO A HIGHER STANDARD OF SERVICE, PROVIDES

A FRAMEWORK FOR ORGANIZATIONAL STRUCTURE AND MANAGEMENT, ENHANCES STAFF RECRUITMENT AND DEVELOPMENT, AND IS RECOGNIZED BY INSURERS AND OTHER THIRD PARTIES.

AT THE END OF AUGUST, 2012, JCMC OPENED A CONGESTIVE HEART FAILURE CLINIC TO HELP PATIENTS MANAGE THEIR DISEASE. THE CLINIC IS STAFFED BY A NURSE PRACTITIONER WHO WORKS IN COLLABORATION WITH A CARDIOLOGIST. THE CLINIC IS PROVIDED FREE OF CHARGE. THE CLINIC'S PRIMARY FOCUS IS ON EVALUATION AND EDUCATION, TO PREVENT THE LIKELIHOOD OF ACUTE EPISODES OF HEART FAILURE AND TO HELP PEOPLE MANAGE HEART FAILURE AND IMPROVE THEIR CARDIAC FUNCTION. THE CLINIC'S MISSION IS TO PROVIDE CARE THAT WILL REDUCE THE NUMBER OF HOSPITALIZATIONS FOR PATIENTS WITH CONGESTIVE HEART FAILURE (CHF) THROUGH OUTPATIENT MANAGEMENT IN THE HEART FAILURE CLINIC. PATIENTS DISCHARGED FROM A MSHA HOSPITAL WILL HAVE A SCHEDULED APPOINTMENT WITH THE CLINIC AND CONTINUED FOLLOW-UP CARE WILL CONTINUE AS LONG AS THE INDIVIDUAL NEEDS IT. THE COST TO MSHA OF PROVIDING THIS FREE CLINIC WAS $84,034 DURING FY13 AND 270 PATIENTS WERE SEEN DURING THE FIRST 10 MONTHS THE CLINIC WAS OPEN.

AS HOSPITALS ACROSS THE NATION LOOK FOR NEW AND INNOVATIVE WAYS TO BATTLE DEADLY PATHOGENS AND KILL MULTI-DRUG RESISTANT ORGANISMS THAT PUT PATIENTS AT RISK, JCMC HAS TAKEN A LEAP INTO THE FUTURE WITH THE INSTALLATION OF TWO ROBOTS THAT ELIMINATE HARD-TO-KILL BUGS IN HARD-TO-CLEAN PLACES. THE TWO XENEX ROBOTS USE PULSED XENON ULTRAVIOLET LIGHT THAT IS 25,000 TIMES MORE POWERFUL THAN THE SUN TO DESTROY HARMFUL BACTERIA, VIRUSES, FUNGI, AND EVEN BACTERIAL SPORES. THE SYSTEM IS EFFECTIVE AGAINST EVEN THE MOST DANGEROUS PATHOGENS, INCLUDING CLOSTRIDIUM DIFFICILE, NOROVIRUS, INFLUENZA, AND STAPH BACTERIA, INCLUDING METHICILLIN-RESISTANT STAPHYLOCOCCUS AUREUS, BETTER KNOWN AS MRSA.

THE ROBOTS CAN DISINFECT A ROOM IN MINUTES AND ARE EASILY PORTABLE. JCMC IS THE FIRST HOSPITAL IN TENNESSEE TO IMPLEMENT THE XENEX SYSTEM.

CHARITY AND UNREIMBURSED COSTS

CHARITY CARE: WHILE REIMBURSEMENT FOR HEALTHCARE SERVICES RENDERED IS CRITICAL TO THE OPERATION AND SUSTAINABILITY OF THE ORGANIZATION, MSHA RECOGNIZES ITS OBLIGATION TO PROVIDE CARE TO INDIVIDUALS WHO CANNOT AFFORD ESSENTIAL MEDICAL SERVICES, INCLUDING EMERGENCY CARE. A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BY REFERENCE TO ESTABLISHED POLICIES OF MSHA AND GUIDELINES OUTLINED BY THE FEDERAL GOVERNMENT. HOWEVER, FINANCIAL ASSISTANCE DECISIONS ARE NOT SOLELY BASED ON INCOME. UNIQUE FINANCIAL CIRCUMSTANCES ARE WEIGHED WITH VERIFIED PATIENT ASSETS WHICH CAN DETERMINE FINANCIAL ASSISTANCE ELIGIBILITY. IT IS NOT UNTIL AFTER VERIFICATION OF INCOME AND ASSETS THAT A DECISION AS TO THE AMOUNT OF WRITE-OFF WILL BE MADE. IN FISCAL YEAR 2013, MSHA INCURRED A LOSS OF $17,191,567 ATTRIBUTABLE TO THE PROVISION OF FREE CARE TO INDIGENT PATIENTS.

GOVERNMENTAL PROGRAM ENROLLEES: MSHA PROVIDES CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS, INCLUDING MEDICARE AND MEDICAID AND STATE-FUNDED TENNCARE. IN FY13, THE UNREIMBURSED COST OF SERVICES PROVIDED TO THIS PATIENT POPULATION WAS $5,715,993 (MEDICARE, BASED ON MEDICARE ALLOWABLE COSTS), $5,400,422 (MEDICAID) AND $23,779,759 (TENNCARE).

