



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490





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

Concord Hospital is a charitable organization which exists to meet the health needs of individuals within the communities it serves

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 342,995,857 including grants of \$ 178,324 ) (Revenue \$ 415,626,331 )

Various hospital services, see Schedule HIn FYE 2013, Concord Hospital invested more than \$58 million for community benefit programs, services, and other expenses The largest areas of support were chantable care services, medical education and subsidized programs and services Our investment enhances the Hospital's ability to provide quality patient care, respond to identified community health needs and address the Hospital's mission overall

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 ▶ 342,995,857

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d 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 Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV 	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV 	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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.	249	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	3,639	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8822?		No
7d	If "Yes," indicate the number of Forms 8822 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	<b>Section 501(c)(12) organizations.</b> Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
13a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	19	
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			
1b	Enter the number of voting members included in line 1a, above, who are independent	14	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	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		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	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
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	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
16b	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	NH
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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	Scott Sloane VP Finance 250 Pleasant Street Concord, NH (603) 227-7000

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) D Thomas Akey MD	40 00	X						292,588	0	60,169
Trustee	4 00									
(2) Diane E Wood Allen RN	40 00	X						234,267	0	74,275
Trustee	0 00									
(3) Sol Asmar	1 00	X						0	0	0
Trustee	1 00									
(4) C Thomas Brown	1 00	X						0	0	0
Trustee	0 00									
(5) William L Chapman Esq	1 00	X						0	0	0
Trustee	0 00									
(6) Michelle Chicoine	1 00	X						0	0	0
Trustee	0 00									
(7) Christian Hallowell MD	1 00	X						0	0	0
Trustee	3 00									
(8) Gary S Jones MD	1 00	X						0	0	0
Trustee	0 00									
(9) Jeffrey S Kipperman CPA	1 00	X						0	0	0
Trustee	1 00									
(10) David Ruedig	1 00	X						0	0	0
Trustee	3 00									
(11) David A Stevenson MD	40 00	X						252,447	0	45,337
Trustee	1 00									
(12) Hon Michael Sullivan	1 00	X						0	0	0
Trustee	0 00									
(13) Greg Thesing MD	40 00	X						193,458	0	45,817
Medical Staff President	0 00									
(14) Jeffrey K Towle	1 00	X						0	0	0
Trustee	1 00									
(15) Claudia Walker	1 00	X						0	0	0
Trustee	1 00									
(16) Rachael M Rowe	40 00	X						185,656	0	37,611
Trustee (Part Year)	1 00									
(17) Muriel D Schadee CPA	1 00	X		X				0	0	0
Chair	5 00									



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) Philip Boulter MD Vice Chair	1 00 3 00	X		X				0	0	0
(19) Mary Boucher Secretary	1 00 1 00	X		X				0	0	0
(20) Michael B Green President & CEO	55 00 5 00	X		X				1,752,948	0	84,979
(21) Bruce R Burns Treasurer	55 00 5 00			X				424,940	0	81,001
(22) David Green MD Chief Medical Officer	40 00 0 00					X		460,463	0	72,916
(23) Gerald Sardella MD Physician	40 00 0 00					X		509,466	0	44,915
(24) Ronald Yap MD Physician	40 00 1 00					X		400,985	0	44,527
(25) Joe Conley COO	40 00 0 00					X		437,041	0	84,735
(26) Paul Snyder MD Physician	40 00 0 00					X		392,388	0	69,240
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								5,536,647	0	745,522

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▶295

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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	
Concord Emergency Medical Assoc 540 Lafayette Road Hampton NH 03842	Physician services	9,770,387	
Dartmouth Hitchcock Clinic PO Box 810 Hanover NH 03755	Physician services	4,378,194	
Elliot Hospital 1070 Holt Avenue Suite 2100 Manchester NH 03109	Healthcare services	2,472,769	
Riverbend Community Mental Health 5 Market Lane Concord NH 03301	Physician & psych services	2,418,683	
Concord Imaging Center One Pillsbury Street Concord NH 03301	Radiology services	1,364,969	
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 ▶42		

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	5,285,630			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		5,285,630			
Program Service Revenue			Business Code				
	2a	Net Patient Service	621400	402,548,057	402,548,057		
	b	Other Operating Revenue	621400	6,696,156	5,424,119	1,272,037	
	c	ARRA-HI-TECH	621400	3,718,904	3,718,904		
	d	Food Services	722210	3,666,318	2,413,720	1,252,598	
	e	Child Care Center	624410	855,141	855,141		
	f	All other program service revenue		302,284	302,284		
	g	Total. Add lines 2a-2f . . . . .		417,786,860			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		346,092		346,092	
	4	Income from investment of tax-exempt bond proceeds . . .					
	5	Royalties . . . . .					
	6a	(i) Real		(ii) Personal			
		Gross rents	364,106				
		b Less rental expenses	0				
		c Rental income or (loss)	364,106				
	d	Net rental income or (loss) . . . . .		364,106	364,106		
	7a	(i) Securities		(ii) Other			
		Gross amount from sales of assets other than inventory	113,262,567	169,567			
		b Less cost or other basis and sales expenses	111,681,024	180,312			
		c Gain or (loss)	1,581,543	-10,745			
	d	Net gain or (loss) . . . . .		1,570,798			1,570,798
	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	Loss on Bond Redemption	523000	-3,169,285			-3,169,285	
b							
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .		-3,169,285				
12	Total revenue. See Instructions . . . . .		422,184,201	415,626,331	2,524,635	-1,252,395	

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.	178,324	178,324		
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.	2,210,394	802,069	1,408,325	
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.	176,887,540	147,249,349	29,638,191	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	10,923,146	9,009,016	1,914,130	
9	Other employee benefits.	22,091,171	18,219,999	3,871,172	
10	Payroll taxes.	12,203,504	10,065,009	2,138,495	
11	Fees for services (non-employees):				
a	Management.	785,133	377,426	407,707	
b	Legal.	265,050		265,050	
c	Accounting.	106,400		106,400	
d	Lobbying.	52,000		52,000	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	674,175		674,175	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	21,333,219	18,338,942	2,994,277	
12	Advertising and promotion.	277,813	105,175	172,638	
13	Office expenses.	53,089,299	50,479,796	2,609,503	
14	Information technology.	7,001,190	2,579,244	4,421,946	
15	Royalties.				
16	Occupancy.	12,485,638	9,775,105	2,710,533	
17	Travel.	517,827	376,974	140,853	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	781,374	540,371	241,003	
20	Interest.	4,671,910	3,270,337	1,401,573	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	23,451,699	16,416,189	7,035,510	
23	Insurance.	2,247,339	2,247,339		
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	Bad Debt Expense	30,877,530	30,877,530		
b	Medicaid Enhancement Ta	16,540,684	16,540,684		
c	Repairs/Maintenance	3,388,573	2,565,504	823,069	
d					
e	All other expenses	4,806,431	2,981,475	1,824,956	
25	<b>Total functional expenses.</b> Add lines 1 through 24e.	407,847,363	342,995,857	64,851,506	0
26	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)	
				Beginning of year		End of year	
Assets	1	Cash—non-interest-bearing . . . . .		34,522,619	1	26,540,723	
	2	Savings and temporary cash investments . . . . .		14,382,274	2	2,384,481	
	3	Pledges and grants receivable, net . . . . .			3		
	4	Accounts receivable, net . . . . .		40,757,735	4	44,856,394	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .			5		
	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 . . . . .			7		
	8	Inventories for sale or use . . . . .		682,217	8	1,093,304	
	9	Prepaid expenses and deferred charges . . . . .		4,197,335	9	4,091,901	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	347,715,866			
	b	Less accumulated depreciation . . . . .	10b	208,145,744	139,279,470	10c	139,570,122
	11	Investments—publicly traded securities . . . . .		117,807,390	11	164,363,003	
	12	Investments—other securities See Part IV, line 11 . . . . .		49,966,941	12	69,260,589	
	13	Investments—program-related See Part IV, line 11 . . . . .			13		
	14	Intangible assets . . . . .		2,353,154	14	1,128,922	
	15	Other assets See Part IV, line 11 . . . . .		21,710,751	15	35,903,566	
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .		425,659,886	16	489,193,005		
Liabilities	17	Accounts payable and accrued expenses . . . . .		44,400,946	17	45,601,554	
	18	Grants payable . . . . .			18		
	19	Deferred revenue . . . . .			19		
	20	Tax-exempt bond liabilities . . . . .		107,232,938	20	119,712,465	
	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 . . . . .			23		
	24	Unsecured notes and loans payable to unrelated third parties . . . . .			24		
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .		91,334,299	25	78,700,590	
	26	Total liabilities. Add lines 17 through 25 . . . . .		242,968,183	26	244,014,609	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .		181,560,990	27	243,983,845	
	28	Temporarily restricted net assets . . . . .		247,590	28	306,212	
	29	Permanently restricted net assets . . . . .		883,123	29	888,339	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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 . . . . .		182,691,703	33	245,178,396	
	34	Total liabilities and net assets/fund balances . . . . .		425,659,886	34	489,193,005	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	422,184,201
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	407,847,363
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	14,336,838
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	182,691,703
5	Net unrealized gains (losses) on investments . . . . .	5	21,182,732
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	26,967,123
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	245,178,396

Part XII Financial Statements and Reporting

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

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

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 Concord Hospital Inc	Employer identification number 22-2594672
--	--

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<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

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

☐

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

a

☐

Type I 

b

☐

Type II 

c

☐

Type III - Functionally integrated 

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)
- |          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? |    | (v) Did you notify the organization in col (i) of your support? |    | (vi) Is the organization in col (i) organized in the U S ? |    | (vii) Amount of monetary support |
|------------------------------------|----------|--|--|----|---|----|--|----|----------------------------------|
|                                    |          |  | Yes  | No | Yes   | No | Yes  | No |                                  |
|                                    |          |  |  |    |   |    |  |    |                                  |
|                                    |          |  |  |    |   |    |  |    |                                  |
| Total                              |          |  |  |    |   |    |  |    |                                  |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

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

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

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		



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

Facts And Circumstances Test

Explanation

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Concord Hospital Inc	Employer identification number 22-2594672
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		8,930
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		52,000
j	Total. Add lines 1c through 1i.			60,930
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
Explanation of Lobbying Activities	Part II-B, Line 1	Concord Hospital was a member of the American Hospital Association in the fiscal year ended 9/30/13. A portion of the dues paid to this organization was available for lobbying expenditures on behalf of Concord Hospital and the other member organizations in furtherance of their exempt purposes. The portions of dues used for lobbying were \$8,930. Concord Hospital has hired an outside consultant to perform services to further Concord Hospital's mission. This consultant was paid \$52,000 in the year ended 9/30/13.

