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Part III













Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

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1	Briefly describe the organization's mission			
Mount Desert Island Hospitals mission is to provide compassionate care and strengthen the health of our community by embracing tomorrows methods and respecting time honored values				
2	Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
If "Yes," describe these new services on Schedule O				
3	Did the organization cease conducting, or make significant changes in how it conducts, any program services? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If "Yes," describe these changes on Schedule O				
4	Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported			
4a	(Code)	(Expenses \$ 39,585,686	including grants of \$ 0	(Revenue \$ 48,156,006)
Mount Desert Island hospitals mission statement is described in Part II, Line 1 above In Fiscal year 2014, MDI Hospital provided 3,326,742 in services for which no compensation was expected or received Policies exist to provide relief for those who cannot pay for medical care MDI Hospital provides care to persons covered by governmental programs including Medicare, Medicaid and champus The unreimbursed value for providing care to these patients approximates 1,244,181 The Hospital provides a number of health services and preventative health programs to the community Available programs include cardiac pulmonary rehabilitation, wellness programs, diabetes education, nutrition counseling, parenting, pregnancy and sibling classes and physical and occupational therapy programs, as well as speech therapy, as well as our newly adopted oral health program adopted in Fiscal year 2014 Throughout the years, staff from the hospital make presentations to area school children regarding smoking cessation and health nutrition, and now oral health, including a Give Kids a Smile day in which free or reduced cost screenings are available Additionally, community groups such as Alcoholics Anonymous use the hospitals conference rooms for their meetings Many hospital staff members serve other nonprofits in capacities such as volunteer hours, and Board of Directors memberships, as well as memberships in service organization such as the local Rotary, and Lioness clubs				
4b	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
4c	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
4d	Other program services (Describe in Schedule O)			
(Expenses \$ 0		including grants of \$ 0	(Revenue \$ 0)	
4e	Total program service expenses ▶		39,585,686	

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	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? 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 other assistance to or for foreign individuals? 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 or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or 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 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, 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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, 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		No
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		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

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		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	56	
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.	529	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?			No
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.			
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
4b 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 Organizations that may receive deductible contributions under section 170(c).			
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?			
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 8282?			
7d If "Yes," indicate the number of Forms 8282 filed during the year.			
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			
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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
9 Sponsoring organizations maintaining donor advised funds.			
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 Section 501(c)(7) organizations. 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 Section 501(c)(12) organizations. 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 Section 4947(a)(1) non-exempt charitable trusts. 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 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.			
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 or note to any line 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	18	
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	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
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	No
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	No
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	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶ME
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input checked="" 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 ▶Arthur Blank PO Box 8 10 Wayman Lane Bar Harbor, ME 046090008 10 Wayman Lane (207) 288-5081

Part VII

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

Check if Schedule O contains a response or note to any line 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) Arthur J Blank President and CEO	40 0	X	X	X	X			314,555	0	34,783
(2) John Benson MD Boardmember	1 0	X						0	0	0
(3) Michael Bonsey Chairman	5 0	X		X				0	0	0
(4) Stewart Brecher Board Member	1 0	X						0	0	0
(5) David Einhorn Esq Board Member	1 0	X						0	0	0
(6) Kathleen Field Board Member	1 0	X						0	0	0
(7) Julius Krevans MD Board Member	1 0	X						0	0	0
(8) Julian Kuffler MD 2nd Vice Chair & Family Physician	40 00 0	X						222,993	0	25,173
(9) Dean Read Board Member	1 0	X						0	0	0
(10) Patricia Hand PhD Board Member	1 0	X						0	0	0
(11) Elsie Flemings Board Member	1 0	X						0	0	0
(12) Noelle Wolf Board Member	1 0	X						0	0	0
(13) Vince Messer 1st Vice Chair	3 0	X		X				0	0	0
(14) James Bright Board member	1 0	X						0	0	0
(15) Christina M Harding CFO/VP of Finance	40 0			X	X			164,345	0	12,970
(16) Terry Musson Board Member	1 0	X						0	0	0
(17) Stuart Davidson Physician	40 0					X		480,974	0	37,120

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) Michael Heniser Physician	40 0					X		382,683	0	27,638
(19) Michelle Kinbrook Physician	40 0					X		282,577	0	27,876
(20) Kendra Blount General Surgeon	40 0					X		288,257	0	37,120
(21) Tanya Hanke Physician	40 0					X		251,959	0	16,774
(22) Bev Paigen Board Member	1 0	X						0	0	0
(23) David Painter MD	40 1	X						183,062	0	34,313
(24) Audrey Leavitt Secretary	40 0			X				45,568	0	18,721
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,616,973	0	272,488

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▶40

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
	(A) Name and business address	(B) Description of services	(C) Compensation
	Bay View Physical Therapy 125 Oak Street Ellsworth ME 04605	Physical Therapy	522,273
	Rao Surapememi P Ramanadha MD 50 358 Broad st Bangor ME 04401	Urologist	336,000
	Dahl Chase Diagnostic Services 417 State Street Bangor ME 04401	pathology services	388,859
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 ▶3		

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a0			
	b	Membership dues	1b0			
	c	Fundraising events	1c0			
	d	Related organizations	1d0			
	e	Government grants (contributions)	1e116,921			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f1,618,287			
	g	Noncash contributions included in lines 1a-1f \$	655,264			
	h	Total. Add lines 1a-1f	1,735,208			
Program Service Revenue	Business Code					
	2a	Patient Service Revenue	90009919,489,185	19,489,185	0	0
	b	Medicare/Medicaid payments	90009925,638,614	25,638,614	0	0
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	45,127,799			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	-39,557	-39,557	0	0
	4	Income from investment of tax-exempt bond proceeds	57,742	57,742	0	0
	5	Royalties	0	0	0	0
	(i) Real		(ii) Personal			
	6a	Gross rents	30,000	0		
	b	Less rental expenses	0	0		
	c	Rental income or (loss)	30,000	0		
	d	Net rental income or (loss)	30,000	30,000	0	0
	(i) Securities		(ii) Other			
	7a	Gross amount from sales of assets other than inventory	6,433,275	0		
	b	Less cost or other basis and sales expenses	6,378,727	0		
	c	Gain or (loss)	54,548	0		
	d	Net gain or (loss)	54,548	54,548	0	0
	8a	Gross income from fundraising events (not including \$ 0 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			
	a					
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
	Miscellaneous Revenue		Business Code			
	11a	Cafeteria sales	900099194,338	194,338	0	0
	b	Misc Income - Other	9000992,643,850	2,643,850	0	0
	c	Misc Income - HC Admin	900099190,019	190,019	0	0
	d	All other revenue	0	0	0	0
	e	Total. Add lines 11a-11d	3,028,207			
	12	Total revenue. See Instructions	49,993,947	48,258,739	0	0

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 or note to any line 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.	0	0		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0	0		
4	Benefits paid to or for members.	0	0		
5	Compensation of current officers, directors, trustees, and key employees.	727,284	0	727,284	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0	0	0	0
7	Other salaries and wages.	22,990,330	16,945,459	5,942,572	102,299
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	492,461	350,713	139,607	2,141
9	Other employee benefits.	5,669,829	4,051,452	1,594,681	23,696
10	Payroll taxes.	1,586,366	1,133,407	446,117	6,842
11	Fees for services (non-employees):				
a	Management.	0	0	0	0
b	Legal.	125,961	0	125,961	0
c	Accounting.	117,305	0	117,305	0
d	Lobbying.	0	0	0	0
e	Professional fundraising services. See Part IV, line 17.	0			0
f	Investment management fees.	-39,557	0	-39,557	0
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	0	0	0	0
12	Advertising and promotion.	79,239	0	79,239	0
13	Office expenses.	4,276,452	4,045,497	230,955	0
14	Information technology.	0	0	0	0
15	Royalties.	0	0	0	0
16	Occupancy.	744,747	569,346	175,401	0
17	Travel.	136,569	113,323	23,246	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0	0	0	0
19	Conferences, conventions, and meetings.	210,982	99,791	111,191	0
20	Interest.	694,276	567,469	126,807	0
21	Payments to affiliates.	0	0	0	0
22	Depreciation, depletion, and amortization.	1,771,190	1,395,822	375,368	0
23	Insurance.	597,688	486,715	110,973	0
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	Purchased Services	6,564,728	4,686,566	1,878,162	0
b	Bad Debt expense	2,592,434	2,592,434	0	0
c	Physician Fees	833,184	828,184	5,000	0
d	Hospital taxes	1,125,762	1,125,762	0	0
e	All other expenses	1,515,369	593,746	901,032	20,591
25	Total functional expenses. Add lines 1 through 24e.	52,812,599	39,585,686	13,071,344	155,569
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		41,553	2	76,474
	3	Pledges and grants receivable, net		2,379,184	3	1,786,054
	4	Accounts receivable, net		6,056,753	4	6,139,447
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		523,227	8	590,932
	9	Prepaid expenses and deferred charges		214,932	9	271,435
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a48,507,798			
	b	Less accumulated depreciation	10b25,337,958	22,720,683	10c	23,169,840
	11	Investments—publicly traded securities		13,366,094	11	12,401,361
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		7,141,108	15	5,101,578
	16	Total assets. Add lines 1 through 15 (must equal line 34)		52,443,534	16	49,537,121
Liabilities	17	Accounts payable and accrued expenses		12,545,489	17	11,237,965
	18	Grants payable		0	18	0
	19	Deferred revenue		11,693	19	9,154
	20	Tax-exempt bond liabilities		4,175,016	20	3,640,969
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		9,199,906	23	7,980,576
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		5,169,917	25	6,087,134
	26	Total liabilities. Add lines 17 through 25		31,102,021	26	28,955,798
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		14,265,803	27	14,865,588
	28	Temporarily restricted net assets		5,141,021	28	3,674,156
	29	Permanently restricted net assets		1,934,689	29	2,041,579
	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		21,341,513	33	20,581,323
	34	Total liabilities and net assets/fund balances		52,443,534	34	49,537,121

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	49,993,947
2	Total expenses (must equal Part IX, column (A), line 25)	2	52,812,599
3	Revenue less expenses Subtract line 2 from line 1	3	-2,818,652
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	21,341,513
5	Net unrealized gains (losses) on investments	5	352,042
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	1,706,420
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	20,581,323

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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 checked="" type="checkbox"/> Both consolidated and separate basis	Yes	
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 type="checkbox"/> Consolidated basis <input checked="" 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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
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Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. 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—2013. 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—2012. 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. 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—2012. 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.** 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

Return Reference	Explanation	
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SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

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 MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
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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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		0
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities?	Yes		6,704
j Total. Add lines 1c through 1i.				6,704
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).	2a	
a	Current year		
b	Carryover from last year		
c	Total		
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

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.

Return Reference	Explanation
Schedule C, Part II-B, Line 1	The CEO, for part of the fiscal year, was an officer of the Maine Hospital Association. As such, he met directly with legislators and other government officials as part of his advocacy efforts within that organization. Some of these meetings were with the intent to influence public opinion on matters relevant to the organization.