BAD DEBT: MSHA PROVIDES AN INCREASING LEVEL OF SERVICE TO SELF-PAY PATIENTS FOR WHICH IT RECEIVES LITTLE OR NO PAYMENT. DURING FY13, BAD DEBTS RESULTED IN BAD DEBT WRITE-OFFS OF $72,662,827. MSHA BELIEVES MANY OF THE ACCOUNTS CLASSIFIED AS BAD DEBT WOULD HAVE QUALIFIED FOR FINANCIAL ASSISTANCE IF THE PATIENTS ASSOCIATED WITH THESE ACCOUNTS HAD PROVIDED FINANCIAL DOCUMENTATION TO OUR HOSPITALS. EVEN WHEN MSHA HOSPITAL TEAM MEMBERS ENCOURAGE PATIENTS AND

TELL THEM IT IS LIKELY THEY WILL QUALIFY FOR ASSISTANCE, MANY PATIENTS REMAIN UNWILLING TO PROVIDE THE INFORMATION WE NEED TO DETERMINE ELIGIBILITY. THE VAST MAJORITY OF PATIENTS THAT SUPPLY FINANCIAL INFORMATION TO US DO, IN FACT, RECEIVE EITHER A COMPLETE ACCOUNT WRITE-OFF TO CHARITY OR A PARTIAL WRITE-OFF.

PROMOTE COMMUNITY HEALTH

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

WINGS AIR RESCUE (WINGS), THE REGION'S ONLY EMERGENCY MEDICAL HELICOPTER SERVICE, IS CONSIDERED BY MSHA TO BE A REGIONAL ASSET. LICENSED IN THE STATE OF TENNESSEE AND THE COMMONWEALTHS OF KENTUCKY AND VIRGINIA, WINGS PROVIDED AIR TRANSPORT OF CRITICALLY ILL AND INJURED PATIENTS TO THE CLOSEST TERTIARY FACILITIES, INCLUDING NON-MSHA FACILITIES. 40% OF THEIR PATIENTS ARE TRAUMA PATIENTS FROM SCENES OR EMERGENCY DEPARTMENTS TO TERTIARY CARE CENTERS, WITH OTHERS BEING CARDIAC, OB, PEDIATRIC AND MEDICAL. DURING FY13, WINGS TRANSPORTED 1,375 PATIENTS AND MADE 2 SEARCH AND RESCUE FLIGHTS AT A NET OPERATING LOSS OF $1,257,736. IN ADDITION TO AIR TRANSPORT SERVICE, WINGS DISPATCH SERVES AS THE STATE DESIGNATED REGIONAL MEDICAL COMMUNICATIONS CENTER FOR TENNESSEE REGION 1. THE COMMUNICATION CENTER IS OPERATIONAL 24 HOURS DAILY AND PROVIDES COMMUNICATION SERVICES TO BOTH AIR AND GROUND EMERGENCY TRANSPORT SYSTEMS IN THE REGION.

OUTLYING FACILITIES CALL MSHA FOR NEONATAL/PEDIATRIC PATIENT TRANSFERS. MSHA RESPONDS WITH NO-CHARGE GROUND AMBULANCE SERVICE TO PICK UP THE BABY/CHILD.

IN ADDITION TO THE EMT DRIVER, MSHA PROVIDES A REGISTERED NURSE AND RESPIRATORY THERAPIST FOR EACH TRANSPORT. THERE WERE 124 FREE NEONATAL/PEDIATRIC TRANSPORTS PROVIDED BY MSHA DURING FY13. THE COST FOR THIS SERVICE TO MSHA WAS $67,123.

NURSE LINK MEDICAL CALL CENTER IS A 24-HOUR TOLL-FREE MEDICAL INFORMATION PHONE LINE. EXPERIENCED REGISTERED NURSES SPEAK WITH CALLERS TO PROVIDE INVALUABLE CONFIDENTIAL HEALTH INFORMATION AND TRIAGE UTILIZING PHYSICIAN-APPROVED GUIDELINES. IN FY13, NURSELINK HANDLED 36,055 CALLS. MSHA INCURRED AN EXPENSE OF $367,761 TO PROVIDE THIS SERVICE AT NO COST TO THE COMMUNITY.

THE HEALTH RESOURCES CENTER (HRC) IS A COMMUNITY OUTREACH SERVICE PROVIDED BY MSHA. THE HRC LOCATED IN JOHNSON CITY IS CONVENIENTLY LOCATED IN THE REGION'S LARGEST SHOPPING MALL AND THE HRC IN KINGSPORT IS LOCATED IN THE KINGSPORT TOWN CENTER. THE HRC OFFERS FREE CLASSES, BLOOD PRESSURE CHECKS, INFORMATIONAL MATERIALS AND RESOURCES AS WELL AS A NUMBER OF OTHER SERVICES IN AN EFFORT TO MEET COMMUNITY MEMBERS' HEALTH AND HEALTH EDUCATION NEEDS. THE JOHNSON CITY HRC HAD 25,316 VISITS TO THEIR OFFICE AND PERFORMED 1,749 HEALTH SCREENINGS. THIS HRC ALSO HOSTED MORE THAN 7,946 ATTENDEES WHO PARTICIPATED IN MONTHLY HEALTH EDUCATION PROGRAMS. THE HRC ALSO PROVIDES OUTREACH SERVICES WHERE THEY REACHED AN ADDITIONAL 6,695 COMMUNITY MEMBERS. THE UNCOMPENSATED COST OF THE JOHNSON CITY HRC WAS $369,592. THE HRC IN KINGSPORT HAD 14,250 VISITS TO THE OFFICE AND PERFORMED 403 HEALTH SCREENINGS. THIS HRC HOSTED 3,498 ATTENDEES AT MONTHLY HEALTH EDUCATION PROGRAMS AND PROVIDED OUTREACH SERVICES TO ANOTHER 4,485 COMMUNITY MEMBERS. THE KINGSPORT HRC'S UNCOMPENSATED COST IN FY13 WAS $310,055.