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization Concord Hospital Inc	Employer identification number 22-2594672
--	--

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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

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

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

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes☐ No

6

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

7

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

8

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

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶\$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶\$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶\$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶\$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

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

	Amount
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	159,691,844	139,047,220	135,685,338	108,562,857	100,022,624
b Contributions . . . . .	28,914,868	3,169,850	8,067,297	17,123,371	2,482,944
c Net investment earnings, gains, and losses	22,620,824	18,200,869	-4,399,718	10,185,474	6,568,016
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	236,654	726,095	305,697	186,364	510,727
f Administrative expenses . . . . .					
g End of year balance . . . . .	210,990,882	159,691,844	139,047,220	135,685,338	108,562,857

- 2

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

a

Board designated or quasi-endowment ▶ 99 480 %

b

Permanent endowment ▶ 0 410 %

c

Temporarily restricted endowment ▶ 0 110 %

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

(i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		18,996		18,996
b Buildings . . . . .		135,885,543	63,333,458	72,552,085
c Leasehold improvements . . . . .				
d Equipment . . . . .		202,565,095	144,812,286	57,752,809
e Other . . . . .		9,246,232		9,246,232
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				139,570,122

Schedule D (Form 990) 2012



Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return					
1	Total revenue, gains, and other support per audited financial statements . . . . .			1	469,245,301
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments . . . . .	2a	21,182,732		
b	Donated services and use of facilities . . . . .	2b			
c	Recoveries of prior year grants . . . . .	2c			
d	Other (Describe in Part XIII ) . . . . .	2d	26,967,123		
e	Add lines 2a through 2d . . . . .			2e	48,149,855
3	Subtract line 2e from line 1 . . . . .			3	421,095,446
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	672,175		
b	Other (Describe in Part XIII ) . . . . .	4b	416,580		
c	Add lines 4a and 4b . . . . .				
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .			5	422,184,201
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements . . . . .			1	406,758,608
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	0
3	Subtract line 2e from line 1 . . . . .			3	406,758,608
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	672,175		
b	Other (Describe in Part XIII ) . . . . .	4b	416,580		
c	Add lines 4a and 4b . . . . .				
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .			5	407,847,363

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
Description of Intended Use of Endowment Funds	Part V, Line 4	The intended use of the endowment funds is to fund capital expenditures for medical equipment/provide healthcare prevention and services for the uninsured population in the service area.
Description of Uncertain Tax Positions Under FIN 48	Part X, Line 2	The Hospital, CRHCDC, CRHVC, CH/DHC and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. With few exceptions, the System is no longer subject to income tax examination by the U S federal or state tax authorities for years before 2010.
Part XI, Line 2d - Other Adjustments		Pension Actuarial Gain 26,967,123
Part XI, Line 4b - Other Adjustments		Board Designated Spending 416,580
Part XII, Line 4b - Other Adjustments		Board Designated Spending 416,580



SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public  
Inspection

Name of the organization  
Concord Hospital Inc

Employer identification number  
22-2594672

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. 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 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Central America and the Caribbean	0	0	Investments - FMV as of 9/30/13	None	38,383,213
3a Sub-total	0	0			38,383,213
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			38,383,213

**Part II**

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶
- 3 Enter total number of other organizations or entities . . . . . ▶

## Part III

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

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐ Yes

☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes

☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☒ Yes

☐ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☒ Yes

☐ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes

☒ No

**Supplemental Information**  
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

[illegible]

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  
Concord Hospital Inc

Employer identification number  
22-2594672

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  <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care  <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>22500 0000000000 %</u>  b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>50000 0000000000 %</u>  c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care  4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	5b	Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . . .	6	7,927	13,404,802		13,404,802	3 560 %
b Medicaid (from Worksheet 3, column a) . . . . .			29,488,553	11,589,004	17,899,549	4 750 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .	6	7,927	42,893,355	11,589,004	31,304,351	8 310 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .	11	114,119	3,403,395	776,922	2,626,473	0 700 %
f Health professions education (from Worksheet 5) . . . . .	6	6,898	9,428,583	5,287,497	4,141,086	1 100 %
g Subsidized health services (from Worksheet 6) . . . . .	15	38,151	73,636,342	54,181,868	19,454,474	5 160 %
h Research (from Worksheet 7) . . . . .	1	21	89,100	396	88,704	0 020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .	6		1,061,366	67	1,061,299	0 280 %
j <b>Total.</b> Other Benefits . . . . .	39	159,189	87,618,786	60,246,750	27,372,036	7 260 %
k <b>Total.</b> Add lines 7d and 7j . . . . .	45	167,116	130,512,141	71,835,754	58,676,387	15 570 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support		44,761		44,761	0.010 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total		44,761		44,761	0.010 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare 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

11,390,721

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

2,188,455

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

119,105,237

6

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

6

159,468,755

7

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

7

-40,363,518

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				
2				
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?  
1

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	Concord Hospital 250 Pleasant Street Concord, NH 03301	X	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)

Concord Hospital

Name of hospital facility or facility reporting group

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

1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
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	No
5	Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
a	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted 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
<b>9</b> 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?		<b>9</b> Yes	
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>225 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b> Yes	
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>500 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b> Yes	
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	No
<b>a</b> <input type="checkbox"/> Income level			
<b>b</b> <input type="checkbox"/> Asset level			
<b>c</b> <input type="checkbox"/> Medical indigency			
<b>d</b> <input type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b> Yes	
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b> Yes	
<b>16</b> 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			
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency			
<b>b</b> <input checked="" type="checkbox"/> Lawsuits			
<b>c</b> <input checked="" type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

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

☒

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

☒

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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?  
1

Name and address	Type of Facility (describe)
1    Concord Hospital Urgent Care 60 Commercial Street Concord, NH 03301	Walk-in urgent care
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 7 Subsidized Health Services represents those activities that assure access to medical care and support for people with special medical needs and who may be faced with chronic health conditions
		Part I, Line 7, Column (f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A ), but subtracted for purposes of calculating the percentage in this column is \$ 30877530

Identifier	ReturnReference	Explanation
		Part II In the absence of a public/private partnership and a significant emergency preparedness incident, Concord Hospital's community building investment was reduced in fiscal year ended 2013 However, the Organization continued its emergency preparedness initiatives, including drills
		Part III, Line 4 Accounts Receivable The allowance for doubtful accounts is provided based on an analysis by management of the collectability of outstanding balances Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts Accounts are charged against the allowance for doubtful accounts when deemed uncollectible Charity Care The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

Identifier	ReturnReference	Explanation
		Part III, Line 8 The Medicare shortfall of \$40,363,518 is funded through cost shifting to other payors In addition, many of the subsidized health services reported on line 7g include some revenue and expenses from services to Medicare patients, Medicare allowable costs on line 5 were determined using the Hospital's filed Medicare cost report, which determines cost via the cost to charge ratio methodology
		Part III, Line 9b The Hospital has a Financial Assistance policy in addition to, and complementing, the bad debt collection policy The policy describes the Hospital's program of financial assistance for medically necessary services to individuals and families who are uninsured, underinsured, or who experience a catastrophic healthcare event and do not qualify for any other state or federal assistance programs Patient education of eligibility for assistance is described below in the statement for Part VI, Line 3

Identifier	ReturnReference	Explanation
Concord Hospital		Part V, Section B, Line 3 See the narrative for Schedule H, Part VI, line 2 below
Concord Hospital		Part V, Section B, Line 5c The Community Health Needs Assessment was included in the Hospital's annual reports and mailed to residents of the communities that the Hospital serves It is also available at the State of NH, DOJ web site



Identifier	ReturnReference	Explanation
Concord Hospital		Part V, Section B, Line 7 Concord Hospital addressed all identified needs to some extent The one need where the Organization had limited involvement was in the area of medical transportation, primarily because there are numerous services in the community that do address the need
Concord Hospital		Part V, Section B, Line 22 State law requires the Hospital to bill third party liability claims (automobile insurance claims) at 100% of charges The patient is responsible for paying the full amount and receiving payment from the insurance company

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The Hospital regularly leads comprehensive community health needs assessments, engaging numerous community organizations and health partners in the process, to identify far-reaching health needs faced by people in the communities served by the Hospital. Assessment methodologies address both quantitative and qualitative data and include stakeholder interviews, focus groups, community listening sessions, web survey, written surveys, telephone surveys and analysis of various data sets. Assessment results are shared with the communities and serve as the basis to develop new or expanded services in response to need. The most recent assessment was completed in 2012.
		Part VI, Line 3 The Hospital actively meets with all people who indicate that they do not have insurance or will have difficulty paying their obligations, to inform and work with them to understand what local programs are available to them, including how they can benefit from the Hospital's Financial Assistance program.

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 4 Concord defines its Primary Service Area as 23 communities to which it has close geographic proximity and significant market share According to the State of New Hampshire's "Concord Healthcare Service Area Regional Health Profile, 2001," the 23 communities that comprise the Hospital's PSA represent, in terms of square miles, the largest hospital service area in the State Together, these communities cover an area of nearly 900 square miles The Hospital serves all the residents of these towns as well as many others from across the State of New Hampshire through its regional and statewide referral for specialty care, including Orthopedic, Cardiology, Oncology and Urological care</p>
		<p>Part VI, Line 5 Part I line 6A, Concord Hospital develops programs and services to address community health needs and makes investments in initiatives that align with the Hospital's core mission A significant amount of Concord Hospital's community benefit investment is in the area of charitable care to ensure that those without insurance or with limited insurance have access to needed medical care The Hospital strives to address the needs of vulnerable populations including our low-income neighbors and other vulnerable populations The Hospital's Family Health Centers ensure access to primary, behavioral health, and dental care for our region's most needy residents, which addresses identified community health needs Those achievements are at the heart of our community benefit activity Beyond that focus are programs and services that benefit every resident and support that far-reaching goal of a healthier community The Hospital continued its efforts toward promoting the health of the community by investing its surplus funds in new inpatient facilities to enhance patient care, by providing funding support to Capital Region Healthcare affiliates through the Community Services fund for programs that address identified community needs and serve vulnerable populations, and by continuing to recruit new primary care physicians to enhance access in the community Finally, per the Instructions to Schedule H, Part I, the Hospital has not included its \$40,363,518 Medicare shortfall as-a community benefit in Part I However, we believe that this shortfall provides a tremendous benefit to the community in that it enables the Hospital to provide essential services to a vast number of patients who otherwise would not have access to the Hospitals care</p>

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	NH



Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Concord Hospital Inc

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

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

OMB No 1545-0047

2012

Open to Public  
Inspection

Employer identification number  
22-2594672

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Riverbend Community Mental Health PO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	15,332				Autism Spectrum Disorders A parent support/education group offered three times a year that is not supported by insurance payments, offered at no cost Funds are used to pay for a senior clinician and supplies that facilitates and provides training to parents
(2) Riverbend Community Mental Health PO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	21,421				Ph D Intern Program The objective of the services is to provide low-cost mental health services to adult clients in the Hillsboro area Having the Ph D intern available on-site at the Family Health Center improves access to care for a needy population of patients
(3) Riverbend Community Mental Health PO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	82,071				Licensed Masters or Doctoral Level Clinician Program Funding for a full-time, Riverbend-licensed, master's or doctoral-level clinician to work with mental health patients in the CH Emergency Department Yellow Pod to improve coordination of care and discharge planning for the complex and hard-to-place patients in the Yellow Pod
(4) Riverbend Community Mental Health PO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	7,500				Child Impact Program (CIP) New Beginnings for Children Pilot project to provide psycho educational groups for children that will help them to better understand and cope with parents' seperation or divorce Project consists of 4 1/2 sessions that will provide a positive, supportive environment to allow the children to share their experiences, learn from one another, and increase their coping skills
(5) Riverbend Community Mental Health PO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	15,000				Child Parent Psychotherapy (CPP) Specialized treatment is offered only through the Dartmouth Dept of Psychiatry and their partnership with the National Child Traumatic Stress Network
(6) Concord Regional Visiting Nurse Association PO Box 1797 Concord,NH 03301	02-0222122	501(c)(3)	7,500				Baby's First Homecoming This program supports mothers at home following discharge and enables detection of problems with mother or baby early on
(7) Child and Family Services Healthy Families Home Visiting Program 464 Chestnut Street PO Box 448 Manchester,NH 03105	02-0222164	501(c)(3)	15,300				Program in the Capital Region to serve at-risk women under the age of 25 who are pregnant with their first child and who would greatly benefit from this comprehensive approach to developing their parenting skills and enhancing maternal and child health
(8) The Children's Place and Parent Education Center 27 Burns Avenue Concord,NH 03301	02-0338647	501(c)(3)	7,000				New Parents Support Group / Toddler Play Group Offers a place in which families can come together in support of each other, striving to enhance the family unit and thus preventing child abuse and neglect

