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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public

Information about Form 990 and its instructions is at [www.IRS.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 07-01-2014, and ending 06-30-2015

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

PINNACLE HEALTH HOSPITALS

Doing business as

Number and street (or P O box if mail is not delivered to street address)

Room/suite

409 SOUTH SECOND ST PO BOX 8700

City or town, state or province, country, and ZIP or foreign postal code

HARRISBURG, PA 171058700

F Name and address of principal officer

WILLIAM H PUGH

409 SOUTH SECOND ST PO BOX 8700

HARRISBURG,PA 171058700

H(a) Is this a group return for subordinates?

☐ Yes

☒ No

H(b) Are all subordinates included?

☐ Yes

☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) () ◀(insert no)

☐ 4947(a)(1) or

☐ 527

J Website: ▶ WWW.PINNACLEHEALTH.ORG

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other ▶

L Year of formation 1996

M State of legal domicile PA

Part I	Summary																																
Activities & Governance	1 Briefly describe the organization's mission or most significant activities INPATIENT AND OUTPATIENT HEALTHCARE FOR CITIZENS OF THE LOCAL & SURROUNDING COMMUNITIES																																
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets																																
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>22</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>17</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2014 (Part V, line 2a)</td><td>5,247</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>394</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>5,817,901</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>1,486,091</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	22	4	Number of independent voting members of the governing body (Part VI, line 1b)	17	5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5,247	6	Total number of volunteers (estimate if necessary)	394	7a	Total unrelated business revenue from Part VIII, column (C), line 12	5,817,901	7b	Net unrelated business taxable income from Form 990-T, line 34	1,486,091														
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Expenses	<table><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td><td>0</td><td>89,000</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td>0</td><td>0</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>282,825,956</td><td>309,936,799</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>0</td><td>0</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) ▶0</td><td></td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>381,550,456</td><td>444,421,853</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>664,376,412</td><td>754,447,652</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>94,695,796</td><td>80,521,703</td></tr></table>	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	89,000	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	282,825,956	309,936,799	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0			17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	381,550,456	444,421,853	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	664,376,412	754,447,652	19	Revenue less expenses Subtract line 18 from line 12	94,695,796	80,521,703
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Net Assets or Fund Balances	<table><tr><th></th><th>Beginning of Current Year</th><th>End of Year</th></tr><tr><td>20</td><td>Total assets (Part X, line 16)</td><td>944,382,251</td></tr><tr><td>21</td><td>Total liabilities (Part X, line 26)</td><td>572,631,197</td></tr><tr><td>22</td><td>Net assets or fund balances Subtract line 21 from line 20</td><td>371,751,054</td></tr></table>		Beginning of Current Year	End of Year	20	Total assets (Part X, line 16)	944,382,251	21	Total liabilities (Part X, line 26)	572,631,197	22	Net assets or fund balances Subtract line 21 from line 20	371,751,054																				
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Part II

Signature Block

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

Sign Here

Signature of officer

WILLIAM H PUGH TREASURER/CFO

2016-05-10

Date

Print/Type preparer's name

JULIUS C GREEN CPA JD

Preparer's signature

JULIUS C GREEN CPA JD

Date

Check ☐ if self-employed

PTIN P00350393

Firm's name

▶ BAKER TILLY VIRCHOW KRAUSE LLP

Firm's EIN ▶ 39-0859910

Firm's address

▶ SUITE 200 221 W PHILADELPHIA STREET

YORK, PA 174012993

Phone no (717) 846-7000

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes

☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2014)

Part III Statement of Program Service Accomplishments

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

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	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or 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 domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals 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), 501(c)(4), and 501(c)(29) 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 "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	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	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☒

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c			
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.		
2b		Yes	
3a		Yes	
3b		Yes	
4a			No
5a			No
5b			No
5c			
6a			No
6b			
7			
7a			No
7b			
7c			No
7d			
7e			No
7f			No
7g			
7h			
8			
9a			
9b			
10			
10a			
10b			
11			
11a			
11b			
12a			
12b			
13			
13a			
13b			
13c			
14a			No
14b			

Part VI

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

Check if Schedule O contains a response 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	22	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	17	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

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

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			

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	2,379,192	4,418,042	345,529