MSHA'S MOUNTAIN STATES MOBILE HEALTH UNIT IS A MOBILE CARDIOVASCULAR SCREENING CENTER THAT IS OFFERED IN

EAST TENNESSEE AND SOUTHWEST VIRGINIA. DURING FY13, THE MOBILE UNIT PROVIDED 1,270 CARDIOVASCULAR SCREENINGS. 365 OF THESE SCREENINGS HAD ABNORMAL RESULTS FOR CARDIOVASCULAR ISSUES, GLUCOSE, BLOOD PRESSURE AND RESPONSES TO SLEEP QUESTIONNAIRES. THE STAFF OF THE MOBILE UNIT WAS ABLE TO PROVIDE REFERRALS FOR APPROPRIATE FOLLOW UP REGARDING PARTICIPANTS' CONDITIONS. IN FY13, THE MOBILE UNIT HAD UNREIMBURSED EXPENSES OF $212,933. THE MOBILE UNIT PROVIDED 45 FREE SCREENINGS AT A REMOTE AREA MEDICAL (RAM) CLINIC IN WISE COUNTY VIRGINIA. RAM, A KNOXVILLE, TN BASED CHARITABLE ORGANIZATION, PROVIDES FREE MEDICAL CARE TO PEOPLE IN REMOTE AREAS AND MSHA WAS PLEASED TO OFFER THE SERVICES OF OUR MOBILE UNIT TO THE RAM CLINIC.

BASED ON COMMUNITY NEEDS, MSHA INCURRED $125,456 OF PHYSICIAN RECRUITMENT EXPENSE TO PROVIDE PHYSICIAN SERVICES FOR A MEDICALLY UNDERSERVED AND FEDERALLY DESIGNATED CRITICAL ACCESS AREA. MSHA INCURRED AN ADDITIONAL EXPENSE OF $1,810,681 TO RECRUIT PHYSICIANS INTO OTHER CLINICAL/GEOGRAPHIC AREAS. ALL PHYSICIAN RECRUITMENT ACTIVITIES ARE BASED ON DOCUMENTED COMMUNITY NEED.

JOHNSON COUNTY COMMUNITY HOSPITAL (JCCH) IS A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL. THIS FACILITY IS LOCATED IN ONE OF TENNESSEE'S POOREST COUNTIES AND PROVIDES EMERGENCY, INPATIENT AND OUTPATIENT CARE TO THE COUNTY'S RESIDENTS, MANY OF WHOM ARE OVER 65 YEARS OLD. JCCH INCURRED A LOSS OF $445,296 DURING FY13, WHICH INCLUDES A LOSS OF $55,015 FOR A PHYSICIAN CLINIC LOCATED INSIDE THE HOSPITAL. JCCH CONTINUES TO BE DESIGNATED AS A PHYSICIAN SHORTAGE AREA FOR MANY SPECIALTIES. TO ADDRESS THIS ISSUE, JCCH OPERATES THE PHYSICIAN SPECIALTY CLINIC INSIDE THE HOSPITAL. THE SPECIALTY CLINIC INCLUDES GENERAL SURGERY, PODIATRY, CARDIOLOGY AND OTHER SPECIALTY SERVICES. THIS CONTINUES TO BE A VALUABLE RESOURCE TO THE RESIDENTS OF THE AREA BY AIDING WITH

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

MSHA OPERATES A RURAL HEALTH CLINIC LOCATED IN ST. PAUL, VA ON THE BORDER OF WISE AND RUSSELL COUNTIES. THE ST. PAUL CLINIC FIRST OPENED IN 1991 TO PROVIDE PRIMARY CARE SERVICES TO THIS ELDERLY, UNDERSERVED POPULATION. THE CLINIC HAD 2,496 OUTPATIENT VISITS DURING THE YEAR. THE LARGEST PAYER IS MEDICARE, WHICH ACCOUNTS FOR 51% OF THE CLINIC'S REVENUE. RCMC PROVIDED A $221,246 SUBSIDY TO SUPPORT THE CLINIC'S FY13 OPERATIONS.

MSHA ALSO GIFTS A LAND LEASE TO THE RONALD MCDONALD HOUSE AT A FAIR MARKET VALUE OF $60,000. THE RONALD MCDONALD HOUSE IS LOCATED ON THE CAMPUS OF NISWONGER CHILDREN'S HOSPITAL AND JOHNSON CITY MEDICAL CENTER.