Part IV

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <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

▶ \$ _____

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 | |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- 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	6,591,431	6,300,481	8,117,020	6,997,367	3,938,882
b Contributions	25,000	0	0	17,162	1,801,964
c Net investment earnings, gains, and losses	625,391	588,719	-421,691	1,180,156	1,284,232
d Grants or scholarships	0	0	0	0	0
e Other expenditures for facilities and programs	225,000	270,000	1,366,000	46,000	7,570
f Administrative expenses	29,284	27,769	28,848	31,665	20,141
g End of year balance	6,987,538	6,591,431	6,300,481	8,117,020	6,997,367

- 2

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

Board designated or quasi-endowment

94 86 %
- b

Permanent endowment

5 14 %
- c

Temporarily restricted endowment

0 %
- 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)

No
- b

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

3b
- 4

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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	0	3,829,845		3,829,845
b Buildings	0	24,979,203	12,702,261	12,276,942
c Leasehold improvements	0	235,558	149,701	85,857
d Equipment	0	15,039,507	12,225,897	2,813,610
e Other	0	4,423,685	260,099	4,163,586
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				23,169,840

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	49,197,901
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIII)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	49,197,901
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	0
b	Other (Describe in Part XIII)	4b	796,046
c	Add lines 4a and 4b	4c	796,046
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	49,993,947

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	50,393,478
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIII)	2d	-2,419,121
e	Add lines 2a through 2d	2e	-2,419,121
3	Subtract line 2e from line 1	3	52,812,599
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	0
b	Other (Describe in Part XIII)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	52,812,599

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part V, Line 4	Endowment amounts restricted by the Board of Directors are released by the Board as needed for Special Projects supplying benefit to the community at large These funds are intended solely for the use of expanding services, and not for sustaining current operations
Schedule D, Part X, Line 2	No note
Schedule D, Part XI, Line 4b	Gifts and bequests, temporarily restricted contributions, changes in pledges receivable, net assets released
Schedule D, Part XII, Line 2d	Fundraising expenses, investment mgmt fees
Schedule D, Part XII, Line 4b	Fundraising expenses, investment management fees
Schedule D, Part XII, Line 5	The IRS software has a formula error and it won't let you override it The sum of 50,393,478 and 2,419,121 is 52,812,599, not 47,974,357 as the software states and returns an error on It is necessary to put this number in as negative in order to calculate correctly

[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.
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

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 checked="" 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 checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	Yes	
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 checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.				

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	0	0	498,854	0	498,854	1 %
b Medicaid (from Worksheet 3, column a)	0	0	4,684,774	3,939,447	745,327	1 41 %
c Costs of other means-tested government programs (from Worksheet 3, column b)	0	0	0	0	0	0 %
d Total Financial Assistance and Means-Tested Government Programs	0	0	5,183,628	3,939,447	1,244,181	2 41 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	0	0	0	0	0	0 %
f Health professions education (from Worksheet 5)	0	0	0	0	0	0 %
g Subsidized health services (from Worksheet 6)	0	0	10,726,657	7,399,915	3,326,742	6 4 %
h Research (from Worksheet 7)	0	0	0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	0	0	0	0	0	0 %
j Total Other Benefits	0	0	10,726,657	7,399,915	3,326,742	6 40 %
k Total. Add lines 7d and 7j	0	0	15,910,285	11,339,362	4,570,923	8 81 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

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

2,592,434

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

1,697,175

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

14,407,909

6

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

6

19,137,103

7

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

7

-4,729,194

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

9b

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 IVManagement 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				

Section A. Hospital Facilities

Name, address, primary website address,
and state license number

Schedule H (Form 990) 2013

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)

Mount Desert Island Hospital

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility 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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input checked="" type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills
- d

☒

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

☐

Other (describe in Section C)

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	19 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 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 checked="" 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 individual 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 individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI	22	No

Part V Facility Information (continued)

Section 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)

Cadillac Family Practice and Behavioral Health Center

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

2

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input checked="" type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills
 - d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	Yes	
If "No," indicate why			
a <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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	21		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22		No
If "Yes," explain in Part VI			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Cooper Gilmore Health Center

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

3

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospita.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information *(continued)*

Financial Assistance Policy		Yes	No		
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9 Yes			
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150</u> % If "No," explain in Part VI the criteria the hospital facility used	10 Yes			
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	11 Yes			
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12 Yes			
a	<input checked="" type="checkbox"/> Income level				
b	<input checked="" type="checkbox"/> Asset level				
c	<input checked="" type="checkbox"/> Medical indigency				
d	<input checked="" type="checkbox"/> Insurance status				
e	<input checked="" type="checkbox"/> Uninsured discount				
f	<input checked="" type="checkbox"/> Medicaid/Medicare				
g	<input checked="" type="checkbox"/> State regulation				
h	<input type="checkbox"/> Residency				
i	<input type="checkbox"/> Other (describe in Part VI)				
13	Explained the method for applying for financial assistance?	13 Yes			
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14 Yes			
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website				
b	<input type="checkbox"/> The policy was attached to billing invoices				
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms				
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices				
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility				
f	<input checked="" type="checkbox"/> The policy was available upon request				
g	<input type="checkbox"/> Other (describe in Part VI)				
Billing and Collections					
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15 Yes			
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP				
a	<input checked="" type="checkbox"/> Reporting to credit agency				
b	<input type="checkbox"/> Lawsuits				
c	<input checked="" type="checkbox"/> Liens on residences				
d	<input type="checkbox"/> Body attachments				
e	<input type="checkbox"/> Other similar actions (describe in Section C)				
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?			17	No
	If "Yes," check all actions in which the hospital facility or a third party engaged				
a	<input type="checkbox"/> Reporting to credit agency				
b	<input type="checkbox"/> Lawsuits				
c	<input type="checkbox"/> Liens on residences				
d	<input type="checkbox"/> Body attachments				
e	<input type="checkbox"/> Other similar actions (describe in Section C)				

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 individuals regarding the individuals' bills
- d

☒

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

☐

Other (describe in Section C)

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?	Yes	
If "No," indicate why		
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 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 checked="" 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 individual 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?		No
If "Yes," explain in Part VI		
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?		No
If "Yes," explain in Part VI		

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Trenton Health Center

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

4

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input checked="" type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills

d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e ☐ Other (describe in Section C)

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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)5

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input checked="" type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills
- d

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

☐ Other (describe in Section C)

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	19 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 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 checked="" 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 individual 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 individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI	22	No

Part V Facility Information (continued)

Section 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)
Family Health Center

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)6

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 250% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills

d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e ☐ Other (describe in Section C)

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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Women's Health Center

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

7

		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 checked="" type="checkbox"/> Demographics of the community			
c <input checked="" 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>11</u>			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>			
b <input type="checkbox"/> Other website (list url) _____			
c <input checked="" type="checkbox"/> Available upon request from the hospital facility			
d <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 as of the end of the tax year)			
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan			
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan			
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans			
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA			
g <input 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	Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____			

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 250% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills
 - d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	Yes	
If "No," indicate why			
a <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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	21		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22		No
If "Yes," explain in Part VI			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Northeast Harbor Clinic

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

8

	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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 250% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills
 - d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** ☐ Other (describe in Section C)

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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)9

	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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes		
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes		
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 250% If "No," explain in Part VI the criteria the hospital facility used	11	Yes		
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13	Explained the method for applying for financial assistance?			13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes		
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP				
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input checked="" type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged			17	No
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

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 individuals regarding the individuals' bills
- d

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

☐ Other (describe in Section C)

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	19 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 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 checked="" 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 individual 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 individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI	22	No

Part V Facility Information (continued)

Section 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)
MDI Dermatology Clinic

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)10

	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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 250% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills

d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e ☐ Other (describe in Section C)

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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)11

	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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 250% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills

d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e ☐ Other (describe in Section C)

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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)12

	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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input 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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9 Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150</u> % If "No," explain in Part VI the criteria the hospital facility used	10 Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	11 Yes	
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12 Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13 Yes	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14 Yes	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15 Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills
- d

☒

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

☐

Other (describe in Section C)

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?	Yes	
If "No," indicate why		
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 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 checked="" 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 individual 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?		No
If "Yes," explain in Part VI		
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?		No
If "Yes," explain in Part VI		

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)13

	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 checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 (list url) <u>www.mdihospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <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 as of the end of the tax year)		
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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input 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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 175% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

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 individuals regarding the individuals' bills
 - d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** ☐ Other (describe in Section C)

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 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 checked="" 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 individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

[illegible]

Part V

Facility Information *(continued)*

Section D. 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? _____

Name and address	Type of Facility (describe)
1 _____	
2 _____	
3 _____	
4 _____	
5 _____	
6 _____	
7 _____	
8 _____	
9 _____	
10 _____	

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
Schedule H, Part I, Line 7	The costing methodology utilized for this table were derived from Worksheet 2, Ratio of patient care cost to charges with data from filed cost reports for the filing fiscal year

Form and Line Reference	Explanation
Schedule H, Part I, Line 7, Column f	The bad debt expense included on Form 990, Part IX, line 25, Column A, but subtracted for puposes of caculating the percentage in this column is 2,952,434

Form and Line Reference	Explanation
Schedule H, Part I, Line 7g	The Hospital provides to the community several provider based physician and specialty practices to serve this rural island population. These practices are listed on Part V of this schedule. The facility subsidizes their operating costs to maintain access and coordination of care to our population.

Form and Line Reference	Explanation
Schedule H, Part III, Section A, Line 4	Patient accounts receivable are stated at the amount that management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment to individual accounts and historical adjustments. Balances that are still outstanding, after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the patient accounts receivable. The Hospital follows the Medicare guidelines for allowable bad debts. It uses the following criteria: A. Establishing that reasonable collection efforts were made; B. Establishing that the accounts were uncollectible; C. Establishing that there is no likelihood of recovery at anytime in the future.

Form and Line Reference	Explanation
Schedule H, Part III, Section B, Line 8	The IRS 990H instructions and guidance provide a template in worksheet 2 template as a way to determine the overall cost to charge ratio that could be applied throughout the IRS 990H form in order to convert charges to cost. Where applicable, we have utilized the worksheet 2 template calculation. The only area where we did not utilize this template calculation was in form 990H worksheet B, Line 2 and 6 Medicare allowable costs and payments related to the subsidized health services we utilized the Medicare cost report estimated cost and payment for these services. The Hospital believes that provider based clinics listed in 1C above should be and are considered a community benefit due to the fact that without the Hospital subsidizing and offering the services that these clinics offer, the community at large would have to travel at least 45 to 65 minutes to the nearest like hospital and that hospital's service offerings. As such, Mount Desert Island Hospital believes that by offering and subsidizing these clinics within its community and thus enabling community members to have easy access and an easier commute for these services, that this benefits the whole community at large.