2

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

4

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
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 The Hospital works with the Concord Hospital Trust to administer grants provided from funds available through the Community Services Funds The Trust has an open application process for those entities that meet the grant requirements, and the Trust Board approves and recommends to the Hospital Board, all recommended granting actions The Trust provides annual monitoring of compliance with expected spending requirements and gets updates as needed

Software ID:

Software Version:

EIN: 22-2594672

Name: Concord Hospital Inc

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Riverbend Community Mental HealthPO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	15,332				Autism Spectrum Disorders A parent support/education group offered three times a year that is not supported by insurance payments, offered at no cost Funds are used to pay for a senior clinician and supplies that facilitates and provides training to parents
Riverbend Community Mental HealthPO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	21,421				Ph D Intern Program The objective of the services is to provide low-cost mental health services to adult clients in the Hillsboro area Having the Ph D intern available on-site at the Family Health Center improves access to care for a needy population of patients



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
Riverbend Community Mental HealthPO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	82,071				Licensed Masters or Doctoral Level Clinician Program Funding for a full-time, Riverbend-licensed, master's or doctoral-level clinician to work with mental health patients in the CH Emergency Department Yellow Pod to improve coordination of care and discharge planning for the complex and hard-to-place patients in the Yellow Pod
Riverbend Community Mental HealthPO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	7,500				Child Impact Program (CIP) New Beginnings for Children Pilot project to provide psycho educational groups for children that will help them to better understand and cope with parents' seperation or divorce Project consists of 4 1/2 sessions that will provide a positive, supportive environment to allow the children to share their experiences, learn from one another, and increase their coping skills

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
Riverbend Community Mental HealthPO Box 2032 Concord,NH 03301	02-0264383	501(c)(3)	15,000				Child Parent Psychotherapy (CPP) Specialized treatment is offered only through the Dartmouth Dept of Psychiatry and their partnership with the National Child Traumatic Stress Network
Concord Regional Visiting Nurse AssociationPO Box 1797 Concord,NH 03301	02-0222122	501(c)(3)	7,500				Baby's First Homecoming This program supports mothers at home following discharge and enables detection of problems with mother or baby early on

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
Child and Family Services Healthy Families Home Visiting Program464 Chestnut Street PO Box 448 Manchester, NH 03105	02-0222164	501(c)(3)	15,300				Program in the Capital Region to serve at-risk women under the age of 25 who are pregnant with their first child and who would greatly benefit from this comprehensive approach to developing their parenting skills and enhancing maternal and child health
The Children's Place and Parent Education Center27 Burns Avenue Concord,NH 03301	02-0338647	501(c)(3)	7,000				New Parents Support Group / Toddler Play Group Offers a place in which families can come together in support of each other, striving to enhance the family unit and thus preventing child abuse and neglect

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  
Concord Hospital Inc

Employer identification number  
22-2594672

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div>		
<div>b</div> <div>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</div>	1b	
<div>2</div> <div>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?</div>	2	
<div>3</div> <div>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</div> <div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div>4</div> <div>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</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment?</div>	4a	No
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>	4b	Yes
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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</div>		
<div>a</div> <div>The organization?</div>	5a	No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div>6</div> <div>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</div>		
<div>a</div> <div>The organization?</div>	6a	No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div>7</div> <div>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</div>	7	Yes
<div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</div>	8	No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>	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
	Part I, Line 4b	Michael B. Green, President & CEO, participates in a 457(f) plan with Concord Hospital. The 457(f) amount included in W-2 wages for Mr. Green in 2012 as reported on Schedule J, Part II, Column B(III) was \$959,269. This amount comprised of interest and deferred compensation that was included in Schedule J, Part II, Column C on prior 990s. Current year contributions to his plan of \$88,000 was included in Schedule J, Part II, Column C. The 457(f) amount included in 2012 W-2 wages (Column B(III)) properly accounts for the elimination of substantial risk of forfeiture effective 12/28/12. The amount included in Column B(III) reflects multiple years of service by Michael B. Green and includes previously unvested employer contributions dating back to 2004. Prior year employer contribution amounts for fiscal years prior to FYE 9/30/13 are reflected in Column F. The Hospital sponsors a split-dollar life insurance employee benefit program for the President & CEO. Split-dollar life insurance is an arrangement in which the employee is the owner of the life insurance policy and the premiums are paid by both the employer and employee. Pursuant to The Hospital's split-dollar agreement, and the collateral assignment therein, the employer's share of the policy premiums paid is recovered either upon termination of the policy or at the death of the participant. Note that the split-dollar arrangement is part of an employee benefit program and economically not a direct extension of credit. Furthermore, the reportable compensation of the respective employees includes the annual value of the life insurance coverage. Total premiums paid during 9/30/13 were \$45,000. The taxable value of the life insurance policy was included in Mr. Green's W-2. This policy is intended to provide an additional retirement benefit for Mr. Green's multiple years of service.
	Part I, Line 7	Incentive Pay. The primary purpose of the incentive pay is to recognize the quality of the performance of the CEO, CFO, and CMO during the preceding fiscal year. The amount of the incentive pay bonus is based on performance relative to strategic goals and measurable objectives. When the executive's performance excels, the incentive pay should reflect the accomplishment and allow for the sum of base salary and incentive pay to reach as high as the 75th percentile of peer institutions.

Software ID:  
Software Version:  
EIN: 22-2594672  
Name: Concord Hospital Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
D Thomas Akey MD	(i) (ii)	282,588 0	10,000 0	0 0	40,765 0	19,404 0	352,757 0	0 0
Diane E Wood Allen RN	(i) (ii)	201,910 0	32,357 0	0 0	61,171 0	13,104 0	308,542 0	0 0
David A Stevenson MD	(i) (ii)	210,838 0	41,609 0	0 0	27,085 0	18,252 0	297,784 0	0 0
Greg Thesing MD	(i) (ii)	164,860 0	28,598 0	0 0	27,853 0	17,964 0	239,275 0	0 0
Rachael M Rowe	(i) (ii)	155,656 0	30,000 0	0 0	30,303 0	7,308 0	223,267 0	0 0
Michael B Green	(i) (ii)	575,548 0	215,755 0	961,645 0	71,779 0	13,200 0	1,837,927 0	616,000 0
Bruce R Burns	(i) (ii)	335,970 0	88,970 0	0 0	67,801 0	13,200 0	505,941 0	0 0
David Green MD	(i) (ii)	372,201 0	88,262 0	0 0	56,248 0	16,668 0	533,379 0	0 0
Gerald Sardella MD	(i) (ii)	499,466 0	10,000 0	0 0	24,047 0	20,868 0	554,381 0	0 0
Ronald Yap MD	(i) (ii)	386,418 0	14,567 0	0 0	24,115 0	20,412 0	445,512 0	0 0
Joe Conley	(i) (ii)	346,361 0	90,680 0	0 0	67,755 0	16,980 0	521,776 0	0 0
Paul Snyder MD	(i) (ii)	377,821 0	14,567 0	0 0	54,396 0	14,844 0	461,628 0	0 0

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization  
Concord Hospital Inc

Employer identification number  
22-2594672

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	NH Health & Education Facilities Authority	02-0279866	644614K65	03-01-2011	50,095,322	Facility Improvements/Renovations		X		X		X
B	NH Health & Education Facilities Authority	02-0279866	644614Z85	02-01-2013	48,631,000	Facility Improvement Project & Advance Refund Series 2001 NHHEFA Bonds		X		X		X
C	NH Health & Education Facilities Authority	02-0279866		04-01-2013	32,421,000	Advance Refund the Series 2004 NHHEFA Hospital Revenue Bonds	X			X		X

Part II

Proceeds

					A	B	C	D
1	Amount of bonds retired				27,995,000	27,675,000		
2	Amount of bonds legally defeased				31,800,000		31,800,000	
3	Total proceeds of issue				50,095,322	48,631,000	32,421,264	
4	Gross proceeds in reserve funds							
5	Capitalized interest from proceeds							
6	Proceeds in refunding escrows							
7	Issuance costs from proceeds				544,891	561,439	64,503	
8	Credit enhancement from proceeds							
9	Working capital expenditures from proceeds							
10	Capital expenditures from proceeds							
11	Other spent proceeds							
12	Other unspent proceeds							
13	Year of substantial completion				2012			
					Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X		X	X
15	Were the bonds issued as part of an advance refunding issue?					X	X	
16	Has the final allocation of proceeds been made?				X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?				X		X	

Part III

Private Business Use

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



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?								
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?								
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?								
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?								
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?								
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?								

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		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X	X		X			
b	Exception to rebate?		X		X		X		
c	No rebate due?	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		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X		X		
b	Name of provider	Naxis Funding Corp							
c	Term of GIC	1 800000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X				

Part VI

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

Identifier	Return Reference	Explanation
See Additional Data Table		

Software ID:

Software Version:

EIN: 22-2594672

Name: Concord Hospital Inc

Form 990 Schedule K, Part VI - Supplemental Information

Identifier	Return Reference	Explanation
Schedule K Part IV , Arbitrage, Line 2c	Date Rebate Computation Performed	Issuer Name NH Health & Education Facilities Authority Date the Rebate Computation was Pe rformed 04/22/2013

Form 990 Schedule K, Part VI - Supplemental Information

Identifier	Return Reference	Explanation
Schedule K, Part III, Line 9, Part IV, line 7 and Part V		Concord Hospital established a written postissuance tax exempt bond compliance policy shortly after the tax year. The policy sets forth Concord Hospital's methodology for ensuring post-issuance compliance with IRS requirements pertaining to tax exempt debt. The policy contains specific policies on organizational responsibility, record retention, private business use, arbitrage rebate and remedial action.