IN MARCH 2013 THE JOHNSON CITY MEDICAL CENTER (JCMC) FAMILY BIRTH CENTER WAS A RECIPIENT OF THE BREASTFEEDING SUPPORT FUNDING OPPORTUNITY GRANT THROUGH THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE ON WOMEN'S HEALTH. THE GOAL OF THIS

PROGRAM IS TO INCREASE BREASTFEEDING RATES BY GIVING EXPECTANT MOTHERS MORE EDUCATION ABOUT THE BENEFITS OF BREASTFEEDING BEFORE THEY COME TO THE HOSPITAL FOR DELIVERY. THE TRIAL PROGRAM BEGAN IN MARCH WITH JCMC PROVIDING A LACTATION CONSULTANT AT TWO AREA OB/GYN PRACTICES TWICE A WEEK FOR A TOTAL OF SIX HOURS. AFTER ACHIEVING A 16.42 PERCENT INCREASE DURING THE FIVE MONTH FUNDING PERIOD IN THE NUMBER OF MOTHERS WHO EXCLUSIVELY BREASTFED THEIR INFANTS UPON DISCHARGE, JCMC DECIDED TO CONTINUE TO PROVIDE SALARY SUPPORT IN THE PROVISION OF LACTATION CONSULTANTS IN THESE OB/GYN PRACTICES

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

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

THE PARISH NURSE PROGRAM IS SPONSORED BY MSHA'S HOME HEALTH ORGANIZATION, WITH GOALS OF RECRUITING AREA CHURCHES AND REGISTERED NURSES TO THE PROGRAM AND PROVIDING PARTICIPANTS WITH EDUCATION ABOUT PARISH NURSING. PARISH NURSING IS AN AMALGAM OF SOCIAL WORK, GOOD NEIGHBORING AND NURSING. THE PARISH NURSE PROVIDES SUPPORT, HEALTH EDUCATION AND COUNSELING TO THOSE WITH HEALTHCARE NEEDS WITHIN THEIR PLACE OF WORSHIP. OTHER SERVICES PROVIDED BY THE PARISH NURSE INCLUDE BLOOD DRIVES, HEALTH SCREENINGS, HEALTH FAIRS AND MONTHLY BLOOD PRESSURE CLINICS. THE NURSE ALSO MAINTAINS AN ACTIVE VISITATION TO PARISHIONERS WHO ARE HOMEBOUND, HOSPITALIZED, OR IN LONG TERM CARE FACILITIES. SEVERAL OF THE NURSES ARE CERTIFIED TO TEACH CPR AND FIRST AID AT NO COST TO PARISHIONERS. MSHA PROVIDES THE PARISH NURSE PROGRAM WITH A COORDINATOR, SPONSORED ORIENTATION, MONTHLY EDUCATIONAL PROGRAMS AND OTHER SUPPORT FUNCTIONS. CURRENTLY, THERE ARE 25 CHURCHES IN TENNESSEE AND FOUR IN SOUTHWEST VIRGINIA WITH PARISH NURSES ON STAFF. MSHA'S FY13 COST FOR THE PARISH NURSE PROGRAM WAS $56,947.

THE RESPOND DEPARTMENT AT WOODRIDGE HOSPITAL OFFERS ASSESSMENTS AND REFERRALS FOR INDIVIDUALS DEALING WITH MENTAL HEALTH ISSUES AND SUBSTANCE ABUSE. PROFESSIONAL STAFF INCLUDES BEHAVIORAL HEALTH COUNSELORS AND RNS WHO ARE AVAILABLE 24 HOURS A DAY, SEVEN DAYS A WEEK TO ANSWER CALLS FROM THE COMMUNITY CONCERNING TREATMENT. THROUGHOUT THE ASSESSMENT PROCESS, RESPOND COLLABORATES WITH A PSYCHIATRIST TO DETERMINE THE MOST APPROPRIATE LEVEL OF CARE. THE RESPOND DEPARTMENT INCURRED UNREIMBURSED COSTS OF $732,798 DURING FY13.

COMMUNITY CONTRIBUTIONS

AS THE SECOND LARGEST EMPLOYER IN THE REGION, MSHA IS ONE OF THE AREA'S PRINCIPAL BENEFACTORS AND HAS MADE CORPORATE CITIZENSHIP AN INTEGRAL PART OF ITS CULTURE.

FROM SYSTEM-WIDE INITIATIVES TO INDIVIDUAL EFFORTS OF CARING TEAM MEMBERS, ITS AIM IS TO ENRICH THE COMMUNITIES THAT THE ORGANIZATION SERVES. MSHA'S COMMITMENT INCLUDES FINANCIAL CONTRIBUTIONS, IN-KIND (NON-CASH) CONTRIBUTIONS AND LEADERSHIP RESOURCES WITHIN THREE BROAD CATEGORIES OF GIVING:

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

1.) DIRECT CONTRIBUTIONS – IN-KIND AND CASH

MSHA LEADERS SUPPORT AND ENCOURAGE ALL TEAM MEMBERS TO VOLUNTEER TIME, MONEY AND SKILLS TO COMMUNITY SERVICE PROJECTS AND CHARITABLE ORGANIZATIONS. SENIOR LEADERS AND BOARD MEMBERS SET A POSITIVE EXAMPLE FOR MSHA TEAM MEMBERS, SERVING VOLUNTARILY ON COMMITTEES AND MANAGING BOARDS OF LOCAL SERVICE AND NON-PROFIT ORGANIZATIONS. MANY ALSO SERVE AS MEMBERS AND CONSULTANTS ON PROFESSIONAL COMMITTEES AND TASK FORCES THAT AFFECT REGIONAL DEVELOPMENT IN HEALTH CARE AND EDUCATION.