Form and Line Reference	Explanation
Schedule H, Part III, Section C, Line 9b	The Hospital would not initiate collection efforts against a patient that qualified for a sliding fee scale unless that patient failed to meet their obligation under a mutually agreed upon payment arrangement. After it was determined that the patient did not qualify for a readjustment to their payment terms, the Hospital would follow normal notification practices dictated by our collection policy which may result in the account sent to collections. When a patient is referred out to collections but then applies for free or discounted care, we pull the account back from collections when it is determined they qualify for one of the programs. If the collection agency suspects that someone may need to apply for one of the programs, they send out an application and notify us. We make every effort to screen as many people as possible before we send them to collections. Information about our free and sliding scale programs are on our website, on our account statements, posted in public areas and at our provider clinics. We also make available a Patient Financial Counselor to help navigate the process.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2	<p>Mount Desert Island Hospital assesses the health needs of the community through the use of a collaborative Community Health Needs Assessment. As a key participant in the CHNA process, our institution is able to further address and identify those areas of most concern and need in our community. A community needs assessment is a point in time effort to measure the health and well being of the community. It serves as a constructive tool to and basis for Mount Desert Island Hospital's strategic and subsequent action planning to develop Health Policy Advocacy, allocate resources, improve or expand existing services, implement new programs and collaborate with other community health care providers. A community health needs assessment also serves as a benchmark for future assessment of measured progress toward established community health objectives. The Mount Desert Island Hospital's Community Health Needs Assessment provides an opportunity to gain insight into the needs and assets that are served, it also provides a measure to identify and address the needs of the vulnerable populations with our community. The Mount Desert Island Hospital process was a partnership with Healthy Acadia, a comprehensive community health coalition that was formed in 2001 with the public health funding provided by the Maine Center for Disease Control and Prevention. The Community Health Improvement Plan and Health Needs Assessment were performed using the Mobilizing for Action through Planning and Partnerships process utilizing a broad cross section of our demographic and service area. This process delivered the basis for the assessment which demonstrated the strengths and opportunities for our plan. This process involved gathering of two types of data, quantitative demographics, health indicators, local statistics, etc. and qualitative Public Surveys, Focus Groups and Community Stakeholders. The data helps support short-term and long-term decisions about allocation of community human and capital resources. Participants included members of the Hospital's medical staff, nursing staff, board of trustees and administration. Focus groups were used to gain feedback from diverse and remote populations, as an institution that serves the rural and coastal community of Mount Desert Island and the other islands off the Coast of Hancock County, this feedback was essential to continue to develop strategies to meet the needs of our residents. This collaborative effort developed the eight themes for strategic initiatives and goals. The organization reviewed the overarching needs and validated those to the health needs of the community. This process was reviewed and prioritized through the Board Designated Planning Committee of the organization, which developed and maintains oversight of the Hospital's official Community Health Needs Assessment and Implementation Plan. The implementation plan is reviewed periodically. Those items that were not achievable are reviewed and documented as to the barrier for successful implementation and/or alternatives.</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3	<p>The Financial Assistance Policy application is sent with all account statements, it is printed on the back of the statement. A notice of the FAP is also available on our Hospital website, posted in public areas and available within the departments and clinics of our organization. The hospital provides a Patient Financial Representative to help navigate the process to ensure that our patients have access to care and services they need. MDIH is committed to Providing access to quality healthcare services with compassion, dignity and respect for those we serve, particularly the poor, indigent, and underserved in our communities. Caring for all members of our communities or persons needed care, regardless of their ability to pay for services. Assisting our patients who cannot afford to pay for part or all of the services received by working with our community to address those in need and aid in finding the financial resources available. MDIH has adopted guiding principles when handling the billing, collections and financial support functions for our patients. Provide effective communications with patients regarding hospital bills. Make affirmative efforts to help patients apply for public and private financial support programs. We implement policies and procedures for assisting low income patients in a consistent manner. We implement fair and consistent billing and collection practices for all patients with patient payment obligations. We communicate effectively and timely with our patients regarding patient payment obligation. Noting that a patient financial representative is available to assist with triaging patient needs and working with our patients to align resources. This representative is available to explain and review patient payment obligations as well we have a patient advocate to facilitate issues that arise in the course of this process. Information about hospital based financial support policies and external support programs that provide coverage for services are made available to patients during the pre registration and registration processes and or through communications with patients seeking financial assistance. Support is available to uninsured and underinsured patients who do not qualify for public programs or other means of assistance. Notification about financial assistance programs at MDIH, including contact information, is available through messaging included on patient bills, physician offices, public areas, care management staff, registration areas, billing support staff and reception in the hospital, and clinics. Patient brochures describing the financial counseling and assistance services are available in these areas as well as on our public website, mdihospital.org</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4	Mount Desert Island Hospital is a 25 Critical Access Hospital located in Bar Harbor, Maine providing acute, swing, obstetrics and nursery services. It is a not-for profit hospital located in Bar Harbor, Maine Hancock County. The Hospital is licensed by the State of Maine. The mission is to provide compassionate care and strengthen the health of our community by embracing tomorrow's methods and respecting time honored values. Its services include acute inpatient, 24 hours emergency center, and diagnostic and surgical services. Along with hospital services, the Hospital employs the majority of primary and specialty care physicians in the area. The Hospital provides the only Behavioral Health Clinic services in Hancock County. Hancock and Washington county is considered rural by the state of Maine and the United States Census Bureau, under guidelines set forth by the office of Management and Budget OMB. The Hospital service area HSA as defined by the Maine Health Data Organization MHDO uses the statistical method where the greatest proportion of residents received their inpatient care.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5	<p>The volunteer Board of Trustees sets the strategic direction for the Hospital and is comprised of community members from the Hospital service area. Mount Desert Island Hospital non-profit status allows the Hospital to reinvest any excess of revenues over expense back into the Hospital to continuously improve the medical care it delivers. The Hospital provides staff and space to the community for Health Forums, Medical Certification Courses, Physician Education, Nutrition Education, Advocacy, Community Health Forums, Vaccination Clinics, Public Kiosks to access Healthcare.gov, and a Public Website with links to Healthy Choices. The Hospital works with the local YMCA to promote healthy choices and early education about exercise benefits to the youth of the area. The Hospital engages with the school systems to provide Nurses and Health Coaches to promote the health of the community and sponsors an annual Health Fair for the community to educate and engage the members of the community about choosing wisely and healthy options within their lifestyles. Mount Desert Island Hospital Organization was able to maintain and expand its ongoing Affordable Care Act outreach, enrollment and education efforts during the 2015 open enrollment period on the Health Insurance Marketplace. This was achieved through broadening our base of Certified Application Counselors, which now includes public affairs and care management professionals in addition to patient advocacy representatives and finance specialists. MDI Hospital Organization certified 9 CACs in advance of 2015 open enrollment, which allowed for a robust outreach and education schedule. During the 2015 open enrollment period, MDI Hospital Organization CACs provided enrollment counseling through public enrollment sessions, private appointments, telephone, social media and one-on-one support. MDI Hospital Organization application counselors also provided and will continue to offer counseling to those with questions about how best to utilize their new health insurance coverage through one-on-one, telephone, email and social media support. By expanding our public outreach to local eateries, we connected with a demographic that we had not previously reached, such as area retail and restaurant employees as well as local small business owners. By meeting our community in an environment that was comfortable to them, we removed their hesitancy to explore their options. Additionally, we found that the people we met during this outreach were more apt to share their experience with friends, coworkers and family, so our outreach began to spread much more organically through word of mouth. By expanding our social media outreach, we removed another barrier to access for many people, allowing them to connect with us through text and social media messaging. Our Facebook outreach was not only done through our organization's Facebook page, but through specifically targeted Facebook groups formed around sharing public events and employment options. As a result, we received many email, social media and text inquiries and referrals. By certifying application counselors across a wide variety of disciplines, we were able to more fully integrate our outreach efforts and offer support to a broader community base.</p>

Additional Data

Software ID: 13000241
Software Version: v1.00
EIN: 01-0211797
Name: MOUNT DESERT ISLAND HOSPITAL

Form 990 Schedule H, Part V Section A. Hospital Facilities

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?

13

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? <u>13</u>		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	Mount Desert Island Hospital 10 Wayman Lane PO Box 8 Bar Harbor, ME 046090008 www.mdihospital.org	X	X			X		X			
2	Cadillac Family Practice and Behavioral Health Center 322 Main Street Bar Harbor, ME 04609									Outpatient clinic	
3	Cooper Gilmore Health Center 17 Hancock Road Bar Harbor, ME 04609									Outpatient clinic	
4	Trenton Health Center 394 Bar Harbor Road Trenton, ME 04605									Outpatient clinic	
5	Community Health Center 16 Community Lane Southwest Harbor, ME 04679									Outpatient clinic	
6	Family Health Center 9 Hancock Road Bar Harbor, ME 04609									Outpatient Clinic	
7	Women's Health Center 8 Wayman Lane Bar Harbor, ME 04609									Outpatient clinic	
8	Northeast Harbor Clinic Kimball Road Northeast Harbor, ME 04679									Outpatient clinic	
9	MDI Orthopedic clinic 10 Wayman Lane Bar Harbor, ME 04609									Outpatient Clinic	
10	MDI Dermatology Clinic 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic	

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?
13

Name, address, primary website address, and state license number

		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
11	MDI Urology Clinic 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic	
12	MDI General Surgery Clinic 17 Hancock Road Bar Harbor, ME 04609									Outpatient clinic	
13	Community Dental Clinic 16 Community Lane Southwest Harbor, ME 04679 www.mdihospital.org								X	Outpatient Clinic	

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-Mount Desert Island Hospital	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments Healthy Acadia is a 501c3 non profit with more than 100 partners They address critical locally defined health priorities across Hancock County They serve as the Healthy Maine Partnership for Hancock County

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3- Cadillac Family Practice and Behavioral Health Center	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments Healthy Acadia is a 501c3 non profit with more than 100 partners They address critical locally defined health priorities across Hancock County They serve as the Healthy Maine Partnership for Hancock County

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-Cooper Gilmore Health Center	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments Healthy Acadia is a 501c3 non profit with more than 100 partners They address critical locally defined health priorities across Hancock County They serve as the Healthy Maine Partnership for Hancock County

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3- Trenton Health Center	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-Community Health Center	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-Family Health Center	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3- Women's Health Center	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3- Northeast Harbor Clinic	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-MDI Orthopedic clinic	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-MDI Dermatology Clinic	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-MDI Urology Clinic	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-MDI General Surgery Clinic	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments Healthy Acadia is a 501c3 non profit with more than 100 partners They address critical locally defined health priorities across Hancock County They serve as the Healthy Maine Partnership for Hancock County

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 3-Community Dental Clinic	The Hospital Partnered with Healthy Acadia to perform a comprehensive community needs assessment, focused on the overall health of the community. The participants were a multifaceted representation of the community, including business, public health, community health and healthcare providers. Healthy Acadia is dedicated to building vibrant communities and making it easier for people to make healthy choices for themselves and their families. They create lasting improvements to the health of our communities by connecting individuals with health supports, building partnerships, coordinating education and prevention services, and improving policies and environments. Healthy Acadia is a 501c3 non profit with more than 100 partners. They address critical locally defined health priorities across Hancock County. They serve as the Healthy Maine Partnership for Hancock County.

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Mount Desert Island Hospital	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5- Cadillac Family Practice and Behavioral Health Center	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Cooper Gilmore Health Center	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Trenton Health Center	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Community Health Center	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Family Health Center	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Women's Health Center	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Northeast Harbor Clinic	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-MDI Orthopedic clinic	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-MDI Dermatology Clinic	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-MDI Urology Clinic	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5-Community Dental Clinic	The Community Health Needs Assessment is available to our community members through our public website and the ongoing implementation and workplan is documented by our Planning and Board Committees

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, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

Questions Regarding Compensation

	Yes	No
<div><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 checked="" 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>		
<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></div>	1bYes	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	2Yes	
<div><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 type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" 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>		
<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>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	No
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></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><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<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>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div><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>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div><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></div>	7	No
<div><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></div>	8	No
<div><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></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				
(1) Arthur J Blank President and CEO	(i)	314,555	0	0	17,500	34,783	366,838	0
	(ii)	0	0	0	0	0	0	0
(2) Christina M Harding CFO/VP of Finance	(i)	164,345	0	0	0	12,970	177,315	0
	(ii)	0	0	0	0	0	0	0
(3) Stuart Davidson Physician	(i)	480,974	0	0	17,500	37,120	535,594	0
	(ii)	0	0	0	0	0	0	0
(4) Michael Heniser Physician	(i)	382,683	0	0	17,500	27,638	427,821	0
	(ii)	0	0	0	0	0	0	0
(5) Michelle Kinbrook Physician	(i)	282,577	0	0	17,500	27,876	327,953	0
	(ii)	0	0	0	0	0	0	0
(6) Kendra Blount General Surgeon	(i)	288,257	0	0	17,500	37,120	342,877	0
	(ii)	0	0	0	0	0	0	0
(7) Tanya Hanke Physician	(i)	251,959	0	0	0	16,774	268,733	0
	(ii)	0	0	0	0	0	0	0
(8) David Painter MD	(i)	183,062	0	0	17,500	34,313	234,875	0
	(ii)	0	0	0	0	0	0	0

Part III **Supplemental Information**

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.