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 Concord Hospital Inc	Employer identification number 22-2594672
--	--

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	Capital Region Health Care Corporation, a charitable corporation, acting through its board of trustees, is the sole Member of the Hospital

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	The Board of Trustees shall be composed of not less than fourteen nor more than nineteen persons excluding ex-officio Trustees, the number to be established and elected by the Member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	The affairs of the Hospital shall be managed by the Trustees who shall have and may exercise all the powers of the Hospital except those reserved to the Member by law , the Articles of Agreement, or the Bylaws In addition - Any voluntary dissolution, merger or consolidation of the Hospital or the sale or transfer of all or substantially all of the Hospital's assets or the creation or acquisition of any subsidiary or affiliate corporation shall be subject to approval by the Member -Any amendment of the Hospital's Bylaws or Articles of Agreement shall be subject to approval by the Member -Any changes in the Hospital's non-profit status shall be subject to approval by the Member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The 990 is review ed in detail w ith the Audit Committ ee of the Board of Trustees All board members receive a copy of the 990 to review at a board meeting, prior to filing the report



Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Each Trustee, officer and committee member, upon entering the duties of his/her office and annually thereafter, will be advised of this policy and shall sign a statement acknowledging his/her understanding of and agreement to this policy. Annual reviews will adhere to state regulations that require public notice for any significant pecuniary transaction.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>The evaluation of the performance of the Chief Executive Officer ("CEO") of Concord Hospital and its subsidiaries (collectively the "Hospital") is an important responsibility of the Board of Trustees (the "Board") and is vital in ensuring that the Hospital meets its mission. The Board has delegated the responsibility of initiating the process of conducting the CEO's performance evaluation and initiating the process of setting the CEO's compensation to the Board's Compensation Committee. The Compensation Committee also is charged with the responsibility of reviewing the appropriateness of the compensation of the Hospital's Chief Operating Officer and Chief Financial Officer as proposed by the CEO. The Compensation Committee shall present its report of the CEO's annual performance to the Board for its further input and consideration. The Compensation Committee shall also make its recommendation to the Board concerning the CEO's compensation. Finally, the Compensation Committee shall make its recommendation to the Board concerning the compensation of the COO and CFO. The Board shall review the recommendations of the Compensation Committee as to the compensation of the Hospital's CEO, COO and CFO and shall set their compensation as the Board deems appropriate. Although the Hospital continues to value the role of Capital Region Health Care Corporation ("CRHC") and the Hospital's participation in that organization, the Board acknowledges that it is not the responsibility of the Board to evaluate or set the compensation of the Chief Executive Officer of CRHC. Neither is it the role of the Board of Trustees of CRHC to evaluate, or set the compensation of, the Hospital's CEO. Accordingly, CRHC's Board of Trustees is not involved in evaluating or setting the compensation of the Hospital's CEO. The Board acknowledges that the Hospital's CEO may also serve as the Chief Executive Officer of CRHC and that the Hospital may charge CRHC for these services. The Board may consider the comments of the Board of Trustees of CRHC, as outlined herein, when deemed relevant in evaluating the performance of the Hospital's CEO. The Board directs that the Compensation Committee and the Board itself, in their respective undertakings of recommending and setting the compensation of the Hospital's CEO, COO and CFO, avoid conflicts of interest and be guided by the "rebuttable presumption of reasonableness" regulations under the so-called "Excess Benefit Transaction" provisions of the Internal Revenue Code ("IRC"). The Board authorizes the Compensation Committee to use such financial and advisory (e.g., legal counsel, consultant) resources as it reasonably deems appropriate to fulfill its duties in evaluating the CEO's performance and in making its recommendations to the Board regarding compensation for the CEO, COO and CFO.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Yes, the organization makes all of this information available to the public. Audited financial statements and the most recent quarter ended financial statements are posted on the Hospital's web site, <a href="http://www.concordhospital.org">www.concordhospital.org</a> . In addition to this, the Hospital sends its annual report, including a financial summary, to members of the community via the US Postal service. Governing documents and conflicts of interest filings adhere to state regulations that require public notice for any significant pecuniary transaction.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Pension Actuarial Gain 26,967,123

Identifier	Return Reference	Explanation
	Form 990, Part XII, Line 2c	There was no change in the process for oversight of the audit and compilation of financial statements for the fiscal year. The Board has a finance committee, which reviews the financial statements monthly. There is also an audit committee of the Board, which reviews the annual audit process and the selection of the independent accountant. The same independent firm of accountants performed the audit for the fiscal years ending 9/30/12 and 9/30/13.

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  
Concord Hospital Inc

Employer identification number  
22-2594672

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	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?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Capital Region Health Services Corporation  250 Pleasant Street Concord, NH 03301 02-0428631	Medical services	NH	Capital Region Health Care Corp	C					No
(2) Capital Region Primary Care Corporation  250 Pleasant Street Concord, NH 03301 02-0495275	Inactive	NH	Concord Hospital	C			100 000 %	Yes	

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a Yes

1b Yes

1c Yes

1d Yes

1e

1f

1g

1h

1i

1j

1k Yes

1l

1m

1n

1o Yes

1p

1q Yes

1r

1s

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2012



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

[illegible]

Software ID:  
Software Version:  
EIN: 22-2594672  
Name: Concord Hospital Inc

Part VII

Supplemental Information

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

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

--> 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
Capital Region Health Care Development Corp	A	1,441,706	Actual per books
Capital Region Health Care Corp	A	100,530	Actual per books
Capital Region Health Care Corp	B	323,917	Actual per books
CHDHC	B	142,708	Actual per books
Capital Region Health Care Ventures Corp	C	6,249,923	Actual per books
Capital Region Health Care Services Corp	C	506,613	Actual per books
Capital Region Health Care Development Corp	K	2,780,396	Actual per books
Capital Region Health Care Development Corp	O	503,657	Actual per books
Capital Region Health Care Ventures Corp	O	1,311,230	Actual per books
CHDHC	O	45,860	Actual per books
Concord Hospital Trust	O	520,772	Actual per books
Capital Region Health Care Development Corp	Q	73,212	Actual per books
Capital Region Health Care Ventures Corp	Q	579,479	Actual per books
CHDHC	Q	96,848	Actual per books
Concord Hospital Trust	Q	331,800	Actual per books

# **Concord Hospital, Inc. and Subsidiaries**

Audited Consolidated Financial Statements  
and Additional Information

*Years Ended September 30, 2013 and 2012  
With Independent Auditors' Report*

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## Audited Consolidated Financial Statements and Additional Information

Years Ended September 30, 2013 and 2012

### CONTENTS

Independent Auditors' Report	1
Audited Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Additional Information	
Independent Auditors' Report on Additional Information	36
Consolidating Balance Sheet	37
Consolidating Statement of Operations	39

**Concord Hospital, Inc.  
and Subsidiaries**

Audited Consolidated Financial Statements

*Years Ended September 30, 2013 and 2012  
With Independent Auditors' Report*

# **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

Audited Consolidated Financial Statements

Years Ended September 30, 2013 and 2012

## **CONTENTS**

Independent Auditors' Report	1
Audited Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Concord Hospital, Inc

We have audited the accompanying consolidated financial statements of Concord Hospital, Inc and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 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 consolidated financial statements

### *Management's Responsibility for the Consolidated 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 misstatement, whether due to fraud or error

### *Auditors' 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 of material misstatement.

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2013 and 2012, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Manchester, New Hampshire  
December 9, 2013

Limited Liability Company

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

September 30, 2013 and 2012

### ASSETS (In thousands)

	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 24.006	\$ 32.720
Investments	2.384	14.382
Accounts receivable, less allowance for doubtful accounts of \$19.695 in 2013 and \$17.995 in 2012	46.061	41.614
Due from affiliates	584	240
Supplies	1.153	740
Prepaid expenses and other current assets	<u>5.983</u>	<u>4.452</u>
Total current assets	80.171	94.148
Assets whose use is limited or restricted		
Board designated	230.143	174.864
Funds held by trustee		
Workers' compensation reserves and self-insurance escrows	9.212	7.966
Construction fund	10.398	—
Donor-restricted	<u>32.367</u>	<u>29.642</u>
Total assets whose use is limited or restricted	282.120	212.472
Other noncurrent assets		
Due from affiliates, net of current portion	2.779	3.167
Bond issuance costs and other assets	<u>18.651</u>	<u>10.311</u>
Total other noncurrent assets	21.430	13.478
Property and equipment		
Land and land improvements	5.394	5.383
Buildings	166.951	157.893
Equipment	205.283	192.633
Construction in progress	<u>9.286</u>	<u>14.000</u>
	386.914	369.909
Less accumulated depreciation	<u>(230.767)</u>	<u>(212.808)</u>
Net property and equipment	<u>156.147</u>	<u>157.101</u>
	<u>\$ 539,868</u>	<u>\$ 477,199</u>



## (In thousands)

See accompanying notes

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2013 and 2012

(In thousands)

	<u>2013</u>	<u>2012</u>
Unrestricted revenue and other support		
Net patient service revenue, net of contractual allowances and discounts	\$432,232	\$409,261
Provision for doubtful accounts	<u>(31,493)</u>	<u>(26,251)</u>
Net patient service revenue less provision for doubtful accounts	400,739	383,010
Other revenue	24,140	25,413
Net assets released from restrictions for operations	<u>1,886</u>	<u>1,973</u>
Total unrestricted revenue and other support	426,765	410,396
Expenses		
Salaries and wages	180,716	173,024
Employee benefits	45,644	43,943
Supplies and other	76,347	71,989
Purchased services	59,783	59,057
Professional fees	3,170	2,629
Depreciation and amortization	25,047	24,595
Medicaid enhancement tax	16,541	16,175
Interest expense	<u>4,720</u>	<u>4,918</u>
Total expenses	<u>411,968</u>	<u>396,330</u>
Income from operations	14,797	14,066
Nonoperating (loss) income		
Unrestricted gifts and bequests	159	3,984
Investment income and other	92	2,079
Loss on extinguishment of debt	<u>(3,169)</u>	<u>—</u>
Total nonoperating (loss) income	<u>(2,918)</u>	<u>6,063</u>
Excess of revenues and gains over expenses	<u>\$ 11,879</u>	<u>\$ 20,129</u>

See accompanying notes

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2013 and 2012  
(In thousands)

	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Excess of revenues and gains over expenses	\$ 11,879	\$ 20,129
Net unrealized gains on investments	22,870	16,891
Net transfers from affiliates	295	258
Net assets released from restrictions used for purchases of property and equipment	112	503
Pension adjustment	<u>26,967</u>	<u>(15,369)</u>
Increase in unrestricted net assets	62,123	22,412
Temporarily restricted net assets		
Restricted contributions and pledges	1,285	1,346
Restricted investment income	66	336
Contributions to affiliates and other community organizations	(135)	(123)
Net unrealized gains on investments	2,019	1,715
Net assets released from restrictions for operations	(1,886)	(1,973)
Net assets released from restrictions used for purchases of property and equipment	<u>(112)</u>	<u>(503)</u>
Increase in temporarily restricted net assets	1,237	798
Permanently restricted net assets		
Restricted contributions and pledges	1,022	129
Unrealized gains on trusts administered by others	<u>466</u>	<u>898</u>
Increase in permanently restricted net assets	<u>1,488</u>	<u>1,027</u>
Increase in net assets	64,848	24,237
Net assets, beginning of year	<u>230,465</u>	<u>206,228</u>
Net assets, end of year	<u>\$295,313</u>	<u>\$230,465</u>