SUMMARY LIST OF CHARITABLE GIVING:

IN FY13, MSHA PROVIDED CASH AND IN-KIND SUPPORT TO NUMEROUS HEALTH AND HUMAN SERVICE ORGANIZATIONS, SOCIAL AND WELL-BEING NON-PROFITS, AND OTHERS WITHIN OUR SERVICE AREA:

- ETSU FOUNDATION FOR AN ECONOMIC DEVELOPMENT PROGRAM– $10,000

- NORTHEAST STATE COMMUNITY COLLEGE MEDICAL LAB - $11,000
- JOHNSON CITY PARKS & RECREATION FOUNDATION - $5,405
- VARIOUS DONATIONS TO THE ARTS - $43,193
- BRISTOL FAMILY YMCA - $5,000
- DONATIONS TO RESCUE SQUADS - $5,423
- SYCAMORE SHOALS STATE HISTORIC AREA - $4,237
- FRIENDS OF WARRIORS PATH STATE PARK - $1,000
- RUSSELL COUNTY CAREER & TECHNOLOGY CENTER (MEDICAL SUPPLIES) - $549
- KINGSPORT CHAMBER FOUNDATION FOR GREENBELT CLEAN-UP - $500
- LOCAL CHURCHES - $3,327
- VARIOUS ORGANIZATIONS TO ASSIST THOSE WITH LOW INCOMES AND THE POOR - $15,717
- OTHER HEALTH AND LITERACY PROGRAMS - $1,196

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

THROUGHOUT THE YEAR, MSHA MAKES CONTRIBUTIONS TO LOCAL SCHOOLS AND ORGANIZATIONS THAT PROVIDE EDUCATIONAL, HEALTH, AND SOCIAL SUPPORT FOR YOUNG PEOPLE. THE SIGNIFICANT MAJORITY OF OUR DONATIONS ARE DIRECTED TO PROGRAMS THAT FOCUS ON REDUCING CHILDHOOD OBESITY. SOME OF THE CONTRIBUTIONS TO YOUTH PROGRAMS INCLUDE:

- ETSU FIT KIDS PROGRAM - $11,500
- GRANTS TO AREA SCHOOLS FOR PROGRAMS THAT FOCUS ON CHILDHOOD OBESITY - $24,000
- OTHER LOCAL ORGANIZATIONS FOR PROGRAMS THAT FOCUS ON REDUCING CHILDHOOD OBESITY - $11,000
- COALITION FOR KIDS - $7,600

- KINGSPORT INITIATIVE FOR TRAINING & EMPLOYMENT (EXPAND A NUTRITION PROGRAM FOR KIDS LIVING IN PUBLIC HOUSING TO INCLUDE PHYSICAL ACTIVITY; PURCHASING BALLS, BATS, BASES, ETC.) - $2,000
- CLINCH VALLEY COMMUNITY ACTION (TEACH YOUNG CHILDREN ABOUT FOOD AND PROVIDE PLAYGROUND EQUIPMENT) - $5,000
- BRISTOL FAMILY YMCA (CHILDHOOD OBESITY PROGRAM) - $2,000
- KINGSPORT BALLET (TARGET AT-RISK YOUTH FOR FITNESS, AGILITY AND NUTRITION TRAINING) - $2,000
- JASON WITTEN SCORE FOUNDATION - $3,500
- KERMIT TIPTON SCHOLARSHIP FOUNDATION - $2,200
- JUNIOR ACHIEVEMENT OF TRI-CITIES - $1,093
- GIRLS, INCORPORATED - $726

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

FY13:

- AMERICAN HEART ASSOCIATION - $66,952
- MARCH OF DIMES - $15,000
- SUSAN G. KOMEN BREAST CANCER FOUNDATION - $5,590
- AMERICAN CANCER SOCIETY - $20,100
- UNITED WAY - $2,394
- DOCTORS WITHOUT BORDERS USA - $500
- HEART & STROKE FOUNDATION - $205
- ALZHEIMER'S ASSOCIATION - $41

2.) <u>COMMUNITY PROGRAMS</u>

DEMOGRAPHIC ANALYSES INDICATE THE NECESSITY OF HAVING A WIDE ARRAY OF FREE AND PRICE-REDUCED SERVICES THAT ARE WELL-SITUATED FOR EASY ACCESS FROM RURAL, MOUNTAINOUS AREAS.

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

MSHA CONTINUED THE LARGEST COMMUNITY HEALTH NEEDS ASSESSMENT PERFORMED BY THE ORGANIZATION IN 2011 AND 2012 IN AN EFFORT TO PROFILE THE HEALTH OF THE RESIDENTS WITHIN THE LOCAL REGION. THIS ASSESSMENT SPECIFICALLY FOCUSED ON MSHA'S 13-COUNTY CORE SERVICE AREA, WHICH INCLUDES, BUT IS NOT LIMITED TO, ALL THE COUNTIES IN WHICH MSHA HAS A FACILITY. THE SEVEN TENNESSEE COUNTIES INCLUDED IN THIS NEEDS ASSESSMENT WERE: CARTER COUNTY; GREENE COUNTY; HAWKINS COUNTY; JOHNSON COUNTY; SULLIVAN COUNTY; UNICOI COUNTY; AND, WASHINGTON COUNTY. THE SIX VIRGINIA COUNTIES ARE LOCATED IN SOUTHWEST VIRGINIA AND INCLUDE: DICKENSON COUNTY; RUSSELL COUNTY; SMYTH COUNTY; BRISTOL CITY/WASHINGTON COUNTY; SCOTT COUNTY; AND, NORTON/WISE COUNTY. AFTER ANALYZING THE MANY HEALTH DISPARITIES IN THE REGION, MSHA CHOSE CHILDHOOD OBESITY AS ITS HEALTH PRIORITY.