Return Reference	Explanation
Schedule J, Part I, Line 1a	The Hospital provides the CEO's fitness membership, which is approximately \$399 per year. MDI Hospital reimburses all other benefited employees up to \$100 per year toward the YMCA or other health club membership with appropriate supporting documentation.
Schedule J, Part I, Line 7	Fitness memberships.

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.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MHHEFA 2006F Bond			07-03-2005	707,200	Replacement of central chiller		X		X		X
B	MHHEFA 2007B Bond			07-03-2007	4,427,988	Clinic construction, office and clinic space		X		X		X
C	MHEFFA 2010 Bond			07-01-2010	1,200,000	Refinancing of 98A Bond for renovation of outpatient service area		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0			
2	Amount of bonds legally defeased	0		0		0			
3	Total proceeds of issue	707,200		4,427,988		1,200,000			
4	Gross proceeds in reserve funds	0		0		0			
5	Capitalized interest from proceeds	0		0		0			
6	Proceeds in refunding escrows	0		0		0			
7	Issuance costs from proceeds	0		0		0			
8	Credit enhancement from proceeds	0		0		0			
9	Working capital expenditures from proceeds	0		0		0			
10	Capital expenditures from proceeds	707,200		4,427,988		0			
11	Other spent proceeds	0		0		1,200,000			
12	Other unspent proceeds	0		0		0			
13	Year of substantial completion	2008		2009		1999			
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X	X			
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Does the bond issue meet the private security or payment test?	X		X		X			
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
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?	X		X		X			

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
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 the 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								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
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
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?									

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) J and D Imaging John Benson MD	Board member	379,708	Equipment leasing and radiology services		No

Part V Supplemental Information
Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
Schedule L, Part I, Line 1	John Benson, MD is the propiretor of J&D Imaging Co J&D Imaging does consulting for MDI Hospital in the form of radiology services performed by Dr John Benson MDI Hospital also leases radiology equipment from J&D Imaging Although Dr Benson is a member of the Board of Directors of MDI Hospital, he abstains from any situation which may be deemed a conflict of interest, and duly reports and compeltes required disclosures

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	7	515,927	Fair Market Value
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29			0
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No	
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes		
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	Yes		
b If "Yes," describe in Part II				
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information.

Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
Schedule M, Part I, Line 32b	The hospital policy requires that sotck donations are immediately sold by the Advisors Account to which they are received

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.

**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.**

2013

**Open to Public
Inspection**

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number

01-0211797

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part III, Line 2	Oral Health Services Reference Part III, Line 4a of 990
Form 990, Part VI, Section B, Line 11b	The initial review of the Form 990 is performed by the Finance Sub Committee of the Board of Directors of the Hospital. The members are provided with an electronic copy of the Form 990 and all supporting schedules (printed versions are also available upon request). Once reviewed by the Finance Sub-Committee, all Board of Trustees members are provided with a copy of the Form 990 and supporting schedules for review. Board Members are given the opportunity to comment and review. Both the CEO, President and CFO, Vice President are available to answer any inquiries. Board Members are also given the opportunity to receive the final copy via an electronic format or a printed copy.
Form 990, Part VI, Section B, Line 12c	Per the conflict of interest policy, the organization monitors and enforces disclosure compliance of interests that could give rise to conflicts by officers, directors, or trustees and key employees. disclosures are completed and submitted to the CEO. Board members will abstain from discussions or approval if there is even an appearance of possible conflict of interest during meetings.
Form 990, Part VI, Section B, Line 15	The compensation for the President and CEO of MDI Hospital is reviewed and approved by the governing body of the organization. The governing body uses market data from an independent source to compare compensation models of similar size organizations within like demographics and geographical similarities to align compensation packages. Other officers and key employees' compensation is reviewed by the Human Resource Department of the organization using the same market data guidelines to compare compensation for these positions relative to like organizations with like demographic and geographic similarities.
Form 990, Part VI, Section C, Line 19	The annual report and Form 990, including financial information is available to the public through our website at mdihospital.org. Additional financial information is available on federal and state governmental websites for required reporting. Governing documents and conflict of interest policy are available upon request, as are audited financial statements.
Form 990, Part XI, Line 9	Changes in pledges rec, value of beneficial interest in perpetual trust

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Birch Bay Village Retirement Community 10 Wayman Lane Bar Harbor, ME 04609 01-0481696	Retirement Community	ME	501(c)(3)	170(b)(1)(A)(iii)	Mount Desert Island Hospital		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Mount Desert Management Company PO Box 8 10 Wayman Lane Bar Harbor, ME 04609 01-0538776	Real Estate Development	ME	Birch Bay Village Retirement Community	C			100 %		No
(2) Hancock County Community Health LLC 4 Community Lane PO Box 731 Southwest Harbor, ME 04679 46-4278107	Lease dental provider services	ME		C	50	50	50 %		

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

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

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

No

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

No

1l

No

1m

No

1n

No

1o

No

1p

No

1q

No

1r

No

1s

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds			
(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Birch Bay Village Retirement Community	a-iv	32,400	building costs allocated by square footage equal to amount of rent charged
(2) Birch Bay Village Retirement Community	q	119,970	Receivable account - a receivable account is maintained on the general ledger of MDI Hospital, as well as an accounts payable account on the general ledger of Birch Bay Village Retirement Community. Transfers to the Birch Bay Village Retirement Community are recorded as receivables at the time of transfer. A detail of this account is maintained in order to provide this information.

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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TY 2013 Reasonable Cause Explanation

Name: MOUNT DESERT ISLAND HOSPITAL

EIN: 01-0211797

Software ID: 13000241

Software Version: v1.00

Explanation: no late filing



MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

ADDITIONAL INFORMATION

April 30, 2014 and 2013

With Independent Auditor's Report



MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended April 30, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Mount Desert Island Hospital and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Mount Desert Island Hospital and Subsidiaries (Organization), which comprise the consolidated balance sheets as of April 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Mount Desert Island Hospital and Subsidiaries as of April 30, 2014 and 2013, and the results of their operations, changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matter

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The additional consolidating information is presented for purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
August 18, 2014

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES**Consolidated Balance Sheets****April 30, 2014 and 2013****ASSETS**

	<u>2014</u>	<u>2013</u>
Current assets		
Cash and cash equivalents	\$ 242,254	\$ 122,365
Accounts receivable, less allowance for uncollectible accounts of \$2,407,192 in 2014 and \$2,330,063 in 2013	6,362,301	6,161,956
Due from Birch Bay Village Association	103,442	165,848
Inventoried supplies	590,932	523,227
Prepaid expenses and other current assets	286,983	228,168
Current portion pledges receivable	843,858	954,978
Trustee held funds	931,772	911,928
Estimated third-party payor settlements	-	2,161,435
Total current assets	<u>9,361,542</u>	<u>11,229,905</u>
Assets limited as to use or donor restricted		
Board-designated funds	7,367,584	6,597,221
Donor-restricted funds	<u>775,041</u>	<u>2,959,041</u>
Total investments	8,142,625	9,556,262
Pledges receivable, net of current portion	942,196	1,424,206
Beneficial interest in perpetual trusts	<u>1,664,933</u>	<u>1,583,044</u>
Total assets limited as to use or donor restricted	<u>10,749,754</u>	<u>12,563,512</u>
Property and equipment, net	<u>30,922,035</u>	<u>30,872,550</u>
Other assets		
Cottages held for sale	-	377,588
Deferred financing costs, net	172,374	189,012
Real estate development costs	243,469	243,469
Resident priority and construction deposits	152,018	146,931
Investments to fund deferred compensation	2,093,998	1,732,901
Other assets	<u>483,567</u>	<u>230,911</u>
Total other assets	<u>3,145,426</u>	<u>2,920,812</u>
Total assets	<u>\$ 54,178,757</u>	<u>\$ 57,586,779</u>

The accompanying notes are an integral part of these consolidated financial statements

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
Current liabilities		
Lines of credit	\$ 2,666,754	\$ 2,072,551
Current portion of long-term obligations	2,367,473	2,743,736
Accounts payable and other accrued expenses	5,986,442	7,552,320
Accrued payroll and amounts withheld	850,176	1,336,903
Accrued employee benefits and related liabilities	2,376,021	2,228,301
Estimated third-party payor settlements	<u>3,622,845</u>	<u>3,127,209</u>
Total current liabilities	17,869,711	19,061,020
Resident priority and construction deposits	152,018	146,931
Long-term obligations, less current portion	18,211,070	19,948,289
Deferred compensation and other long-term liabilities	<u>2,154,482</u>	<u>1,732,901</u>
Total liabilities	<u>38,387,281</u>	<u>40,889,141</u>
Commitments and contingencies (Notes 9, 10, 15 and 16)		
Net assets		
Unrestricted	9,962,302	9,480,806
Temporarily restricted	3,787,596	5,282,143
Permanently restricted	<u>2,041,578</u>	<u>1,934,689</u>
Total net assets	<u>15,791,476</u>	<u>16,697,638</u>
 Total liabilities and net assets	 <u>\$ 54,178,757</u>	 <u>\$ 57,586,779</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years Ended April 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted revenues, gains, and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 47,720,233	\$ 50,677,897
Less provision for bad debts	<u>2,592,434</u>	<u>3,156,954</u>
Net patient service revenue	45,127,799	47,520,943
Resident revenue	3,791,595	3,380,514
Meaningful use revenue	1,051,365	517,170
Other revenue	2,399,550	2,002,713
Gifts and bequests	290,931	249,626
Net assets released from restrictions used for operations	<u>708,942</u>	<u>522,021</u>
Total revenues, gains, and other support	<u>53,370,182</u>	<u>54,192,987</u>
Operating expenses		
Salaries and employee benefits	33,821,095	34,338,937
Supplies and other expenses	16,235,658	16,882,077
Marketing expenses	93,294	99,754
Health care provider tax	1,125,762	762,681
Depreciation and amortization	2,290,938	2,486,900
Interest	<u>1,128,152</u>	<u>1,109,553</u>
Total operating expenses	<u>54,694,899</u>	<u>55,679,902</u>
Loss from operations	<u>(1,324,717)</u>	<u>(1,486,915)</u>
Other income (expense)		
Interest income on restricted investments, net	57,742	59,602
Realized (loss) gain on sale of investments	(54,548)	22,040
Other miscellaneous expense	(80,871)	(37,018)
Loss on early extinguishment of long-term debt	<u>-</u>	<u>(61,676)</u>
Other expense, net	<u>(77,677)</u>	<u>(17,052)</u>
Deficiency of revenues, gains, and other support over expenses	(1,402,394)	(1,503,967)
Change in unrealized gains on investments	352,042	400,181
Net assets released from restrictions used for purchase of property and equipment	<u>1,531,848</u>	<u>1,126,524</u>
Increase in unrestricted net assets	<u>481,496</u>	<u>22,738</u>

(Continued next page)

The accompanying notes are an integral part of these consolidated financial statements