See accompanying notes

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2013 and 2012  
(In thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase in net assets	\$ 64,848	\$ 24,237
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Restricted contributions and pledges	(2,307)	(1,475)
Depreciation and amortization	25,047	24,595
Net realized and unrealized gains on investments	(23,589)	(20,623)
Bond discount/premium amortization	(202)	(209)
Loss on extinguishment of debt	3,169	–
Provision for doubtful accounts	31,493	26,251
Equity in earnings of affiliates, net	(5,835)	(5,987)
Loss on disposal of property and equipment	56	321
Pension adjustment	(26,967)	15,369
Changes in operating assets and liabilities		
Accounts receivable	(35,940)	(24,721)
Supplies and prepaid expenses	(1,944)	(179)
Other assets	(11,973)	(3,339)
Due from affiliates	44	515
Accounts payable and accrued expenses	(414)	(538)
Accrued compensation and related expenses	1,071	1,773
Accrual for estimated third-party pay or settlements	3,257	2,831
Accrued pension and other long-term liabilities	<u>8,069</u>	<u>(1,137)</u>
Net cash provided by operating activities	27,883	37,684
Cash flows from investing activities		
Increase in property and equipment, net	(23,961)	(23,559)
Purchases of investments	(161,265)	(84,651)
Proceeds from sales of investments	127,222	96,910
Equity distributions from affiliates	<u>6,152</u>	<u>6,456</u>
Net cash used by investing activities	(51,852)	(4,844)
Cash flows from financing activities		
Proceeds from long-term debt	81,052	–
Payments on long-term debt	(67,646)	(9,755)
Change in short-term notes payable	326	(243)
Bond issuance costs	(766)	–
Restricted contributions and pledges	<u>2,289</u>	<u>1,429</u>
Net cash provided (used) by financing activities	<u>15,255</u>	<u>(8,569)</u>
Net (decrease) increase in cash and cash equivalents	(8,714)	24,271
Cash and cash equivalents at beginning of year	<u>32,720</u>	<u>8,449</u>
Cash and cash equivalents at end of year	<u>\$ 24,006</u>	<u>\$ 32,720</u>

See accompanying notes

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 1. **Description of Organization and Summary of Significant Accounting Policies**

#### Organization

Concord Hospital, Inc. (the Hospital) located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area. The Hospital is controlled by Capital Regional Health Care Corporation (CRHC).

In 1985, the then Concord Hospital underwent a corporate reorganization in which it was renamed and became CRHC. At the same time, the Hospital was formed as a new entity. All assets and liabilities of the former hospital, now CRHC, with the exception of its endowments and restricted funds, were conveyed to the new Hospital. The endowments were held by CRHC for the benefit of the Hospital, which is the true party in interest. Effective October 1, 1999, CRHC transferred these funds to the Hospital.

In March 2009, Concord Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic permanent and temporarily restricted funds, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts. Concord Hospital and the Trust constitute the Obligated Group at September 30, 2013 and 2012 to certain debt described in Note 6.

Subsidiaries of the Hospital include:

Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities in cooperation with other entities.

CH/DHC, Inc. d b a Dartmouth-Hitchcock-Concord (CH/DHC) is a not-for-profit corporation that provides clinical medical services through a multi-specialty group practice. CH/DHC was formed under a joint agreement between the Hospital and DH-Concord.

The Hospital, its subsidiaries and the Trust are collectively referred to as the System. The consolidated financial statements include the accounts of the Hospital, the Trust, CRHCDC, CRHVC and CH/DHC. All significant intercompany balances and transactions have been eliminated in consolidation.

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates include the allowance for doubtful accounts and contractual adjustments, estimated third-party payor settlements, and actuarial assumptions used in determining pension expense, health benefit plan expense, workers' compensation costs and malpractice losses.

##### Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the Harbor Funds International Fund and the State Street S&P 500 CTF as of September 30, 2013 and 2012.

##### Cash and Cash Equivalents

Cash and cash equivalents include money market funds and secured repurchase agreements with original maturities of three months or less, excluding assets whose use is limited or restricted.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

##### Supplies

Supplies are carried at the lower of cost, determined on a weighted-average method, or market.

##### Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, workers' compensation reserves, quasi-endowment funds, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

#### Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues and gains over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

#### Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are unrestricted. The System's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the fair value of beneficial trust assets are reported as increases or decreases to permanently restricted net assets.

#### Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund, (b) the purpose of the organization and the donor-restricted endowment fund, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the organization, and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value.

#### Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (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 System records a provision for doubtful accounts 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 the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The System's allowance for doubtful accounts for self-pay patients decreased from 88% of self-pay accounts receivable at September 30, 2012 to 87% of self-pay accounts receivable at September 30, 2013. The total provision for the allowance for doubtful accounts was \$31,493 and \$26,251 for the years ended September 30, 2013 and 2012, respectively. The System also allocates a portion of the allowance and provision for doubtful accounts to charity care, which is reflected within net patient service revenue, net of contractual allowance and discounts, in the accompanying consolidated statements of operations. The System's self-pay bad debt writeoffs increased \$232, from \$32,052 in 2012 to \$32,284 in 2013. The change in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends.



## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

#### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

##### *Property and Equipment*

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2013 and 2012, depreciation expense was \$24.859 and \$24.407, respectively.

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. Interest capitalized as part of construction projects was \$23 and \$166 during 2013 and 2012, respectively.

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

##### *Federal Grant Revenue and Expenditures*

Revenues and expenses under federal grant programs are recognized as the grant expenditures are incurred.

##### *Bond Issuance Costs Original Issue Discount or Premium*

Bond issuance costs incurred to obtain financing for construction and renovation projects and the original issue discount or premium are being amortized by the straight-line method, which approximates the effective interest method, over the life of the respective bonds. The original issue discount or premium is presented as a component of bonds payable.

##### *Charity Care*

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 11). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2013 and 2012 were approximately \$13 and \$15, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

#### *Temporarily and Permanently Restricted Net Assets*

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

#### *Net Patient Service Revenue*

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. For the years ended September 30, 2013 and 2012, net patient service revenue in the accompanying consolidated statements of operations increased by approximately \$1,366 and \$3,256, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Revenues from the Medicare and Medicaid programs accounted for approximately 28% and 3% and 27% and 3% of the System's net patient service revenue for the years ended September 30, 2013 and 2012, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

##### Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and intentions to give are reported at fair value at the date the condition is met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

##### Excess of Revenues and Gains Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for unrestricted contributions and pledges, the related philanthropy expenses, investment income and loss on extinguishment of debt which are recorded as nonoperating income (loss).

The consolidated statements of operations also include excess of revenues and gains over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments other than trading securities or losses considered other than temporary, permanent transfers of assets to and from affiliates for other than goods and services, the minimum pension liability adjustment and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

##### Estimated Workers' Compensation and Health Care Claims

The provision for estimated workers' compensation and health care claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

##### Income Taxes

The Hospital, CRHCDC, CRHVC, CH/DHC and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2010.

##### Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately \$184 and \$286 for the years ended September 30, 2013 and 2012, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

#### Reclassifications

Certain 2012 amounts have been reclassified to conform with the current year presentation

#### Subsequent Events

Management of the System evaluated events occurring between the end of its fiscal year and December 9, 2013, the date the consolidated financial statements were available to be issued

### 2. **Transactions With Affiliates**

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2013 and 2012, transfers made to CRHC were \$(212) and \$(32), respectively, and transfers received from Capital Region Health Care Services Corporation (CRHCSC) were \$507 and \$290, respectively.

A brief description of affiliated entities is as follows:

- CRHCSC is a for-profit provider of health care services, including an eye surgery center and assisted living facility.
- Concord Regional Visiting Nurse Association, Inc. and Subsidiary (CRVNA) provides home health care services.
- Riverbend, Inc. provides behavioral health services.

Amounts due the System, primarily from joint ventures, totaled \$3,363 and \$3,407 at September 30, 2013 and 2012, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables (\$968 and \$1,002 at September 30, 2013 and 2012, respectively) with principal and interest (6.75% at September 30, 2013) payments due monthly. Interest income amounted to \$67 and \$69 for the years ended September 30, 2013 and 2012, respectively.

Contributions to affiliates and other community organizations from temporarily restricted net assets were \$135 and \$123 in 2013 and 2012, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 3. Investments and Assets Whose Use is Limited or Restricted

Investments totaling \$2,384 and \$14,382 at September 30, 2013 and 2012, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30:

	<u>2013</u>	<u>2012</u>
Board designated funds		
Cash and cash equivalents	\$ 2,416	\$ 1,200
Fixed income securities	44,245	34,997
Marketable equity and other securities	168,040	125,808
Inflation-protected securities	<u>15,442</u>	<u>12,859</u>
	230,143	174,864
Held by trustee for workers' compensation reserves		
Fixed income securities	3,629	3,655
Health insurance and other escrow funds		
Cash and cash equivalents	863	863
Fixed income securities	912	773
Marketable equity securities	3,808	2,673
Guaranteed interest contract	<u>—</u>	<u>2</u>
	5,583	4,311
Held by trustee for construction fund		
Cash equivalents	10,398	—
Donor restricted		
Cash and cash equivalents	2,635	2,015
Fixed income securities	3,696	3,250
Marketable equity securities	13,961	12,719
Inflation-protected securities	1,290	1,357
Trust funds administered by others	10,678	10,212
Other	<u>107</u>	<u>89</u>
	<u>32,367</u>	<u>29,642</u>
	<u>\$282,120</u>	<u>\$212,472</u>

Included in marketable equity and other securities above are \$80,648 and \$69,967 at September 30, 2013 and 2012, respectively, in so called alternative investments. See also note 14.

# **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2013 and 2012

(In thousands)

### **3. Investments and Assets Whose Use is Limited or Restricted (Continued)**

Investment income, net realized gains and losses and net unrealized gains and losses on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30

	<u>2013</u>	<u>2012</u>
Unrestricted		
Interest and dividends	\$ 2,936	\$ 2,457
Investment income from trust funds administered by others	496	509
Net realized (losses) gains on sales of investments	<u>(1,632)</u>	<u>1,003</u>
	1,800	3,969
Restricted		
Interest and dividends	200	220
Net realized (losses) gains on sales of investments	<u>(134)</u>	<u>116</u>
	66	336
	<u>\$ 1,866</u>	<u>\$ 4,305</u>
Other changes in net assets		
Net unrealized gains on investments		
Unrestricted	\$ 22,870	\$ 16,891
Temporarily restricted	2,019	1,715
Permanently restricted	<u>466</u>	<u>898</u>
	<u>\$ 25,355</u>	<u>\$ 19,504</u>

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was \$1,550 and \$2,284 in 2013 and 2012, respectively.