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

MSHA PROVIDED FUNDING OF $50,000 FOR 19 COMMUNITY GRANTS OF $2,000 AND $5,000 EACH TO LOCAL COMMUNITY ORGANIZATIONS SUCH AS CHURCHES, COMMUNITY GROUPS,

SCHOOLS AND EMPLOYERS THAT WANT TO EXPLORE CHILDHOOD OBESITY REDUCTION EFFORTS. ANOTHER $10,420 WAS AWARDED TO TWO SCHOOLS, EACH FOR $5,210. THE GRANT AMOUNT REPRESENTING: 5 OR MORE SERVINGS OF FRUITS OR VEGETABLES, 2 HOURS OR LESS OF RECREATIONAL SCREEN TIME, 1 HOUR OR MORE OF VIGOROUS EXERCISE, AND 0 SUGARY DRINKS, AND MORE WATER AND LOW-FAT MILK. THE TWO SCHOOLS ARE USING THE GRANTS TO HELP WITH THEIR REDESIGN OF THE CAFETERIA MENUS TO PROMOTE HEALTHFUL FOODS THAT HAVE BEEN TASTE-TESTED AND APPROVED BY THEIR STUDENTS. OTHER CHANGES INCLUDE A SCHOOL-BASED GARDEN, REDUCTION OF SCREEN TIME AND ADDITIONAL SUPPORT OF THE "KIDS RUN THE NATION" STUDENT RUNNING PROGRAM. ONE OF THE SCHOOLS HAS PARTNERED WITH ITS LOCAL FARMERS MARKET TO PROVIDE WORKSHOPS ON CONTAINER GARDENING AND PREPARING HEALTHY FOODS FOR BOTH THE STUDENTS AND THEIR FAMILIES.

MANY INNOVATIVE PROGRAMS HAVE BEEN AIDED BY THE HEAL GRANTS. FOR EXAMPLE, PROGRAMS SUCH AS EDUCATION FOR YOUNG PARENTS AND THEIR CHILDREN TO FACILITATE NUTRITION AND WELLNESS AS WELL AS THE IMPORTANCE OF PLAY TIME WITH CHILDREN. OTHER POPULAR PROGRAMS INVOLVE VEGETABLE GARDENING; BEGINNING WITH PLANTING, THEN HARVESTING, AND ON TO COOKING AND EATING THE FRESH PRODUCE. THE "GROWING RESOURCES FOR OUTDOOR WELLNESS", OR G.R.O.W. PROGRAM, HAS BENEFITED FROM HEAL FUNDING. THE PROGRAM IS A COLLABORATION OF VARIOUS AGENCIES AND INCLUDES MASTER GARDENERS FROM THE UNIVERSITY OF TENNESSEE. KIDS MEET WITH A MASTER GARDENER TWICE A MONTH. RECIPES USE AS FEW INGREDIENTS AS POSSIBLE, MAKING FOR AN EASY RECIPE FOR KIDS TO TRY AT HOME. THE GOAL OF THE PROGRAM, LIKE MOST OF THESE PROGRAMS, IS TO ENGAGE KIDS IN HEALTHY LIFESTYLE CHOICES BY GETTING OUTDOORS AND LEARNING HOW FUN AND DELICIOUS FRESH FOODS CAN BE.

IN FY13, MSHA RECEIVED OVER 100 APPLICATIONS FOR THE COMMUNITY GRANTS. THE APPLICANTS AWARDED THE HEAL GRANTS WERE ANNOUNCED AT A REGIONAL HEALTH SYMPOSIUM FOCUSING ON OBESITY. THE HEAL APPALACHIA OBESITY SYMPOSIUM HELD DURING FY13 BROUGHT TOGETHER OVER 200 PEOPLE FROM NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA TO HEAR REGIONAL AND NATIONAL EXPERTS SPEAK. THE SYMPOSIUM IS A DAY OF LEARNING AND SHARING SUCCESSES IN HOW TO FIGHT CHILDHOOD OBESIY. MSHA'S COST TO ORGANIZE AND PRODUCE THE SYMPOSIUM AND TO COORDINATE THE HEAL PROGRAM WAS $36,434.

THE HEAL APPALACHIA COMMITTEE EVALUATES LOCAL PROGRAM GRANT RECIPIENTS AS TO THEIR ABILITY TO MAKE A MEASURABLE IMPACT ON THE LEVEL OF CHILDHOOD OBESITY THROUGHOUT THE REGION. THIS COMMITTEE THEN MAKES RECOMMENDATIONS TO EXECUTIVE LEADERSHIP AS TO HOW MSHA SHOULD DIRECT FINANCIAL SUPPORT FOR SUCCESSFUL PROGRAMS.

IN ADDITION TO THE HEAL APPALACHIA GRANTS AND SYMPOSIUM, MSHA DONATED $11,500 TO ETSU'S FIT KIDS PROGRAM, ANOTHER PROGRAM WITH A FOCUS ON REDUCING CHILDHOOD OBESITY AND IMPROVING THE HEALTH OF CHILDREN.