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

**Consolidated Statement of Operations
and Changes in Net Assets (Concluded)**

Years Ended April 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Increase in unrestricted net assets (brought forward)	\$ <u>481,496</u>	\$ <u>22,738</u>
Temporarily restricted net assets		
Contributions	1,339,373	1,927,462
Change in pledges receivable, net	(593,130)	(389,786)
Net assets released from restrictions	<u>(2,240,790)</u>	<u>(1,648,545)</u>
Decrease in temporarily restricted net assets	<u>(1,494,547)</u>	<u>(110,869)</u>
Permanently restricted net assets		
Contributions	25,000	-
Change in value of beneficial interest in perpetual trusts	<u>81,889</u>	<u>34,524</u>
Increase in permanently restricted net assets	<u>106,889</u>	<u>34,524</u>
Decrease in net assets	(906,162)	(53,607)
Net assets, beginning of year	<u>16,697,638</u>	<u>16,751,245</u>
Net assets, end of year	\$ <u>15,791,476</u>	\$ <u>16,697,638</u>

The accompanying notes are an integral part of these consolidated financial statements

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended April 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Decrease in net assets	\$ (906,162)	\$ (53,607)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in beneficial interest in perpetual trusts	(81,889)	(34,524)
Depreciation and amortization	2,290,938	2,486,900
Provision for bad debts	2,592,434	3,156,954
Loss on early extinguishment of long-term debt	-	61,676
Change in net unrealized gains on investments	(352,042)	(400,181)
Realized loss (gains) on investments	54,548	(22,040)
Restricted contributions	(722,389)	(1,469,772)
Pledges receivable, net	364,610	366,431
Change in operating assets and liabilities		
Accounts receivable	(2,792,779)	(4,105,409)
Other accounts receivable and assets	(129,766)	8,526
Estimated third-party payor settlements	2,657,071	1,785,776
Prepaid expenses and other current assets and inventoried supplies	(126,520)	(30,493)
Accounts payable and other accrued expenses	(1,565,878)	562,940
Accrued payroll and employee benefits	(339,007)	135,488
Net cash provided by operating activities	<u>943,169</u>	<u>2,448,665</u>
Cash flows from investing activities		
Purchases of property and equipment	(2,343,891)	(1,483,475)
Sale of cottage held for sale	377,588	-
Purchases of investments	(5,359,230)	(2,752,927)
Proceeds from sales of investments	7,070,361	2,901,876
(Increase) decrease in trustee held funds	(19,844)	42,166
Change in resident priority and construction deposits	5,087	(12,535)
Net cash used by investing activities	<u>(269,929)</u>	<u>(1,304,895)</u>
Cash flows from financing activities		
Restricted contributions	722,389	1,469,772
Repayments of long-term obligations	(2,321,302)	(2,664,296)
Net advances (repayments) from lines of credit	594,203	(525,758)
Increase in resident priority and contribution deposits	(5,087)	12,535
Additions to deferred financing costs, net	-	(16,093)
Proceeds of long-term obligations	227,926	374,962
Pledges receivable, net	228,520	23,355
Net cash used by financing activities	<u>(553,351)</u>	<u>(1,325,523)</u>
Increase (decrease) in cash and cash equivalents	119,889	(181,753)
Cash and cash equivalents, beginning of year	<u>122,365</u>	<u>304,118</u>
Cash and cash equivalents, end of year	\$ <u>242,254</u>	\$ <u>122,365</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ <u>1,135,801</u>	\$ <u>1,087,145</u>

The accompanying notes are an integral part of these consolidated financial statements

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2014 and 2013

1. Nature of Operations

Mount Desert Island Hospital (Hospital) is a not-for-profit health care facility designated as a critical access hospital located in Bar Harbor, Maine. Birch Bay Retirement Village (BBRV or Community) operates a facility (the Inn) consisting of 32 assisted living and 23 independent living units. Mount Desert Management Company (MDMC) is a for-profit entity (owned by BBRV) established to develop cottages, which are part of the Community and are located in close proximity to the Inn. Once the cottages are completed and sold, ownership of the cottages is transferred from MDMC to Birch Bay Village Association (BBVA or Association). The Association is a separate entity owned by the shareholders/cottage owners. Its assets, liabilities and operations are not included in these financial statements.

2. Summary of Accounting Policies

Principles of Consolidation

The accompanying financial statements include the accounts of the Hospital and its wholly-owned subsidiaries, BBRV and its subsidiary MDMC (collectively, Organization). Intercompany balances and transactions have been eliminated from the consolidated financial statements.

Use of Estimates

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

Cash and Cash Equivalents

Highly liquid savings deposits and investments with maturities of three months or less when purchased are considered cash equivalents.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. It has experienced no losses in such accounts, and management believes it is not exposed to any significant risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2014 and 2013

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Data for each major payor source is regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. For receivables relating to 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 Hospital records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2014, the Hospital increased its estimate from \$2,330,063 to \$2,407,192 in the allowance for doubtful accounts relating to self-pay patients and during 2013, the Hospital increased its estimate from \$2,264,787 to \$2,330,063. During 2014 and 2013, self-pay write-offs decreased from \$3,091,678 to \$2,515,306 and increased from \$2,621,565 to \$3,091,678, respectively. Such fluctuations resulted from trends experienced in the collection of amounts from self-pay patients.

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the consolidated balance sheets. In accordance with the Hospital's policy, investment income or loss is included in other income if it is generated by restricted funds whose income is unrestricted and is included in other revenue if generated from Board-designated funds, unless the income or loss is restricted by donor or law. Gains and losses on sales of investments are computed based on specific identification of the investment sold. Unrealized gains and losses on investments are excluded from the deficiency of revenues, gains, and other support over expenses. On a periodic basis, the Hospital evaluates its investments to determine if declines in market value below cost are other than temporary. If such declines are determined to be other than temporary, an impairment charge is recognized and included in the deficiency of revenues, gains, and other support over expenses.

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

Inventoried Supplies

Inventoried supplies, which include pharmaceuticals, are carried at the lower of cost (determined by the first-in, first-out method) or market.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2014 and 2013

Assets Limited as to Use

In connection with its bonds payable to Maine Health and Higher Educational Facilities Authority (MHHEFA), the Organization is required to maintain certain funds which are held by bond trustees. In addition, the Board of Trustees periodically segregates certain general fund assets as internally designated assets in order to provide for the future replacement of property and equipment and other uses.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets represent assets held in trust on behalf of the Hospital restricted by donors to be maintained in perpetuity.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the outstanding bonds payable to MHHEFA and are being amortized on a straight-line basis over the term of the respective debt.

Property and Equipment

Property and equipment is stated at cost or at fair value at the date of donation for assets contributed to the Hospital. The provision for amortization and depreciation of property and equipment has been determined on the straight-line method in a manner which is intended to amortize the cost of assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded on such assets.

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

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. 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

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2014 and 2013

estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined and may be materially different from these estimates. Changes in these estimates are reflected in the consolidated statements in the year in which they occur. Patient services rendered for which payment is expected but ultimately is not received are written off and included as part of the provision for bad debts.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions.

Free and Discounted Care

The Hospital provides care to patients who meet certain criteria under its free and discounted care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as free and discounted care, they are not reported as revenue. The Hospital maintains records to identify the amount of charges foregone for services and supplies furnished under its free and discounted care policy, as well as the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of free and discounted care provided during the year ended April 30.

	<u>2014</u>	<u>2013</u>
Charges foregone, based on established rates	\$ <u>762,000</u>	\$ <u>1,152,000</u>
Estimated costs and expenses incurred to provide free and discounted care	\$ <u>542,000</u>	\$ <u>841,000</u>
Equivalent percentage of free and discounted care charges to all Hospital patient charges	<u>1.08%</u>	<u>1.64%</u>

Cost of providing free and discounted care services has been estimated based on an overall financial statement ratio of costs to charges applied to free and discounted care charges forgone.

Deficiency of Revenues, Gains, and Other Support Over Expenses

The consolidated statements of operations and changes in net assets include deficiency of revenues, gains, and other support over expenses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include changes in unrealized gains on investments and net assets released from restrictions used for purchase of property and equipment.

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Retirement Plan

The Hospital sponsors the Mount Desert Island Hospital Retirement Contribution Plan (Plan), a defined contribution plan which provides retirement benefits to eligible employees. It is the Hospital's policy to fund the costs of the Plan on an annual basis.

Income Taxes

The Hospital and BBRV are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. MDMC is a for-profit entity and is, therefore, subject to income taxes. Income taxes are recorded based upon the asset and liability method as prescribed by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. At April 30, 2014 and 2013, MDMC has certain net operating loss carryforwards which have been reduced by a valuation allowance of an equal amount as it is not presently considered likely that the deferred tax assets will be realized.

Reclassification

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events

For purposes of the preparation of these consolidated financial statements in conformity with U S generally accepted accounting principles, the Organization has considered transactions or events occurring through August 18, 2014, which was the date that the consolidated financial statements were available to be issued and has disclosed the following information.

On May 12, 2014, the Hospital entered into a \$520,000 10-year loan agreement with a bank to assist with financing the Women's Health Center (WHC) which was placed into service during 2014. The receipt of outstanding pledges will be used to repay the loan.

3 Net Patient Service Revenue

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

- Medicare - The Hospital is designated as a Critical Access Hospital (CAH). Under that designation, the Hospital is reimbursed 101% of allowable cost for its inpatient and outpatient services provided to Medicare patients. These reimbursements are subject to the Federal Government's Sequestration payment reduction of 2%, thereby reducing reimbursable costs to 99%. The Hospital is reimbursed for cost reimbursable items at tentative interim rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through April 30, 2009.

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- **MaineCare** - The Hospital's approval for CAH status also impacts reimbursement under the MaineCare program, whereby the Hospital is reimbursed 109% of allowable cost for inpatient and outpatient services. Other items not classified as inpatient or outpatient by MaineCare are reimbursed at cost or some specified discount from cost. 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 fiscal intermediary. Final settlements have been issued through April 30, 2005.
- **Anthem** - Services provided to Anthem subscribers were reimbursed at a discount from established charges and settlements are performed annually. Anthem settlements have not been finalized for 2014.
- **Other** - The Hospital has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Revenue from the Medicare and MaineCare programs accounted for approximately 44% and 9%, respectively, of the Hospital's gross patient service revenue for the year ended April 30, 2014, and 44% and 8%, respectively, for the year ended April 30, 2013. Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately \$92,000 and \$846,000 in 2014 and 2013, respectively, as a result of changes to prior year estimated third-party payor settlements.

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates. Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during fiscal years ended April 30, 2014 and 2013 totaled \$47,720,233 and \$50,677,897, respectively, of which \$43,551,157 and \$46,327,852, respectively, were revenues from third-party payors and \$4,169,076 and \$4,350,045, respectively, were revenues from self-pay patients.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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4. Meaningful Use Revenues

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The Medicare criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. The meaningful use attestation is subject to audit by the Centers for Medicare and Medicaid Services (CMS) in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, and implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to five remaining participation years. There will be no payment adjustments under the Medicaid EHR incentive program.

During 2014, the Hospital qualified for meaningful use funds of \$743,540 from the Medicare EHR program and received \$728,648. The reduced payment was due to the Federal Government Sequestration. The Hospital attested to Stage 1 meaningful use certification from CMS.

During 2014, the Hospital has received meaningful use funds of \$182,750 from the Medicaid EHR program for its eligible physicians. The Hospital also received meaningful use funds of \$139,967 from the Medicaid EHR program. The Hospital has demonstrated a minimum of 10% Medicaid encounters and is upgrading to a certified EHR.