Investment management fees expensed and reflected in nonoperating income were \$736 and \$756 for the years ended September 30, 2013 and 2012, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 3. Investments and Assets Whose Use is Limited or Restricted (Continued)

The following summarizes the Hospital's gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2013 and 2012

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair</u>	<u>Unrealized</u>	<u>Fair</u>	<u>Unrealized</u>	<u>Fair</u>	<u>Unrealized</u>
	<u>Value</u>	<u>Losses</u>	<u>Value</u>	<u>Losses</u>	<u>Value</u>	<u>Losses</u>
<u>2013</u>						
Marketable equity securities	\$41,047	\$ (882)	\$ 47	\$ (19)	\$41,094	\$ (901)
REIT	108	(3)	—	—	108	(3)
Fund-of-funds	<u>7,344</u>	<u>(658)</u>	<u>8,800</u>	<u>(981)</u>	<u>16,144</u>	<u>(1,639)</u>
	<u>\$48,499</u>	<u>\$ (1,543)</u>	<u>\$ 8,847</u>	<u>\$ (1,000)</u>	<u>\$57,346</u>	<u>\$ (2,543)</u>
<u>2012</u>						
Marketable equity securities	\$ 4,753	\$ (341)	\$ 1,818	\$ (348)	\$ 6,571	\$ (689)
REIT	—	—	107	(2)	107	(2)
Fund-of-funds	<u>—</u>	<u>—</u>	<u>18,612</u>	<u>(4,097)</u>	<u>18,612</u>	<u>(4,097)</u>
	<u>\$ 4,753</u>	<u>\$ (341)</u>	<u>\$20,537</u>	<u>\$ (4,447)</u>	<u>\$25,290</u>	<u>\$ (4,788)</u>

In evaluating whether investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the System's intent and ability to hold the security until a recovery in fair value or maturity. Based on evaluations of the underlying issuers' financial condition, current trends and economic conditions, management believes that unrealized losses related to securities that have suffered an other-than-temporary decline in value are not material to these consolidated financial statements

### 4. Defined Benefit Pension Plan

The System has a noncontributory defined benefit pension plan (the Plan), covering all eligible employees of the System and subsidiaries. The Plan is a cash balance plan that provides benefits based on an employee's years of service, age and the employee's compensation over those years. The System's funding policy is to contribute annually the amount needed to meet or exceed actuarially determined minimum funding requirements of the *Employee Retirement Income Security Act of 1974* (ERISA)

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 4. Defined Benefit Pension Plan (Continued)

The System accounts for its defined benefit pension plan under ASC 715, *Compensation Retirement Benefits*. This Statement requires entities to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements.

The following table summarizes the Plan's funded status at September 30, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Pension benefits		
Fair value of plan assets	\$ 131,706	\$ 117,798
Projected benefit obligation	<u>(172,761)</u>	<u>(186,897)</u>
	<u>\$ (41,055)</u>	<u>\$ (69,099)</u>
Activities for the year consist of		
Benefit payments and administrative expenses	\$ 9,356	\$ 3,846
Net periodic benefit cost	10,923	8,655

The table below presents details about the System's defined benefit pension plan, including its funded status, components of net periodic benefit cost, and certain assumptions used in determining the funded status and cost.

	<u>2013</u>	<u>2012</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$186,897	\$155,288
Service cost	8,711	7,733
Interest cost	7,940	7,799
Actuarial (gain) loss	(21,431)	19,923
Benefit payments and administrative expenses paid	<u>(9,356)</u>	<u>(3,846)</u>
Benefit obligation at end of year	<u>\$172,761</u>	<u>\$186,897</u>
Change in plan assets		
Fair value of plan assets at beginning of year	\$117,798	\$ 98,213
Actual return on plan assets	11,264	11,431
Employer contributions	12,000	12,000
Benefit payments and administrative expenses paid	<u>(9,356)</u>	<u>(3,846)</u>
Fair value of plan assets at end of year	<u>\$131,706</u>	<u>\$117,798</u>
Funded status and amount recognized in noncurrent liabilities at September 30	<u>\$ (41,055)</u>	<u>\$ (69,099)</u>



# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 4. Defined Benefit Pension Plan (Continued)

Amounts recognized as a change in unrestricted net assets during the years ended September 30, 2013 and 2012 consist of

	<u>2013</u>	<u>2012</u>
Net actuarial (gain) loss	\$ (22,539)	\$ 17,874
Net amortized loss	(4,492)	(2,722)
Prior service credit amortization	<u>64</u>	<u>217</u>
Total amount recognized	<u>\$ (26,967)</u>	<u>\$ 15,369</u>

#### Pension Plan Assets

The fair values of the System's pension plan assets and target allocations as of September 30, 2013 and 2012, by asset category are as follows (see Note 14 for level definitions)

	<u>Target Allo- cation 2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Percentage of Plan Assets September 30, 2013</u>
Short-term investments	0 – 5%					7%
Money market funds		\$ 9,186	\$ –	\$ –	\$ 9,186	
Equity securities	40 – 70%					71%
Common stocks		6,960	–	–	6,960	
Mutual funds – international		36,542	–	–	36,542	
Common collective trust		–	20,170	–	20,170	
Funds-of-funds		–	3,672	26,582	30,254	
Fixed income securities	10 – 60%					13%
Mutual funds - REIT		545	–	–	545	
Mutual funds – fixed income		11,529	–	–	11,529	
Funds-of-funds		–	–	4,568	4,568	
Hedge funds	0 – 20%					9%
Inflation hedge		<u>–</u>	<u>11,952</u>	<u>–</u>	<u>11,952</u>	
		<u>\$64,762</u>	<u>\$35,794</u>	<u>\$31,150</u>	<u>\$131,706</u>	

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 4. Defined Benefit Pension Plan (Continued)

	Target Allo- cation <u>2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	Percentage of Plan Assets September 30, <u>2012</u>
Short-term investments	0 – 5%					0%
Money market funds		\$ –	\$ –	\$ –	\$ –	
Equity securities	40 – 70%					69%
Common stocks		6,532	–	–	6,532	
Mutual funds – international		29,738	–	–	29,738	
Foreign		–	661	–	661	
Common collective trust		–	14,965	–	14,965	
Funds-of-funds		–	–	28,766	28,766	
Fixed income securities	10 – 60%					26%
U S government and agency obligations		2,575	12,439	–	15,014	
Mutual funds - REIT		473	–	–	473	
Mutual funds – fixed income		10,256	–	–	10,256	
Funds-of-funds		–	–	5,006	5,006	
Hedge funds	0 – 20%					5%
Inflation hedge		<u>–</u>	<u>6,387</u>	<u>–</u>	<u>6,387</u>	
		<u>\$49,574</u>	<u>\$34,452</u>	<u>\$33,772</u>	<u>\$117,798</u>	

The funds-of-funds are invested with six investment managers and have various restrictions on redemptions. Four of the managers holding amounts totaling approximately \$21 million allow for monthly redemptions, with notices ranging from 5 to 15 days. Two managers holding amounts totaling approximately \$14 million allow for quarterly redemptions, with a notice of 45 or 65 days. Two of the funds also require a one-year lock on initial deposit of funds. One fund also may include a fee estimated to be equal to the cost the fund incurs in converting investments to cash (maximum of 1.5%).

The table below sets forth a summary of changes in plan assets using unobservable inputs (Level 3)

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$33,772	\$38,315
Unrealized losses related to instruments still held at the reporting date	(566)	(4,543)
Purchases	4,000	–
Sales	<u>(6,056)</u>	<u>–</u>
Balance, end of year	<u>\$31,150</u>	<u>\$33,772</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 4. Defined Benefit Pension Plan (Continued)

The System considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from the System's actuaries and investment consultants, and long-term inflation assumptions. The System's expected allocation of plan assets is based on a diversified portfolio consisting of domestic and international equity securities, fixed income securities, and real estate.

The System's investment policy for its pension plan is to balance risk and returns using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, plan assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The System monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The System's Investment Committee provides oversight of the plan investments and the performance of the investment managers.

Amounts included in expense during fiscal 2013 and 2012 consist of

	<u>2013</u>	<u>2012</u>
Components of net periodic benefit cost		
Service cost	\$ 8,711	\$ 7,733
Interest cost	7,940	7,799
Expected return on plan assets	(10,156)	(9,382)
Amortization of prior service cost and gains and losses	<u>4,428</u>	<u>2,505</u>
Net periodic benefit cost	<u>\$ 10,923</u>	<u>\$ 8,655</u>

The accumulated benefit obligations for the plan at September 30, 2013 and 2012 were \$161,290 and \$172,908, respectively.

	<u>2013</u>	<u>2012</u>
Weighted average assumptions to determine benefit obligation		
Discount rate	5.38%	4.40%
Rate of compensation increase	2.00	2.00
Weighted average assumptions to determine net periodic benefit cost		
Discount rate	4.40%	5.15%
Expected return on plan assets	8.00	8.00
Cash balance credit rate	5.00	5.00
Rate of compensation increase	2.00	2.00

In selecting the long-term rate of return on plan assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the plan's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment.

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

#### 4. Defined Benefit Pension Plan (Continued)

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2013 are as follows

Actuarial loss	\$ 2,770
Prior service credit	<u>(33)</u>
	<u>\$ 2,737</u>

The System funds the pension plan and no contributions are made by employees. The System funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the System's actuary. However, the System may also fund the plan in excess of the minimum required amount.

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund \$12,000 in cash contributions to the plan for the 2014 plan year.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

<u>Year Ended September 30</u>	<u>Pension Benefits</u>
2014	\$ 8,999
2015	10,034
2016	10,917
2017	13,101
2018	13,520
2019 – 2023	82,301

#### 5. Estimated Third-Party Payor Settlements

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

##### Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are primarily paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. In addition to this, the System is also reimbursed for medical education and other items which require cost settlement and retrospective review by the fiscal intermediary. Accordingly, the System files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

The physician practices are reimbursed on a fee schedule basis.

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

#### 5. Estimated Third-Party Payor Settlements (Continued)

##### Medicaid Enhancement Tax

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the System for fiscal 2013 and 2012 was \$16,541 and \$16,175, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In addition, as part of the State of New Hampshire's biennial budget process for the two-year period ended June 30, 2013, the State eliminated disproportionate share payments to certain New Hampshire hospitals, including the System. As a result, during the fiscal years ended September 30, 2013 and 2012, the System paid the State of New Hampshire's MET based on 5.5% of net patient service revenues, with certain exclusions but did not receive disproportionate share payments.

The System amended certain past MET returns based upon further guidance which provided that certain exclusions can be deducted from net patient service revenues. Subsequent to September 30, 2013, the State completed an initial audit of those amended returns. The outcome of the amended returns and related audits is uncertain at the date of these consolidated financial statements, and no amounts have been reflected in these consolidated financial statements related to those matters.

##### Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under fee schedules and cost reimbursement methodologies subject to various limitations or discounts. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid program.

The physician practices are reimbursed on a fee schedule basis.

##### Other

The System has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates.