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 ▶304

		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
SODEXO PO BOX 905374 CHARLOTTE, NC 28290	FOOD SERVICES	19,926,962
SIEMENS MEDICAL SOLUTIONS USA INC PO BOX 640401 PITTSBURGH, PA 15264	SOFTWARE SUPPORT SVCS	14,375,372
PULMONARY CRITICAL MED PC INC 1631 N FRONT STREET HARRISBURG, PA 17102	RESPIRATORY AND CRITICAL CARE SVCS	1,722,500
AMCOL SYSTEMS INC PO BOX 21625 COLUMBIA, SC 29221	PATIENT PAY ADMINISTRATION	1,707,591
QUANTUM IMAGING & THERAPEUTIC ASSOCIATES 629D LOWTHER ROAD LEWISBERRY, PA 17339	IMAGING SERVICES	1,478,013

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 ►63

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d	511,663			
	e	Government grants (contributions) 1e	2,940,228			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	8,148,519			
	g	Noncash contributions included in lines 1a-1f \$	4,817,971			
	h	Total. Add lines 1a-1f	11,600,410			
Program Service Revenue	Business Code					
	2a	PATIENT REVENUE, NET	621500	809,934,812	804,116,911	5,817,901
	b	CONTRACTED MEDICAL SERVICES	621990	2,213,342	2,213,342	
	c	MISC INPATIENT/OUTPATIENT	621990	456,325	456,325	
	d	COMMUNITY PROGRAM INCOME	900099	441,785	441,785	
	e	MEDICAL EDUCATION	900099	399,301	399,301	
	f	All other program service revenue		231,186	231,186	
	g	Total. Add lines 2a-2f	813,676,751			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	3,556,803			3,556,803
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	(i) Real	(ii) Personal			
		10,353,320				
		10,696,245				
		-342,925				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)	-342,925			-342,925
	7a	(i) Securities	(ii) Other			
		335,442,799	1,891,417			
		332,594,022	2,347,933			
		2,848,777	-456,516			
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)	2,392,261			2,392,261
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18				
	a					
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19				
	a					
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances				
	a					
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory				
	Miscellaneous Revenue		Business Code			
	11a	HITECH REPORTING INCENTIVES	900099	1,937,086		1,937,086
	b	QUALITY INCENTIVE INCOME	900099	788,076		788,076
	c	MISCELLANEOUS INCOME	900099	603,153		603,153
	d	All other revenue		757,740		757,740
	e	Total. Add lines 11a-11d	4,086,055			
	12	Total revenue. See Instructions	834,969,355	807,858,850	5,817,901	9,692,194