5. Trustee Held Funds

As part of the agreements the Organization has with MHHEFA in conjunction with its bond issues, the Hospital is required to maintain certain bond funds. The total amounts held in these funds by a trustee are as follows at April 30:

	<u>2014</u>	<u>2013</u>
Debt service funds		
2006F	\$ 85,838	\$ 82,939
2007B	297,860	293,537
2010B	462,024	457,757
2012A	<u>86,050</u>	<u>77,695</u>
	<u>\$ 931,772</u>	<u>\$ 911,928</u>

All trustee held funds consist of cash and cash equivalents and the market value of these instruments approximates cost.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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6. Investments

Investments are designated as follows at April 30

	<u>2014</u>	<u>2013</u>
Assets limited as to use - Board designated:		
J.C. Warren Employee Education Program	\$ 287,030	\$ 263,179
MDI Unrestricted Fund	6,441,129	6,144,531
Other	<u>639,425</u>	<u>189,511</u>
	<u>7,367,584</u>	<u>6,597,221</u>
Assets limited as to use - donor restricted funds		
Temporarily restricted	440,558	2,624,558
Permanently restricted	<u>334,483</u>	<u>334,483</u>
	<u>775,041</u>	<u>2,959,041</u>
	<u>\$ 8,142,625</u>	<u>\$ 9,556,262</u>

Unrestricted and restricted investments at fair value consist of the following at April 30:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 1,278,905	\$ 2,709,701
Marketable equity securities	-	245,148
Mutual funds	<u>6,863,720</u>	<u>6,601,413</u>
	<u>\$ 8,142,625</u>	<u>\$ 9,556,262</u>

At April 30, 2014 and 2013, unrealized losses on certain investments whose cost was greater than fair value approximated \$11,900 and \$189,100, respectively. Management considers all impairments to be temporary.

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended April 30

	<u>2014</u>	<u>2013</u>
Income		
Interest and dividend income	\$ 436,907	\$ 278,515
Realized (losses) gains on sales of securities	(54,548)	22,040
Management fees	<u>(63,722)</u>	<u>(42,280)</u>
	<u>\$ 318,637</u>	<u>\$ 258,275</u>
Other changes in unrestricted net assets		
Change in net unrealized gains	<u>\$ 352,042</u>	<u>\$ 400,181</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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Income on investments is reported as follows for the years ended April 30:

	<u>2014</u>	<u>2013</u>
Other operating revenues	\$ 315,443	\$ 176,633
Other income (expense)	<u>3,194</u>	<u>81,642</u>
	<u>\$ 318,637</u>	<u>\$ 258,275</u>

The Hospital's primary responsibility is to provide health care services to the communities within its service area. In order to accomplish this goal, the Hospital maintains resources to assure monies are available to provide for future retirement of debt, replacement of capital equipment, and a return on investment in order to accommodate inflationary increases in equipment costs and to remain technologically current.

In accordance with the State of Maine's Uniform Prudent Management of Institutional Funds Act, the Hospital treats earnings on permanently restricted funds as temporarily restricted until appropriated for expenditure by proper governing Board action.

The basic objectives of the Hospital's investment policy are to emphasize long-term growth of principal while avoiding excessive risk and to achieve returns in excess of spending plus the rate of inflation over the investment horizon in order to preserve the purchasing power of Hospital assets to fund new programs and capital purchases. The long-term asset mix of investments is based on the following allocation guidelines:

<u>Asset Class</u>	<u>Range Minimum-Maximum</u>
Equities	40% - 85%
Fixed income securities (including cash and cash equivalents)	0% - 60%
Alternative investments	0% - 20%

Total annualized returns of an actively managed portfolio are expected to:

- Meet or exceed, on a risk adjusted basis, the return of a balanced market index comprised of:
 - 40% S&P 500
 - 10% Russell 2000
 - 20% MSCI EAFE Net Index
 - 20% Lehman Brothers Govt/Corp
 - 10% Alternatives Index
- Achieve a real return of 5%, and an absolute return of 8%

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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It is expected the investment portfolio will display an overall level of risk which is consistent with the risk associated with the composite benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

7. Property and Equipment

A summary of property and equipment at April 30 follows

	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 4,853,600	\$ 4,826,603
Buildings	36,667,581	36,401,848
Fixed equipment	<u>15,694,598</u>	<u>15,344,326</u>
	57,215,779	56,572,777
Less allowances for depreciation and amortization	<u>(30,180,411)</u>	<u>(27,886,006)</u>
	27,035,368	28,686,771
Construction in progress	<u>3,886,667</u>	<u>2,185,779</u>
Property and equipment, net	<u>\$ 30,922,035</u>	<u>\$ 30,872,550</u>

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are held in the form of long-term investments, contributions receivable from a remainder trust and pledges receivable, and are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Ambulance related programs	\$ 25,000	\$ 25,000
U-Penn Pilot Project	631,702	1,021,034
U-Penn Telemedicine	94,182	156,000
Community Health Center	134,307	152,796
Straus Center support	316,410	314,523
PCS Program support	113,440	141,122
Equipment	43,612	28,823
Campus Expansion support	1,735,455	1,496,010
Women's Health Center Building	256,123	1,315,770
Dental Clinic	368,039	341,639
Other	<u>69,326</u>	<u>289,426</u>
	<u>\$ 3,787,596</u>	<u>\$ 5,282,143</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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Permanently restricted net assets are restricted to:

	<u>2014</u>	<u>2013</u>
Investments to be held in perpetuity, the income from which is expendable for free care and hospital operations (reported as operating income when released)	\$ 376,645	\$ 351,645
Beneficial interest in trust funds held by others	<u>1,664,933</u>	<u>1,583,044</u>
	<u>\$ 2,041,578</u>	<u>\$ 1,934,689</u>

The Hospital is the beneficiary of four and three trusts as of April 30, 2014 and 2013, respectively, a portion of the income from which is to be paid to the Hospital in perpetuity. The Hospital's interest in the trusts is recognized as an asset at the fair market value of the underlying assets, which totaled \$1,664,933 and \$1,583,044 as of April 30, 2014 and 2013, respectively. Increases and decreases in the carrying value of these assets are included in permanently restricted net assets.

9. Real Estate Development Costs/BBRV

BBRV is a retirement community located in Halls Cove, Maine, which consists of several different components located on the same campus. One component of the Community is a 55-unit facility referred to as the Inn, which consists of 32 assisted living suites and 23 independent living apartments.

The other component of the Community is the development of 20 separate cottage units. The construction costs related to the development of the cottages are carried by MDMC. As of April 30, 2014, construction of 17 of the 20 units is complete. A total of 17 and 16 units were sold as of April 30, 2014 and 2013, respectively. The remaining real estate development costs of \$243,469 in the consolidated balance sheet at April 30, 2014 and 2013 represent the pro rata common costs related to the development of the three unbuilt cottages. Once the cottages are completed and sold, ownership of the cottages transfers to BBVA and occupancy of the units at BBVA is made available to shareholders of BBVA through residency agreements. The cost of these cottages and operating results of BBVA are not reflected in the Hospital's consolidated financial statements.

The land the cottages are situated on is leased from BBRV to BBVA and is managed by MDMC. The land lease requires monthly rental payments for a period of 99 years. The initial base rent is \$600 per completed cottage per year. Lease payments were \$12,000 in both 2014 and 2013, and management fees were approximately \$129,000 in both 2014 and 2013. Due from BBVA of \$103,442 and \$165,848 at April 30, 2014 and 2013, respectively, represents land lease and cooperative fees.

As of April 30, 2014 and 2013, BBRV maintained priority deposits to reserve units in the Inn, as well as security deposits for residents, totaling \$152,018 and \$146,931, respectively. These funds are held separately. The priority deposits are noninterest bearing and are refundable.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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10. Construction in Progress and Pledges Receivable

During 2008, the Hospital purchased a nearby property and building for approximately \$2.6 million. The purchase was funded in part through the proceeds of the 2007B MHHEFA Revenue Bonds, with the remainder of the funding provided by a mortgage. During 2013, the Hospital renovated the existing building to provide additional administrative office space.

During 2013, the Hospital began construction of the WHC. At April 30, 2014 and 2013, the Hospital has approximately \$1,382,000 and \$234,000, respectively, of costs in construction in progress related to this project. The WHC was placed into service in early 2015.

During 2011, the Hospital began the installation and implementation of an EHR system. At April 30, 2014 and 2013, the Hospital has approximately \$1,607,000 and \$1,487,000, respectively, of costs in construction in progress related to this project. Total estimated costs for completion have not yet been determined.

During 2014 and 2013, the Hospital capitalized approximately \$27,000 and \$199,000, respectively, of interest costs. At April 30, 2014 and 2013, approximately \$97,000 and \$87,000, respectively, of capitalized interest costs are included in construction in progress.

Pledges receivable under gifts for the related capital and equipment campaigns and the campus expansion gift include the value of future unconditional promises to give from donors for temporarily restricted purposes. The future amounts receivable at April 30, 2014 are as follows:

Capital & Equipment Campaigns

Due within one year	\$ 412,598
Due within two to five years	<u>261,119</u>

Total Capital & Equipment Campaigns receivable	<u>673,717</u>
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Campus Expansion Gift

Due within one year	431,260
Due within two to five years	<u>839,136</u>

Total Campus Expansion Gift receivable	<u>1,270,396</u>
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Total receivable	1,944,113
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Less allowance for uncollectible pledges	(20,254)
Less discount to present value	<u>(137,805)</u>

\$ 1,786,054

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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11. Borrowings

Lines of Credit

The Hospital has an available commercial line of credit with interest at the prime lending rate (3.25% at April 30, 2014). Maximum borrowings under the agreement are \$3,000,000. The line is subject to renewal January 31, 2015.

The Hospital had a second available commercial line of credit with interest at the prime lending rate plus .25%. Maximum borrowings under the agreement were \$1,000,000. The line of credit was converted to a note payable in May 2013. The outstanding balance under the line was reclassified to a long-term obligation in the balance sheet at April 30, 2013.

Amounts outstanding on this line at April 30, 2014 and 2013 were \$2,666,754 and \$2,072,551, respectively. Advances are collateralized by the Hospital's unrestricted investments.