PROGRAMS FOR SPECIAL POPULATIONS

DUE TO THE USE OF EMERGENCY DEPARTMENTS AS WALK-IN CLINICS BY THE POOR AND UNDERSERVED, MSHA HAS HELPED ESTABLISH AND FINANCE ALTERNATIVE CARE SETTINGS SUCH AS THE ETSU COLLEGE OF NURSING'S JOHNSON CITY COMMUNITY HEALTH CENTER (JCCHC). THE JCCHC IS DEDICATED TO SERVING THE PRIMARY NEEDS OF THE HOMELESS, INDIGENT AND UNINSURED POPULATIONS, PROVIDING THEM WITH FREE LABORATORY TESTING AND ASSISTANCE WITH THEIR DIAGNOSIS AND TREATMENTS. MSHA GIFTS THE JCCHC RENT FOR THEIR DAY CENTER, A SATELLITE CLINIC OF THE JCCHC, LOCATED IN DOWNTOWN JOHNSON CITY, WHICH IS VALUED AT $35,000 ANNUALLY. MSHA ALSO

PROCESSED LAB SPECIMENS FOR THE JCCHC, MOSTLY FREE OF CHARGE, DURING FY13. THE UNREIMBURSED COST TO MSHA FOR THESE LAB TESTS WAS $125,060.

IN ADDITION TO CLINICAL WORK FOR THE JCCHC, JCMC PROVIDED LAB SERVICES TO OTHER ORGANIZATIONS THAT PROVIDE HEALTH SERVICES TO THE POOR. MSHA WROTE OFF $202,998 IN LAB CHARGES FOR THESE LAB TESTS.

WHEN A CHILD LOSES A LOVED ONE, THE GRIEVING PROCESS CAN BE COMPLEX AND SOMETIMES VERY DIFFERENT FROM THE WAY ADULTS COPE. TO HELP CHILDREN AND TEENS WHO HAVE RECENTLY LOST A LOVED ONE, MSHA OFFERED A FREE ONE-DAY CAMP. THE PROGRAM USED STORYTELLING, GAMES, ART AND RELAXATION TO HELP KIDS WORK THROUGH THEIR FEELINGS. THE CAMP COUNSELORS HELP THE KIDS TO EXPRESS THEIR EMOTIONS THROUGH DRAWINGS AND OTHER EXPRESSIVE MEDIA. PARENTS RECEIVED A TAKE-HOME PACKET WITH A LETTER DESCRIBING WHAT THEIR CHILD EXPERIENCED THAT DAY AND CONTACT INFORMATION FOR VARIOUS RESOURCES THAT CAN HELP WITH ONGOING COUNSELING IF NECESSARY. THE CAMP WAS LED BY PROFESSIONAL GRIEF COUNSELORS AND TRAINED PROFESSIONALS INCLUDING SOCIAL WORKERS, CHILD LIFE SPECIALISTS AND SPIRITUAL COUNSELORS.

DURING FY13, MSHA OPERATED A SATELLITE DISPENSARY OF HOPE. THE DISPENSARY OF HOPE PROVIDES PRESCRIPTION DRUGS TO THOSE WHO MAY NOT HAVE OTHERWISE BEEN ABLE TO AFFORD NEEDED MEDICATIONS. DURING FY13 THE DISPENSARY FILLED 15,555 PRESCRIPTIONS FOR 3,646 PATIENT ENCOUNTERS FOR INDIVIDUALS WHO OTHERWISE COULD NOT HAVE AFFORDED THEIR MEDICATIONS. THE SITE HAS ITS OWN PHARMACIST AND PHARMACY TECH. THE LOCAL DISPENSARY OF HOPE IS STAFFED, IN PART, BY VOLUNTEER PHARMACISTS FROM THE COMMUNITY AND SERVES AS A TRAINING SITE FOR THE BILL GATTON COLLEGE OF PHARMACY AT EAST TENNESSEE STATE UNIVERSITY. DURING FY13, MSHA INCURRED UNREIMBURSED EXPENSES OF $169,971 FOR THIS PROGRAM.

MSHA ASSISTED SOME PATIENTS THAT COULD NOT PAY FOR THEIR PRESCRIPTIONS UPON DISCHARGE FROM THE HOSPITAL. DURING FY13 MSHA'S UNREIMBURSED COST FOR THESE PRESCRIPTIONS WAS $4,554.

MSHA HAS PARTNERED WITH THE COMPANY, FIRSTSOURCE SOLUTIONS USA, TO WORK WITH SELF-PAYING PATIENTS WHO HAVE LIMITED FINANCIAL RESOURCES. DURING FY13, FIRSTSOURCE REPRESENTATIVES WERE AVAILABLE AT ALL MSHA FACILITIES. FIRSTSOURCE REPRESENTATIVES WERE ABLE TO DETERMINE GOVERNMENTAL MEDICAL ASSISTANCE (TENNCARE OR MEDICAID) ELIGIBILITY, AND TO HELP WITH THE APPLICATION PROCESS AND FOLLOW-UP. DURING FY13, 3,254 PATIENTS WERE APPROVED FOR COVERAGE. ONCE A PERSON IS APPROVED FOR TENNCARE OR MEDICAID THROUGH THIS PROGRAM OFFERED THROUGH MSHA, THEY RETAIN COVERAGE FOR FUTURE MEDICAL CARE. FIRSTSOURCE IS COMPENSATED BY MSHA. DURING FY13, MSHA'S COST FOR THIS PROGRAM WAS $701,718.