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2009 for Medicare and Medicaid.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 6. Long-Term Debt and Notes Payable

Long-term debt consists of the following at September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
2 0% to 5 0% New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Concord Hospital Issue, Series 2013A, due in annual installments, including principal and interest ranging from \$1,543 to \$3,555 through 2043, including unamortized original issue premium of \$3,550 in 2013	\$ 47,860	\$ —
1 71% fixed rate NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013B, due in annual installments, including principal and interest ranging from \$1,651 to \$3,977 through 2024	31,011	—
1 3% to 5 6% NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011, due in annual installments, including principal and interest of \$5,200 through 2026, including unamortized original issue premium of \$252 in 2013 and \$270 in 2012	40,841	44,196
3 0% to 5 5% NHHEFA Hospital Revenue Bonds, Concord Hospital Issue, Series 2001, due in annual installments, including principal and interest of \$2,302 through 2031, net of unamortized original issue discount of \$391 in 2012 Refunded in 2013 through the Series 2013A issuance as described below	—	27,284
2 88% to 5 25% NHHEFA Hospital Revenue Bonds, Concord Hospital Issue Series 2004, due in annual installments, including principal and interest of \$4,264, payable through 2024, including unamortized original issue premium of \$1,167 in 2012 Refunded in 2013 through the Series 2013B issuance as described below	—	32,967
4% to 5% NHHEFA Revenue Anticipation Notes, Concord Hospital Issue, Series 2008, due in annual installments, including principal and interest ranging from \$2,861 to \$3,756 through 2013, including unamortized original issue premium of \$66 in 2012 Paid in full in 2013	—	2,786
	119,712	107,233
Less current portion	<u>(7,931)</u>	<u>(9,721)</u>
	<u>\$111,781</u>	<u>\$ 97,512</u>

In February 2013, \$48,631 (including an original issue premium of \$3,631) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013A, were issued to assist in the funding of a significant facility improvement project and to advance refund the Series 2001 NHHEFA Hospital Revenue Bonds. The facility improvement project includes enhancements to the System's power plant, renovation of certain nursing units, expansion of the parking capacity at the main campus and various other routine capital expenditures and miscellaneous construction, renovation and improvements of the System's facilities. As a result of the advance refunding, the unamortized bond issuance costs and original issue discount related to the Series 2001 NHHEFA Hospital Revenue Bonds were included in loss on extinguishment of debt and totaled \$1,483 for the year ended September 30, 2013. As of September 30, 2013, none of the Series 2001 advance refunded bonds remain outstanding.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 6. Long-Term Debt and Notes Payable (Continued)

In April 2013, \$32.421 of NHHEFA Revenue Bonds, Concord Hospital Issues, Series 2013B, were issued to advance refund the Series 2004 NHHEFA Hospital Revenue Bonds. As a result of the bond refinancing, the unamortized bond issuance costs and original issue premium related to the Series 2004 NHHEFA Hospital Revenue Bonds were included on loss on extinguishment of debt and totaled \$1.686 for the year ended September 30, 2013. As of September 30, 2013, \$31.800 of advance refunded bonds, which are considered extinguished for purposes of these consolidated financial statements, remain outstanding.

In March 2011, \$49.795 of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011, were issued to assist in the funding of a significant facility improvement project and pay off the Series 1996 Revenue Bonds. The project included expansion and renovation of various Hospital departments, infrastructure upgrades, and acquisition of capital equipment. The project began during fiscal year 2011 and was completed in fiscal year 2012.

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, and a mortgage lien on the facility, are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. In addition, the gross receipts of the Hospital are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. The most restrictive financial covenants require a 1.10 (1.25 in 2012) to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 75 days (90 days in 2012). The Hospital was in compliance with its debt covenants at September 30, 2013 and 2012.

The obligations of the Hospital under the Series 2013A and B and Series 2011 Revenue Bond Indentures are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to \$4.892 and \$5.236 for the years ended September 30, 2013 and 2012, respectively.

The aggregate principal payments on long-term debt for the next five fiscal years ending September 30 are as follows:

2014	\$ 7.931
2015	8.131
2016	8.337
2017	8.570
2018	8.822
Thereafter	<u>77.921</u>
	<u>\$119,712</u>

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 7. **Commitments and Contingencies**

##### *Malpractice Loss Contingencies*

Prior to February 1, 2011, the System was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants and total \$4,692 and \$6,502 at September 30, 2013 and 2012 and are reflected in the accompanying consolidated balance sheets within accrued pension and other long-term liabilities. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

Effective February 1, 2011, the System insures its medical malpractice risks through a multiprovider captive insurance company under a claims-made insurance policy. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2013, there were no known malpractice claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required loss accruals. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The System's interest in the captive represents approximately 28% of the captive. Control of the captive is equally shared by participating hospitals. The System has recorded its interest in the captive's equity, totaling approximately \$1,335 at September 30, 2013 and 2012, in other noncurrent assets on the accompanying consolidated balance sheets. Changes in the System's interest are included in nonoperating income on the accompanying consolidated statements of operations.

In accordance with Accounting Standards Update No. 2010-24, "Health Care Entities" (Topic 954) *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2013 and 2012, the Hospital recorded a liability of approximately \$12,900 and \$3,000, respectively, related to estimated professional liability losses. At September 30, 2013 and 2012, the Hospital also recorded a receivable of \$12,900 and \$3,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other long-term liabilities, and bond issuance costs and other assets, respectively, on the consolidated balance sheets.

##### *Workers' Compensation*

The Hospital maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Hospital against excessive losses. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$2,456 and \$2,995 at September 30, 2013 and 2012, respectively, have been discounted at 6% and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan.



## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 7. Commitments and Contingencies (Continued)

##### Litigation

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's financial position, results of operations or cash flows.

##### Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of \$440 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2013 and 2012, have been recorded as a liability of \$5.034 and \$6.662, respectively, and are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

##### Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under noncancellable lease agreements as of September 30, 2013 are as follows:

Year Ending September 30	
2014	\$ 4,900
2015	4,257
2016	4,200
2017	3,634
2018	3,357
Thereafter	<u>19,952</u>
	<u>\$40,300</u>

Rent expense was \$8.456 and \$8.207 for the years ended September 30, 2013 and 2012, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30

	<u>2013</u>	<u>2012</u>
Health education and program services	\$ 12,821	\$ 11,446
Capital acquisitions	1,053	652
Indigent care	181	709
For periods after September 30 of each year	<u>72</u>	<u>83</u>
	<u>\$14,127</u>	<u>\$12,890</u>

Income on the following permanently restricted net asset funds is available for the following purposes at September 30

	<u>2013</u>	<u>2012</u>
Health education and program services	\$ 15,513	\$ 14,213
Capital acquisitions	803	606
Indigent care	1,810	1,883
For periods after September 30 of each year	<u>114</u>	<u>50</u>
	<u>\$18,240</u>	<u>\$16,752</u>

### 9. Patient Service and Other Revenue

Net patient service revenue for the years ended September 30 is as follows

	<u>2013</u>	<u>2012</u>
Gross patient service charges		
Inpatient services	\$393,992	\$353,457
Outpatient services	469,048	432,131
Physician services	125,705	118,631
Less charitable services	<u>(33,903)</u>	<u>(38,487)</u>
	954,842	865,732
Less contractual allowances and discounts		
Medicare	313,177	265,505
Medicaid	68,347	57,662
Other	<u>170,770</u>	<u>162,873</u>
	<u>552,294</u>	<u>486,040</u>
Total Hospital net patient service revenue (net of contractual allowances and discounts)	402,548	379,692
Other entities	<u>29,684</u>	<u>29,569</u>
	<u>\$432,232</u>	<u>\$409,261</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 9. Patient Service and Other Revenue (Continued)

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2013 and 2012 from these major payor sources, is as follows for the Hospital. The provision for doubtful accounts for subsidiaries of the Hospital was not significant in 2013 and 2012.

	<u>Hospital</u>			Net Patient Service Revenues Less Provision for Doubtful Accounts
	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Doubtful Accounts</u>	
<u>2013</u>				
Private payors (includes coinsurance and deductibles)	\$413,913	\$(170,770)	\$ (9,270)	\$233,873
Medicaid	79,936	(68,347)	—	11,589
Medicare	429,908	(313,177)	(1,948)	114,783
Self-pay	<u>31,085</u>	<u>—</u>	<u>(19,660)</u>	<u>11,425</u>
	<u>\$954,842</u>	<u>\$(552,294)</u>	<u>\$ (30,878)</u>	<u>\$371,670</u>
<u>2012</u>				
Private payors (includes coinsurance and deductibles)	\$404,540	\$(162,873)	\$ (8,219)	\$233,448
Medicaid	66,890	(57,662)	—	9,228
Medicare	374,479	(265,505)	(1,648)	107,326
Self-pay	<u>19,823</u>	<u>—</u>	<u>(15,828)</u>	<u>3,995</u>
	<u>\$865,732</u>	<u>\$(486,040)</u>	<u>\$ (25,695)</u>	<u>\$353,997</u>

### Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The System filed its Stage I Year 2 meaningful use attestations with CMS. Revenue totaling \$3,719 and \$4,025 associated with these meaningful use attestations was recorded as other revenue for the years ended September 30, 2013 and 2012, respectively. In addition, a receivable amount of \$1,616 was recorded within prepaid expenses and other current assets at September 30, 2013.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 10. Functional Expenses

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2013</u>	<u>2012</u>
Health care services	\$306,213	\$292,546
General and administrative	59,447	58,096
Depreciation and amortization	25,047	24,595
Medicaid enhancement tax	16,541	16,175
Interest expense	<u>4,720</u>	<u>4,918</u>
	<u>\$411,968</u>	<u>\$396,330</u>

Fundraising related expenses were \$690 and \$614 for the years ended September 30, 2013 and 2012, respectively.

### 11. Charity Care and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital provides traditional charity care, as well as other forms of community benefits. The cost of all such benefits provided is as follows for the years ended September 30:

	<u>2013</u>	<u>2012</u>
Community health services	\$ 2,608	\$ 2,197
Health professions education	4,141	3,573
Subsidized health services	19,338	16,211
Research	89	96
Financial contributions	1,028	1,003
Community building activities	45	365
Community benefit operations	49	49
Charity care costs (see Note 1)	<u>13,405</u>	<u>14,532</u>
	<u>\$40,703</u>	<u>\$38,026</u>

In addition, the Hospital incurred costs for services to Medicare and Medicaid patients in excess of the payment from these programs of \$51,171 and \$61,265 in 2013 and 2012, respectively.

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 12. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents of southern New Hampshire and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors as of September 30 is as follows:

	<u>2013</u>	<u>2012</u>
Patients	18%	19%
Medicare	37	34
Anthem Blue Cross	12	16
Cigna	5	6
Medicaid	10	6
Commercial	17	18
Workers' compensation	<u>1</u>	<u>1</u>
	<u>100%</u>	<u>100%</u>

#### 13. Volunteer Services (Unaudited)

Total volunteer service hours received by the Hospital were approximately 36,500 in 2013 and 38,500 in 2012. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

#### 14. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

### 14. Fair Value Measurements (Continued)

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following presents the balances of assets measured at fair value on a recurring basis at September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2013</u>				
Cash and cash equivalents	\$ 41,277	\$ 1,425	\$ –	\$ 42,702
Fixed income securities	52,482	–	–	52,482
Marketable equity and other securities	61,840	43,321	80,648	185,809
Inflation-protected securities and other	11,898	4,941	–	16,839
Trust funds administered by others	<u>–</u>	<u>–</u>	<u>10,678</u>	<u>10,678</u>
	<u>\$167,497</u>	<u>\$49,687</u>	<u>\$91,326</u>	<u>\$308,510</u>
<u>2012</u>				
Cash and cash equivalents	\$ 49,755	\$ 1,425	\$ –	\$ 51,180
Fixed income securities	42,675	–	–	42,675
Marketable equity and other securities	35,623	35,610	69,967	141,200
Inflation-protected securities and other	14,305	–	–	14,305
Guaranteed interest contract	–	2	–	2
Trust funds administered by others	<u>–</u>	<u>–</u>	<u>10,212</u>	<u>10,212</u>
	<u>\$142,358</u>	<u>\$37,037</u>	<u>\$80,179</u>	<u>\$259,574</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012  
(In thousands)

### 14. Fair Value Measurements (Continued)

The System's Level 3 investments consist of so called alternative investments and trust funds administered by others. The alternative investments consist primarily of interests in limited partnership funds that are not publicly traded. The fair value measurement is based on significant unobservable inputs.