Long-Term Obligations

Long-term obligations consist of the following at April 30:

	<u>2014</u>	<u>2013</u>
Mount Desert Island Hospital		
MHHEFA Revenue Bonds, Series 2010B, interest rates varying between 3.0% and 5.0%, principal due in amounts ranging from \$130,000 on July 1, 2014 to \$150,000 on July 1, 2018, plus original issue premium of \$38,663 in 2014 and \$46,028 in 2013.	\$ 580,863	\$ 718,228
MHHEFA Revenue Bonds, Series 2007B, interest rates varying between 4.0% and 4.3%, principal due in amounts ranging from \$310,000 on July 1, 2014 to \$430,000 on July 1, 2022, plus original issue premium of \$14,420 in 2014 and \$16,100 in 2013.	2,867,906	3,169,588
MHHEFA Revenue Bonds, Series 2006F, with interest at 4%, principal due in amounts ranging from \$100,000 on July 1, 2014 to \$92,200 on July 1, 2016.	192,200	287,200
\$3,600,000 mortgage note payable, interest rate of 5.5% through February 6, 2016 and then the prime rate (3.25% at April 30, 2014) plus 0.75% through January 6, 2036, monthly installments of \$22,278, including interest through February 6, 2016 becoming variable through January 6, 2036 based on the prime rate in effect; collateralized by real estate.	3,352,607	3,431,109

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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	<u>2014</u>	<u>2013</u>
\$2,700,000 note payable, interest rate of 5.25%, annual principal only payments of \$450,000 with one final principal and interest payment due February 1, 2017, collateralized by real estate.	1,800,000	1,800,000
\$2,150,000 note payable, due in monthly installments of \$49,583 including interest at a rate of 5.0%, through April 30, 2015; collateralized by equipment.	600,231	1,078,425
\$197,000 mortgage note payable, interest at the greater of the prime rate plus 0.75% or 4.25% (4.25% at April 30, 2014), monthly installments of \$1,074 including interest through May 19, 2035, collateralized by real estate.	177,816	183,180
\$183,750 mortgage note payable, interest at the greater of the prime rate plus 1.0% or 4.25% (4.25% at April 30, 2014), monthly installments of \$1,002 including interest through March 18, 2036; collateralized by real estate.	170,272	174,849
6% mortgage payable in monthly installments of \$13,612, including interest through January 9, 2028; collateralized by real estate.	1,526,916	1,596,369
\$1,000,000 note payable, interest at the prime rate (3.25% at April 30, 2014), monthly interest only payments beginning May 11, 2013 through July 11, 2013. Monthly principal payments of \$64,104 plus accrued interest beginning August 11, 2013 with the remaining principal plus accrued interest due on July 11, 2014; collateralized by investments	133,136	769,231
Various capital leases bearing interest at fixed rates ranging from 5.24% to 8.04%, maturing through April 2017, collateralized by equipment.	219,598	166,743

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	<u>2014</u>	<u>2013</u>
Birch Bay Retirement Village		
MHHEFA Revenue Bonds, Series 2010B, interest rates varying between 3.0% and 5.25%, principal due in amounts ranging from \$285,000 on July 1, 2014 to \$600,000 on July 1, 2031, plus net original issue premium of \$217,753 in 2014 and \$230,602 in 2013.	7,169,878	7,457,727
MHHEFA Revenue Bonds, Series 2012A, interest rates varying between 2.00% and 5.00%, principal due in amounts ranging from \$70,000 on July 1, 2014 to \$115,000 on July 1, 2032, plus net original issue premium of \$132,420 in 2014 and \$139,676 in 2013.	<u>1,787,120</u>	<u>1,859,376</u>
	20,578,543	22,692,025
Less current portion	<u>2,367,473</u>	<u>2,743,736</u>
Long-term obligations, excluding current portion	<u>\$18,211,070</u>	<u>\$19,948,289</u>

In 2003, BBRV and the Hospital entered into an Assumption and Co-Obligor Agreement (the Agreement) under which BBRV assumed all of the obligations under the Series 2002A and Series 2001A bonds and became co-obligated on a joint and several basis with the Hospital under the bonds. The Hospital was not released or discharged in any way from its obligations under the bonds. In conjunction with the Agreement, the Hospital also transferred the assets related to the Inn, as well as the Series 2002A and 2001A bonds, to BBRV. The 2001A and 2002A bonds were refunded in full in 2011 and 2013, respectively.

The Hospital and BBRV are required to make monthly deposits with the trustee to fund principal and interest payments on the bonds as they come due. The Hospital's 2010, 2007, and 2006 bonds are collateralized by a security interest in all gross receipts of the Hospital, its equipment and a mortgage lien on the Hospital. BBRV's 2012 and 2010 bonds are collateralized by the gross receipts of BBRV, its equipment and fixtures, and a mortgage lien on BBRV.

Under its agreements with MHHEFA, the Hospital and BBRV must meet certain restrictive loan covenants. They are not in compliance with certain of these requirements at April 30, 2014.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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Assets recorded under capital leases totaled \$2,345,393 and \$2,177,951 at April 30, 2014 and 2013, respectively. Accumulated amortization associated with these assets totaled \$1,929,765 and \$1,826,764 in 2014 and 2013, respectively. The cost of these assets have been included with property and equipment. Because the Hospital has the right to purchase the leased assets for nominal amounts at the end of the lease terms, such assets are amortized over their useful lives, which exceed the lease terms. Amortization expense for assets under capital leases was approximately \$103,000 and \$197,000 in 2014 and 2013, respectively, and has been included with depreciation and amortization expense in the consolidated financial statements.

Scheduled principal repayments on long-term obligations are as follows:

	Long-term Obligations	Capital Lease Obligations
2015	\$ 1,833,039	\$ 96,000
2016	1,745,697	35,500
2017	1,722,327	30,000
2018	1,537,457	30,000
2019	995,814	30,000
Thereafter	<u>12,524,611</u>	<u>32,000</u>
	20,358,945	253,500
Less amounts representing interest	<u>-</u>	<u>33,902</u>
	<u>\$ 20,358,945</u>	<u>\$ 219,598</u>

12. Deferred Compensation

The Hospital has established a deferred compensation plan that permits management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Hospital has recorded \$2,093,998 at April 30, 2014, to reflect its liability under this plan. The Hospital has established a Trust to finance obligations under the plan. The Hospital has a corresponding asset of \$2,093,998 (assets consist entirely of mutual funds) at April 30, 2014. Under the plan, all gains and losses in trust fund investments increase or decrease the deferred compensation liability.

13. Retirement Plan

The Hospital has a defined contribution retirement plan which allows employees to defer certain amounts into the plan and also provides for employer contributions into the plan on behalf of an employee up to 3.5% of employee earnings. Participation in the plan is subject to certain eligibility requirements. Pension expense was \$500,679 and \$832,138 for 2014 and 2013, respectively.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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14. Concentrations

Credit Risk

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

	<u>2014</u>	<u>2013</u>
Medicare	31 %	33 %
MaineCare	12	8
Anthem	4	4
Other third-party payors	22	25
Patients	<u>31</u>	<u>30</u>
	<u>100 %</u>	<u>100 %</u>

Labor Force

The Hospital's unionized labor workforce are members of the National Nurses Organizing Committee and National Nurses United Local Unit #982. The current contract expired April 30, 2014 and negotiations are ongoing for the new contract as of April 30, 2014.

15. Contingencies

Medical Malpractice Insurance

The Hospital insures its medical malpractice risks on a claims-made basis under a policy which covers all employees of the Hospital. A claims-made policy provides specified coverage for claims reported during the policy term. The policy contains a provision which allows the Hospital to purchase "tail" coverage for an indefinite period of time to avoid any lapse in insurance coverage. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of doing business. Generally accepted accounting principles require the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from potential claims and determined that no such accrual is necessary for the years ended April 30, 2014 and 2013. The Hospital intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

Self-Insurance Program

The Hospital self-insures its employee health benefits and has estimated and recorded amounts to meet its expected obligations under the program. Total expense for health benefits was \$5,573,406 and \$5,978,846, in 2014 and 2013, respectively. The Hospital provided services totaling \$3,098,750 and \$3,572,165 in 2014 and 2013, respectively, which represents services

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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rendered for Hospital employees for which the Hospital recorded revenue. Stop loss insurance coverage is in effect which mitigates the Hospital's exposure to loss on an individual and aggregate basis.

The Hospital also participates in a self-insured workers' compensation insurance plan through an industry cooperative. Current funding levels by the Hospital and other participants in the cooperative are expected to be adequate to meet future claims. Excess insurance has been purchased to mitigate the cooperative's exposure to loss on large aggregate claims over a certain level.

16. Operating Leases

The Hospital leases medical buildings and equipment under operating leases with varying terms and expiration dates. Rent expense, under these leases, for the years ended April 30, 2014 and 2013, was \$151,797 and \$168,731, respectively. At April 30, 2014, future minimum payments are approximately as follows:

2015	\$ 141,722
2016	<u>69,839</u>
	<u>\$ 211,561</u>

17. Volunteer Services (Unaudited)

Total volunteer service hours provided annually to the Hospital were approximately 4,500 and 4,800 in 2014 and 2013, respectively. The volunteers provide various nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statement of operations.

18. Functional Expenses

The Organization provides general health services to residents within its geographic location. Expense related to providing these services are as follows:

	<u>2014</u>	<u>2013</u>
Health care services	\$ 37,411,395	\$ 39,182,896
General and administrative	11,856,321	11,409,027
Health care provider tax	1,125,762	762,681
Cottage and Inn expenses	<u>4,301,421</u>	<u>4,325,298</u>
	<u>\$ 54,694,899</u>	<u>\$ 55,679,902</u>

Included in general and administrative expense are fundraising costs of \$265,798 and \$189,523 in 2014 and 2013, respectively.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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19. Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized below. Fair values were primarily determined using the market approach.

Fair Value Measurements at April 30, 2014				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 1,278,905	\$ -	\$ -	\$ 1,278,905
Mutual funds	6,863,720	-	-	6,863,720
Investments to fund deferred compensation and related liability	2,093,998	-	-	2,093,998
Beneficial interest in perpetual trusts	-	-	1,664,933	1,664,933
Total	<u>\$ 10,236,623</u>	<u>\$ -</u>	<u>\$ 1,664,933</u>	<u>\$ 11,901,556</u>

Fair Value Measurements at April 30, 2013				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 2,709,701	\$ -	\$ -	\$ 2,709,701
Marketable equity securities	245,148	-	-	245,148
Mutual funds	6,601,413	-	-	6,601,413
Investments to fund deferred compensation and related liability	1,732,901	-	-	1,732,901
Beneficial interest in perpetual trusts	-	-	1,583,044	1,583,044
Total	<u>\$ 11,289,163</u>	<u>\$ -</u>	<u>\$ 1,583,044</u>	<u>\$ 12,872,207</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2014 and 2013

The fair value of Level 3 assets is based on the market prices of the underlying assets, but is classified as Level 3 as there is no market in which to trade the beneficial interest itself.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, May 1, 2012	\$ 1,548,520
Change in value of trusts	<u>34,524</u>
Balance, April 30, 2013	1,583,044
Contributions	101,605
Change in value of trusts	<u>(19,716)</u>
Balance, April 30, 2014	<u>\$ 1,664,933</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

April 30, 2014

ASSETS

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Current assets				
Cash and cash equivalents	\$ 76,474	\$ 165,780	\$ -	\$ 242,254
Accounts receivable, net	6,139,447	222,854	-	6,362,301
Due (to) from Birch Bay Village Association	(22,168)	125,610	-	103,442
Inventoried supplies	590,932	-	-	590,932
Prepaid expenses and other current assets	271,435	15,548	-	286,983
Current portion of pledges receivable	843,858	-	-	843,858
Trustee held funds	<u>499,805</u>	<u>431,967</u>	<u>-</u>	<u>931,772</u>
Total current assets	<u>8,399,783</u>	<u>961,759</u>	<u>-</u>	<u>9,361,542</u>
Assets limited as to use or donor restricted				
Board-designated funds	7,367,584	-	-	7,367,584
Donor-restricted funds	<u>775,041</u>	<u>-</u>	<u>-</u>	<u>775,041</u>
Total investments	8,142,625	-	-	8,142,625
Pledges receivable, net of current portion	942,196	-	-	942,196
Beneficial interest in perpetual trusts	<u>1,664,933</u>	<u>-</u>	<u>-</u>	<u>1,664,933</u>
Total assets limited as to use or donor restricted	<u>10,749,754</u>	<u>-</u>	<u>-</u>	<u>10,749,754</u>
Due from affiliates	4,703,985	400,770	(5,104,755)	-
Property and equipment, net	<u>23,169,840</u>	<u>7,752,195</u>	<u>-</u>	<u>30,922,035</u>
Other assets				
Deferred financing costs, net	66,193	106,181	-	172,374
Real estate development costs	-	243,469	-	243,469
Resident priority and construction deposits	-	152,018	-	152,018
Investments to fund deferred compensation	2,093,998	-	-	2,093,998
Other assets	<u>353,567</u>	<u>130,000</u>	<u>-</u>	<u>483,567</u>
Total other assets	<u>2,513,758</u>	<u>631,668</u>	<u>-</u>	<u>3,145,426</u>
Total assets	<u>\$ 49,537,120</u>	<u>\$ 9,746,392</u>	<u>\$ (5,104,755)</u>	<u>\$ 54,178,757</u>