MSHA'S SERVICE AREA COMPRISES A STABLE, AGING POPULATION, SO THE ORGANIZATION HAS ESTABLISHED A NUMBER OF PROGRAMS TO SERVE THE NEEDS OF SENIOR CITIZENS. AN EXAMPLE OF A SENIOR PROGRAM IS THE PINNACLE CLUB – A COMMUNITY OUTREACH PROGRAM FOR SERVICE-AREA SENIORS. DURING FY13, MSHA INCURRED A NET OPERATING LOSS OF $5,088 ATTRIBUTABLE TO ITS SUPPORT OF THE PROGRAM. ANOTHER $2,658 IN FREE LAB TESTING WAS PERFORMED FOR PINNACLE CLUB MEMBERS.

COMMUNITY HEALTH EDUCATIONAL PROGRAMS

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

OUR NISWONGER CHILDREN'S HOSPITAL PRESENTED THEIR ANNUAL SCHOOL HEALTH CONFERENCE. THE TITLE THIS YEAR WAS "CRISIS AND LOSS IN THE SCHOOLS: IDENTIFYING CHILDREN AT-RISK AND FACILITATING COPING". CHILDREN ARE EXPOSED TO MANY CRISIS SITUATIONS, SUCH AS THE DEATH OF A PARENT, BULLYING AND EXPOSURE TO UNHEALTHY CHOICES, SUCH AS DRUGS. WHILE A SCHOOL'S PRIMARY OBJECTIVE IS TO FACILITATE LEARNING, IT OFTEN IS THE FIRST PLACE THAT STUDENTS AND PARENTS TURN TO WHEN IN NEED OF SUPPORT. PREVENTING OR IDENTIFYING RISK SIGNS OF CHILDREN AT RISK AND KNOWING THE MOST APPROPRIATE WAY TO ADDRESS A CRISIS SITUATION WITH STUDENTS CAN MAKE A GREAT IMPACT IN HELPING THEM THROUGH DIFFICULT TIMES AND HELP THEM BACK ON A PATH TO LEARNING. NISWONGER CHILDREN'S HOSPITAL AND THE ETSU COLLEGE OF NURSING PRODUCED THIS CONFERENCE FOR ALL PROFESSIONALS WHO WORK WITH CHILDREN IN A LEARNING CAPACITY. THE CONFERENCE WAS HELD AT NISWONGER CHILDREN'S HOSPITAL WITH OVER 100 ATTENDEES, AT A COST TO THE HOSPITAL OF APPROXIMATELY $2,500.

MSHA'S AMERICAN HEART ASSOCIATION (AHA) TRAINING CENTER OFFERED SEVERAL COURSES TO HEALTHCARE PROVIDERS AND TO THE PUBLIC IN AN EFFORT TO EXPAND THE OUTREACH OF THE AMERICAN HEART ASSOCIATION AND MSHA IN PROMOTING WELLNESS AND SAVING LIVES. PROGRAMS INCLUDE: ADVANCED CARDIAC LIFE SUPPORT, BASIC CARDIAC LIFE SUPPORT, PEDIATRIC ADVANCED LIFE SUPPORT, FIRST AID AND LIFE SUPPORT INSTRUCTOR TRAINING. THE TRAINING CENTER RECORDED 7,410 COURSE ATTENDEES FROM THE COMMUNITY. THE FY13 UNREIMBURSED COST TO PROVIDE THE EDUCATIONAL COURSES TO THE PUBLIC WAS $232,812.

MSHA ALSO PROVIDES ACCESS TO SEVERAL ONLINE HEALTH INFORMATION SERVICES. "MY HEALTH NEWS" ALLOWS ACCESS TO HEALTH INFORMATION TOPICS AND SERVICES THAT MATTER TO THE USER. THIS SERVICE SENDS UP-TO-DATE INFORMATION FROM NATIONAL HEALTH RESOURCES TAILORED TO THE INDIVIDUAL'S NEEDS AND IS FREE OF

CHARGE. MSHA PAYS $24,000 YEARLY FOR MY HEALTH NEWS. MSHA PROVIDES ACCESS TO "KIDSHEALTH", A SERVICE THAT PROVIDES PRACTICAL PARENTING INFORMATION AND NEWS. THIS SERVICE ALSO PROVIDES HOMEWORK HELP FOR KIDS AND STRAIGHT TALK ANSWERS FOR TEENS. MSHA PAYS $15,750 ANNUALLY TO PROVIDE KIDSHEALTH. OTHER HEALTH INFORMATION LINKS ARE PROVIDED TO THE PUBLIC ON OUR WEBSITE, INCLUDING "VIRTUAL WOMEN'S CENTER" AND MANY OTHERS.

IN ADDITION, WE PROVIDE "YOUR HEALTH MATTERS" TELEVISION HEALTH NEWS FOR A COST OF APPROXIMATELY $13,000.

THE HEALTH RESOURCES CENTER HOSTED THREE MINUTE SEGMENTS COVERING VARIOUS HEALTH TOPICS WHICH AIRED THREE TIMES A WEEK ON LOCAL TV AND CONTRACTED FOR 30-SECOND ANNOUNCEMENTS TO INFORM THE PUBLIC ABOUT THE HRC CALENDAR EACH WEEK, MONDAY-SUNDAY. THE COST OF THE PROGRAMMING WAS $17,680.