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 domestic organizations and domestic governments See Part IV, line 21	89,000	89,000		
2	Grants and other assistance to domestic individuals See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	257,544,093	233,232,348	24,311,745	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	10,106,505	9,152,467	954,038	
9	Other employee benefits	24,337,907	22,040,448	2,297,459	
10	Payroll taxes	17,948,294	16,254,004	1,694,290	
11	Fees for services (non-employees)				
a	Management	83,739,996	38,430,996	45,309,000	
b	Legal	560,926	286,072	274,854	
c	Accounting	56,769	56,201	568	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	34,380		34,380	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	83,405,821	66,070,050	17,335,771	
12	Advertising and promotion	658,528	523,901	134,627	
13	Office expenses	4,048,429	4,474,306	-425,877	
14	Information technology	10,547,127	7,514,755	3,032,372	
15	Royalties				
16	Occupancy	44,505,429	33,658,349	10,847,080	
17	Travel	354,131	269,854	84,277	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,247,999	1,076,616	171,383	
20	Interest	18,065,397	15,464,676	2,600,721	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	61,940,352	57,029,466	4,910,886	
23	Insurance	158	-139	297	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	MEDICAL SUPPLIES	133,256,856	133,090,493	166,363	
b	UBIT TAXES	779,749		779,749	
c	TEMP REST DONATIONS	736,894	368,447	368,447	
d	DUES AND SUBSCRIPTIONS	365,165	321,255	43,910	
e	All other expenses	117,747	107,129	10,618	
25	Total functional expenses. Add lines 1 through 24e	754,447,652	639,510,694	114,936,958	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		2,813	1	3,188
	2	Savings and temporary cash investments		1,043,071	2	3,127,518
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		119,798,012	4	121,943,887
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		2,094,498	7	1,642,503
	8	Inventories for sale or use		13,949,746	8	14,882,294
	9	Prepaid expenses and deferred charges		8,899,715	9	12,454,194
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a1,017,531,920			
	b	Less: accumulated depreciation	10b532,909,001	491,717,271	10c	484,622,919
	11	Investments—publicly traded securities		246,040,102	11	410,464,114
	12	Investments—other securities. See Part IV, line 11		11,638,664	12	19,730,288
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets		327,069	14	337,206
	15	Other assets. See Part IV, line 11		48,871,290	15	54,308,422
	16	Total assets. Add lines 1 through 15 (must equal line 34)		944,382,251	16	1,123,516,533
Liabilities	17	Accounts payable and accrued expenses		143,915,525	17	97,225,642
	18	Grants payable			18	
	19	Deferred revenue		43,743	19	171,831,968
	20	Tax-exempt bond liabilities		398,972,228	20	393,175,399
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		18,731,965	23	18,549,175
	24	Unsecured notes and loans payable to unrelated third parties			24	45,000,000
	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		10,967,736	25	8,195,765
	26	Total liabilities. Add lines 17 through 25		572,631,197	26	733,977,949
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		329,947,539	27	346,757,471
	28	Temporarily restricted net assets		20,505,311	28	21,684,711
	29	Permanently restricted net assets		21,298,204	29	21,096,402
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		371,751,054	33	389,538,584
	34	Total liabilities and net assets/fund balances		944,382,251	34	1,123,516,533

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	834,969,355
2	Total expenses (must equal Part IX, column (A), line 25)	2	754,447,652
3	Revenue less expenses Subtract line 2 from line 1	3	80,521,703
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	371,751,054
5	Net unrealized gains (losses) on investments	5	-2,070,760
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-60,663,413
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	389,538,584

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

Additional Data

Software ID:

Software Version:

EIN: 25-1778644

Name: PINNACLE HEALTH HOSPITALS

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) GEORGE F GRODE DIRECTOR	0 90 1 00	X		X				0	0	0
(1) FELIX GUTIERREZ MD DIRECTOR	0 30 39 70	X						0	509,565	24,731
(2) M RICHARD KLEIMAN DIRECTOR	0 30 0 40	X						0	0	0
(3) DEBORAH S MILLER DIRECTOR	0 60 0 70	X						0	0	0
(4) CLARENCE E ASBURY CHAIRMAN	0 80 0 90	X		X				0	0	0
(5) DENNIS WALSH DIRECTOR	0 40 0 50	X						0	0	0
(6) BONY R DAWOOD DIRECTOR	0 70 0 80	X						0	0	0
(7) STEVEN C KUSIC VICE CHAIRMAN	0 80 0 90	X		X				0	0	0
(8) KENNETH OKEN MD DIRECTOR	0 70 0 80	X						0	75,000	0
(9) MICHAEL L FERNANDEZ MD DIRECTOR	0 20 0 30	X						0	0	0
(10) JOHN C HICKEY DIRECTOR	0 60 0 70	X						0	0	0
(11) CAROLYN KREAMER PHD DIRECTOR	0 50 0 40	X						0	0	0
(12) MICHAEL A YOUNG PRESIDENT/CEO	13 30 26 70	X		X				0	1,218,282	25,702
(13) JOHN CAVANAUGH PHD DIRECTOR	0 30 0 40	X						0	0	0
(14) KEVIN KELLY MD DIRECTOR	0 60 39 40	X						0	203,397	18,659
(15) ROGER LEVIN MD DIRECTOR	0 70 0 80	X						0	0	0
(16) TINA NIXON DIRECTOR	0 30 0 40	X						0	0	0
(17) CYNTHIA TOLSMA DIRECTOR	0 80 1 20	X						0	0	0
(18) E GERALD WOODWARD MD DIRECTOR	0 30 0 40	X						0	0	0
(19) BARRY KAIN DIRECTOR	0 10 0 30	X						0	0	0
(20) DANIEL KAMBIC DIRECTOR	39 40 0 60	X						0	111,116	25,693
(21) MICHAEL MUNCHIE DIRECTOR	0 50 0 60	X						0	0	0
(22) CHRISTOPHER P MARKLEY ESQ SEC'Y/SR VP STAT SVCC/GEN COUNSEL	16 00 24 00			X				0	460,495	23,002
(23) WILLIAM H PUGH TREASURER/SR VP CORP FIN/CFO	24 40 15 60			X				0	724,542	22,887
(24) NANCY HAMMONDS ASST TREASURER/CFO	27 20 12 80			X				0	233,459	24,697