LIABILITIES AND NET ASSETS (DEFICIT)

	<u>Mount Desert Island Hospital</u>	<u>Consolidated Birch Bay Retirement Village</u>	<u>Elimi- nations</u>	<u>Total</u>
Current liabilities				
Line of credit	\$ 2,666,754	\$ -	\$ -	\$ 2,666,754
Current portion of long-term obligations	2,012,473	355,000	-	2,367,473
Accounts payable and other accrued expenses	5,509,278	477,164	-	5,986,442
Accrued payroll and amounts withheld	695,066	155,110	-	850,176
Accrued employee benefits and related liabilities	2,376,021	-	-	2,376,021
Estimated third-party payor settlements	<u>3,622,845</u>	<u>-</u>	<u>-</u>	<u>3,622,845</u>
Total current liabilities	16,882,437	987,274	-	17,869,711
Due to affiliates	309,807	4,794,948	(5,104,755)	-
Resident priority and construction deposits	-	152,018	-	152,018
Long-term obligations, less current portion	9,609,072	8,601,998	-	18,211,070
Deferred compensation and other long-term liabilities	<u>2,154,482</u>	<u>-</u>	<u>-</u>	<u>2,154,482</u>
Total liabilities	<u>28,955,798</u>	<u>14,536,238</u>	<u>(5,104,755)</u>	<u>38,387,281</u>
Net assets (deficit)				
Unrestricted	14,865,588	(4,903,286)	-	9,962,302
Temporarily restricted	3,674,156	113,440	-	3,787,596
Permanently restricted	<u>2,041,578</u>	<u>-</u>	<u>-</u>	<u>2,041,578</u>
Total net assets (deficit)	<u>20,581,322</u>	<u>(4,789,846)</u>	<u>-</u>	<u>15,791,476</u>
 Total liabilities and net assets (deficit)	 <u>\$ 49,537,120</u>	 <u>\$ 9,746,392</u>	 <u>\$ (5,104,755)</u>	 <u>\$ 54,178,757</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended April 30, 2014

	Mount Desert Island <u>Hospital</u>	Consolidated Birch Bay Retirement <u>Village</u>	Elimi- nations	<u>Total</u>
Unrestricted revenues, gains, and other support				
Patient service revenue (net of contractual allowances and discounts)	\$ 47,720,233	\$ -	\$ -	\$ 47,720,233
Less provision for bad debts	<u>2,592,434</u>	<u>-</u>	<u>-</u>	<u>2,592,434</u>
Net patient service revenue	45,127,799	-	-	45,127,799
Resident revenue	-	3,791,595	-	3,791,595
Meaningful use revenue	1,051,365	-	-	1,051,365
Other revenue	2,058,563	340,987	-	2,399,550
Gifts and bequests	290,931	-	-	290,931
Net assets released from restrictions used for operations	<u>669,243</u>	<u>39,699</u>	<u>-</u>	<u>708,942</u>
Total revenues, gains, and other support	<u>49,197,901</u>	<u>4,172,281</u>	<u>-</u>	<u>53,370,182</u>
Operating expenses				
Salaries and employee benefits	31,365,713	2,455,382	-	33,821,095
Supplies and other expenses	15,315,828	919,830	-	16,235,658
Marketing expenses	-	93,294	-	93,294
Health care provider tax	1,125,762	-	-	1,125,762
Depreciation and amortization	1,876,839	414,099	-	2,290,938
Interest	<u>709,336</u>	<u>418,816</u>	<u>-</u>	<u>1,128,152</u>
Total operating expenses	<u>50,393,478</u>	<u>4,301,421</u>	<u>-</u>	<u>54,694,899</u>
Loss from operations	<u>(1,195,577)</u>	<u>(129,140)</u>	<u>-</u>	<u>(1,324,717)</u>
Other income (expense)				
Interest income on restricted investments, net	57,742	-	-	57,742
Realized loss on sale of investments	(54,548)	-	-	(54,548)
Other miscellaneous	<u>(91,722)</u>	<u>10,851</u>	<u>-</u>	<u>(80,871)</u>
Other income (expense), net	<u>(88,528)</u>	<u>10,851</u>	<u>-</u>	<u>(77,677)</u>
Deficiency of revenues, gains, and other support over expenses	(1,284,105)	(118,289)	-	(1,402,394)

(Continued next page)

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations and Changes in Net Assets (Deficit) (Concluded)

Year Ended April 30, 2014

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Deficiency of revenues, gains, and other support over expenses (brought forward)	\$ (1,284,105)	\$ (118,289)	\$ -	\$ (1,402,394)
Change in unrealized gains on investments	352,042	-	-	352,042
Net assets released from restrictions used for purchase of property and equipment	<u>1,531,848</u>	<u>-</u>	<u>-</u>	<u>1,531,848</u>
Increase (decrease) in unrestricted net assets (deficit)	<u>599,785</u>	<u>(118,289)</u>	<u>-</u>	<u>481,496</u>
Temporarily restricted net assets				
Contributions	1,327,356	12,017	-	1,339,373
Change in pledges receivable, net	(593,130)	-	-	(593,130)
Net assets released from restrictions	<u>(2,201,091)</u>	<u>(39,699)</u>	<u>-</u>	<u>(2,240,790)</u>
Decrease in temporarily restricted net assets	<u>(1,466,865)</u>	<u>(27,682)</u>	<u>-</u>	<u>(1,494,547)</u>
Permanently restricted net assets				
Contributions	25,000	-	-	25,000
Change in value of beneficial interest in perpetual trusts	<u>81,889</u>	<u>-</u>	<u>-</u>	<u>81,889</u>
Increase in permanently restricted net assets	<u>106,889</u>	<u>-</u>	<u>-</u>	<u>106,889</u>
Decrease in net assets (deficit)	(760,191)	(145,971)	-	(906,162)
Net assets (deficit), beginning of year	<u>21,341,513</u>	<u>(4,643,875)</u>	<u>-</u>	<u>16,697,638</u>
Net assets (deficit), end of year	<u>\$ 20,581,322</u>	<u>\$ (4,789,846)</u>	<u>\$ -</u>	<u>\$ 15,791,476</u>

BIRCH BAY RETIREMENT VILLAGE AND SUBSIDIARY

Consolidating Balance Sheet

April 30, 2014

ASSETS

	Birch Bay Retirement Village	Mount Desert Management Company	Elimi- nations	Total
Current assets				
Cash and cash equivalents	\$ 110,879	\$ 54,901	\$ -	\$ 165,780
Accounts receivable, net	222,854	-	-	222,854
Due from (to) Birch Bay Village Association	173,622	(48,012)	-	125,610
Prepaid expenses and other current assets	15,548	-	-	15,548
Trustee held funds	<u>431,967</u>	<u>-</u>	<u>-</u>	<u>431,967</u>
Total current assets	<u>954,870</u>	<u>6,889</u>	<u>-</u>	<u>961,759</u>
Due from affiliates	-	400,770	-	400,770
Property and equipment, net	<u>7,752,195</u>	<u>-</u>	<u>-</u>	<u>7,752,195</u>
Other assets				
Deferred financing costs, net	106,181	-	-	106,181
Real estate development costs	-	243,469	-	243,469
Resident priority and construction deposits	152,018	-	-	152,018
Other assets	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
Total other assets	<u>388,199</u>	<u>243,469</u>	<u>-</u>	<u>631,668</u>
Total assets	<u>\$ 9,095,264</u>	<u>\$ 651,128</u>	<u>\$ -</u>	<u>\$ 9,746,392</u>

LIABILITIES AND NET ASSETS (DEFICIT)

	Birch Bay Retirement <u>Village</u>	Mount Desert Management <u>Company</u>	<u>Elimi- nations</u>	<u>Total</u>
Current liabilities				
Current portion of long-term obligations	\$ 355,000	\$ -	\$ -	\$ 355,000
Accounts payable and other accrued expenses	422,123	55,041	-	477,164
Accrued payroll and amounts withheld	<u>155,110</u>	<u>-</u>	<u>-</u>	<u>155,110</u>
Total current liabilities	932,233	55,041	-	987,274
Due to affiliates	4,794,948	-	-	4,794,948
Resident priority and construction deposits	152,018	-	-	152,018
Long-term obligations, less current portion	<u>8,601,998</u>	<u>-</u>	<u>-</u>	<u>8,601,998</u>
Total liabilities	<u>14,481,197</u>	<u>55,041</u>	<u>-</u>	<u>14,536,238</u>
Net assets (deficit)				
Unrestricted net assets (deficit)	(5,499,373)	596,087	-	(4,903,286)
Temporarily restricted net assets	<u>113,440</u>	<u>-</u>	<u>-</u>	<u>113,440</u>
Total net assets (deficit)	<u>(5,385,933)</u>	<u>596,087</u>	<u>-</u>	<u>(4,789,846)</u>
Total liabilities and net assets (deficit)	\$ <u>9,095,264</u>	\$ <u>651,128</u>	\$ <u>-</u>	\$ <u>9,746,392</u>

BIRCH BAY RETIREMENT VILLAGE AND SUBSIDIARY

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended April 30, 2014

	Birch Bay Retirement Village	Mount Desert Management Company	Elimi- nations	Total
Unrestricted revenues, gains, and other support				
Resident revenue	\$ 3,791,595	\$ -	\$ -	\$ 3,791,595
Other revenue	254,971	86,016	-	340,987
Net assets released from restrictions used for operations	<u>39,699</u>	<u>-</u>	<u>-</u>	<u>39,699</u>
Total revenues, gains, and other support	<u>4,086,265</u>	<u>86,016</u>	<u>-</u>	<u>4,172,281</u>
Operating expenses				
Salaries and employee benefits	2,455,382	-	-	2,455,382
Supplies and other expenses	911,073	8,757	-	919,830
Marketing expenses	67,061	26,233	-	93,294
Depreciation and amortization	414,099	-	-	414,099
Interest	<u>418,816</u>	<u>-</u>	<u>-</u>	<u>418,816</u>
Total operating expenses	<u>4,266,431</u>	<u>34,990</u>	<u>-</u>	<u>4,301,421</u>
(Loss) income from operations	<u>(180,166)</u>	<u>51,026</u>	<u>-</u>	<u>(129,140)</u>
Other income (expense)				
Other miscellaneous income (expense)	<u>16,460</u>	<u>(5,609)</u>	<u>-</u>	<u>10,851</u>
Other income (expense), net	<u>16,460</u>	<u>(5,609)</u>	<u>-</u>	<u>10,851</u>
(Decrease) increase in unrestricted net assets (deficit)	<u>(163,706)</u>	<u>45,417</u>	<u>-</u>	<u>(118,289)</u>
Temporarily restricted net assets				
Contributions	12,017	-	-	12,017
Net assets released from restrictions	<u>(39,699)</u>	<u>-</u>	<u>-</u>	<u>(39,699)</u>
Decrease in temporarily restricted net assets	<u>(27,682)</u>	<u>-</u>	<u>-</u>	<u>(27,682)</u>
(Decrease) increase in net assets (deficit)	<u>(191,388)</u>	<u>45,417</u>	<u>-</u>	<u>(145,971)</u>
Net assets (deficit), beginning of year	<u>(5,194,545)</u>	<u>550,670</u>	<u>-</u>	<u>(4,643,875)</u>
Net assets (deficit), end of year	<u>\$ (5,385,933)</u>	<u>\$ 596,087</u>	<u>\$ -</u>	<u>\$ (4,789,846)</u>