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

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2013 and 2012:

	<u>Trust Funds Administered by Others</u>	<u>Alternative Investments</u>
Balance at September 30, 2011	\$ 9,314	\$ 77,792
Sales	—	(15,778)
Net realized and unrealized gains	<u>898</u>	<u>7,953</u>
Balance at September 30, 2012	10,212	69,967
Purchases	—	10,900
Sales	—	(13,167)
Net realized and unrealized gains	<u>466</u>	<u>12,948</u>
Balance at September 30, 2013	<u>\$10,678</u>	<u>\$ 80,648</u>

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for investment funds (other than mutual funds) valued based on net asset value to further understand the nature and risk of the investments by category.

	<u>Fair Value</u>	<u>Unfunded Commit- ments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
September 30, 2013				
Funds-of-funds	\$42,265	\$ —	Monthly	5 – 15 days
Funds-of-funds	38,383	—	Quarterly	45 – 65 days
September 30, 2012				
Funds-of-funds	\$29,860	\$ —	Monthly	5 – 15 days
Funds-of-funds	31,138	—	Quarterly	45 – 65 days
Funds-of-funds	8,969	—	Annually	60 days

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 14. Fair Value Measurements (Continued)

##### Investment Strategies

##### Fixed Income Securities

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction

##### Marketable Equity and Other Securities

The primary purpose of marketable equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total marketable equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

The System invests in other securities that are considered alternative investments that consist of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified as Level 2 or 3, depending on the nature of the underlying assets and valuation methodologies used as reported by the fund managers.

System management is responsible for the fair value measurements of investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

##### Inflation-Protected Securities

The primary purpose of inflation-protected securities is to provide protection against the negative effects of inflation.



## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

(In thousands)

#### 14. **Fair Value Measurements (Continued)**

##### *Fair Value of Other Financial Instruments*

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. The fair value of the System's long-term debt and notes payable is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and fair value of the System's long-term debt and notes payable amounted to \$119,712 and \$126,875, respectively, at September 30, 2013, and \$107,233 and \$121,350, respectively, at September 30, 2012.

**INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION**

The Board of Trustees  
Concord Hospital, Inc

We have audited the consolidated financial statements of Concord Hospital, Inc and Subsidiaries as of and for the years ended September 30, 2013 and 2012, and have issued our report thereon, dated December 9, 2013, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying other financial information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies 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 consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Manchester, New Hampshire  
December 9, 2013

Limited Liability Company

# **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

## CONSOLIDATING BALANCE SHEET (With Consolidated Totals for September 30, 2012)

September 30, 2013

### ASSETS (In thousands)

	2013						2012
	<u>Concord Hospital (Obligated Group)</u>	<u>Capital Region Health Care Development Corporation</u>	<u>Capital Region Health Ventures Corporation</u>	<u>Concord Hospital/ Dartmouth Hitchcock- Concord</u>	<u>Elimi- nations</u>	<u>Consol- idated</u>	<u>Consol- idated</u>
Current assets							
Cash and cash equivalents	\$ 24.002	\$ —	\$ 4	\$ —	\$ —	\$ 24.006	\$ 32.720
Investments	2.384	—	—	—	—	2.384	14.382
Accounts receivable, net	44.856	69	125	1.011	—	46.061	41.614
Due from affiliates	584	526	—	—	(526)	584	240
Supplies	1.093	—	60	—	—	1.153	740
Prepaid expenses and other current assets	<u>5.714</u>	<u>177</u>	<u>26</u>	<u>66</u>	<u>—</u>	<u>5.983</u>	<u>4.452</u>
Total current assets	78.633	772	215	1.077	(526)	80.171	94.148
Assets whose use is limited or restricted							
Board designated	230.143	—	—	—	—	230.143	174.864
Funds held by trustee							
Workers' compensation reserves and self-insurance escrows	9.212	—	—	—	—	9.212	7.966
Construction fund	10.398	—	—	—	—	10.398	—
Donor-restricted	<u>32.367</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>32.367</u>	<u>29.642</u>
Total assets whose use is limited or restricted	282.120	—	—	—	—	282.120	212.472
Other noncurrent assets							
Due from affiliates, net of current portion	17.737	—	1.812	—	(16.770)	2.779	3.167
Bond issuance costs and other assets	<u>16.529</u>	<u>—</u>	<u>2.122</u>	<u>—</u>	<u>—</u>	<u>18.651</u>	<u>10.311</u>
Total other noncurrent assets	34.266	—	3.934	—	(16.770)	21.430	13.478
Property and equipment							
Land and land improvements	5.124	270	—	—	—	5.394	5.383
Buildings	130.780	36.145	26	—	—	166.951	157.893
Equipment	202.565	1.875	227	616	—	205.283	192.633
Construction in progress	<u>9.246</u>	<u>40</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9.286</u>	<u>14.000</u>
	347.715	38.330	253	616	—	386.914	369.909
Less accumulated depreciation	<u>(208.146)</u>	<u>(21.828)</u>	<u>(184)</u>	<u>(609)</u>	<u>—</u>	<u>(230.767)</u>	<u>(212.808)</u>
Net property and equipment	<u>139.569</u>	<u>16.502</u>	<u>69</u>	<u>7</u>	<u>—</u>	<u>156.147</u>	<u>157.101</u>
	\$ <u>534,588</u>	\$ <u>17,274</u>	\$ <u>4,218</u>	\$ <u>1,084</u>	\$ <u>(17,296)</u>	\$ <u>539,868</u>	\$ <u>477,199</u>

LIABILITIES AND NET ASSETS

(In thousands)

	2013						2012
	<u>Concord Hospital (Obligated Group)</u>	<u>Capital Region Health Care Development Corporation</u>	<u>Capital Region Health Ventures Corporation</u>	<u>Concord Hospital/ Dartmouth/ Hitchcock- Concord</u>	<u>Elimi- nations</u>	<u>Consol- idated</u>	<u>Consol- idated</u>
Current liabilities							
Short-term notes payable	\$ —	\$ —	\$ —	\$ 1,027	\$ —	\$ 1,027	\$ 701
Accounts payable and accrued expenses	21,782	30	10	—	—	21,822	22,236
Accrued compensation and related expenses	23,293	—	—	—	—	23,293	22,222
Due to affiliates	526	—	—	—	(526)	—	—
Accrual for estimated third-party payor settlements	14,599	—	—	—	—	14,599	11,342
Current portion of long-term debt	7,931	—	—	—	—	7,931	9,721
Total current liabilities	<u>68,131</u>	<u>30</u>	<u>10</u>	<u>1,027</u>	<u>(526)</u>	<u>68,672</u>	<u>66,222</u>
Long-term debt, net of current portion	111,781	16,770	—	—	(16,770)	111,781	97,512
Accrued pension and other long-term liabilities	64,102	—	—	—	—	64,102	83,000
Total liabilities	<u>244,014</u>	<u>16,800</u>	<u>10</u>	<u>1,027</u>	<u>(17,296)</u>	<u>244,555</u>	<u>246,734</u>
Net assets							
Unrestricted	258,207	474	4,208	57	—	262,946	200,823
Temporarily restricted	14,127	—	—	—	—	14,127	12,890
Permanently restricted	18,240	—	—	—	—	18,240	16,752
Total net assets	<u>290,574</u>	<u>474</u>	<u>4,208</u>	<u>57</u>	<u>—</u>	<u>295,313</u>	<u>230,465</u>
	<u>\$ 534,588</u>	<u>\$ 17,274</u>	<u>\$ 4,218</u>	<u>\$ 1,084</u>	<u>\$ (17,296)</u>	<u>\$ 539,868</u>	<u>\$ 477,199</u>

# **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

## **CONSOLIDATING STATEMENT OF OPERATIONS** (With Consolidated Totals for September 30, 2012)

Year Ended September 30, 2013

(In thousands)

	2013						2012
	Concord Hospital (Obligated Group)	Capital Region Health Care Development Corporation	Capital Region Health Ventures Corporation	Concord Hospital/ Dartmouth Hitchcock- Concord	Elimi- nations	Consol- idated	Consol- idated
Unrestricted revenue and other support							
Net patient service revenue (net of contractual allowances and discounts)	\$ 402,548	\$ —	\$ 1,109	\$ 28,575	\$ —	\$ 432,232	\$ 409,261
Provision for doubtful accounts	<u>(30,878)</u>	<u>—</u>	<u>(4)</u>	<u>(611)</u>	<u>—</u>	<u>(31,493)</u>	<u>(26,251)</u>
Net patient service revenue less provision for doubtful accounts	371,670	—	1,105	27,964	—	400,739	383,010
Other revenue	17,278	5,106	6,431	3	(4,678)	24,140	25,413
Net assets released from restrictions for operations	<u>1,886</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,886</u>	<u>1,973</u>
Total unrestricted revenue and other support	390,834	5,106	7,536	27,967	(4,678)	426,765	410,396
Expenses							
Salaries and wages	179,508	299	900	9	—	180,716	173,024
Employee benefits	45,330	86	225	3	—	45,644	43,943
Supplies and other	74,975	1,756	588	2,220	(3,192)	76,347	71,989
Purchased services	29,178	201	103	30,767	(466)	59,783	59,057
Professional fees	3,034	—	136	—	—	3,170	2,629
Depreciation and amortization	23,452	1,564	25	6	—	25,047	24,595
Medicaid enhancement tax	16,541	—	—	—	—	16,541	16,175
Interest expense	<u>4,672</u>	<u>1,020</u>	<u>—</u>	<u>48</u>	<u>(1,020)</u>	<u>4,720</u>	<u>4,918</u>
Total expenses	<u>376,690</u>	<u>4,926</u>	<u>1,977</u>	<u>33,053</u>	<u>(4,678)</u>	<u>411,968</u>	<u>396,330</u>
Income (loss) from operations	14,144	180	5,559	(5,086)	—	14,797	14,066
Nonoperating (loss) income							
Unrestricted gifts and bequests	159	—	—	—	—	159	3,984
Investment income and other	92	—	—	—	—	92	2,079
Loss on extinguishment of debt	<u>(3,169)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,169)</u>	<u>—</u>
Total nonoperating (loss) income	<u>(2,918)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,918)</u>	<u>6,063</u>
Excess (deficiency) of revenues and gains over expenses	<u>\$ 11,226</u>	<u>\$ 180</u>	<u>\$ 5,559</u>	<u>\$ (5,086)</u>	<u>\$ —</u>	<u>\$ 11,879</u>	<u>\$ 20,129</u>