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(26) PHILIP GUARNESCHELLI SR VICE PRESIDENT/COO	30 00 10 00			X				0	718,900	34,733
(1) JOHN DELORENZO ASSISTANT SECRETARY	26 00 14 00			X				0	163,286	24,310
(2) FRANK DITRAGLIA ED PHYSICIAN	40 00					X		472,900	0	5,200
(3) R SCOTT RANKIN ED PHYSICIAN	40 00					X		423,306	0	27,981
(4) JED SPRUCE SEITZINGER ER PHYSICIAN	40 00					X		435,957	0	33,866
(5) MARK BARABAS SR VICE PRESIDENT OPERATIONS	40 00					X		521,332	0	27,627
(6) CARLO DEAUGUSTINE ER PHYSICIAN	40 00					X		525,697	0	26,441

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization PINNACLE HEALTH HOSPITALS	Employer identification number 25-1778644
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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 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f

Enter the number of supported organizations _____
- g

Provide the following information about the supported organization(s)

(i)Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI)						
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 section 501(c)(3) organization, check this box and stop here						▶

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2013 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2014. 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—2013. 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—2014. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
b 10%-facts-and-circumstances test—2013. 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 VI 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2014. 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—2013. 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 Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. . . .	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990) .	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).	10b	
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.	11c	

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)			
a ☐ The organization satisfied the Activities Test. Complete line 2 below.			
b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.			
c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 <u>Activities Test</u> Answer (a) and (b) below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 <u>Parent of Supported Organizations</u> Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.			
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			

Part V – Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI) _____		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)		

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2014			
a From 2009.			
b From 2010.			
c From 2011.			
d From 2012.			
e From 2013.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2014 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2014, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2014 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2015. Add lines 3j and 4c			
8 Breakdown of line 7			
a From 2010.			
b From 2011.			
c From 2012.			
d From 2013.			
e From 2014.			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference

Explanation

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.

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization PINNACLE HEALTH HOSPITALS	Employer identification number 25-1778644
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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 value of contributions to (during year)	
3	Aggregate value of grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No	

Part II

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

1

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

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

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

(i) Revenue 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

Revenue 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, for escrow or custodial account liability?

☐ 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

(ii) related organizations

3a(ii)

b

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

3b

4

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

Part VI Land, Buildings, and Equipment. 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		12,331,974		12,331,974
b Buildings		615,074,807	295,747,408	319,327,399
c Leasehold improvements		16,845,953	11,161,459	5,684,494
d Equipment		342,106,443	211,869,642	130,236,801
e Other		31,172,743	14,130,492	17,042,251
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				484,622,919

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	782,808,047
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains (losses) on investments	2a	-2,070,760
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-60,786,793
e	Add lines 2a through 2d	2e	-62,857,553
3	Subtract line 2e from line 1	3	845,665,600
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	-10,696,245
c	Add lines 4a and 4b	4c	-10,696,245
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	834,969,355

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	765,020,517
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	10,696,245
e	Add lines 2a through 2d	2e	10,696,245
3	Subtract line 2e from line 1	3	754,324,272
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	123,380
c	Add lines 4a and 4b	4c	123,380
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	754,447,652

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
PART X, LINE 2	THE PINNACLE HEALTH SYSTEM EVALUATES UNCERTAIN TAX POSITIONS USING A TWO-STEP APPROACH FOR RECOGNIZING AND MEASURING TAX BENEFITS TAKEN OR EXPECTED TO BE TAKEN IN AN UNRELATED BUSINESS ACTIVITY TAX RETURN AND DISCLOSURES REGARDING UNCERTAINTIES IN TAX POSITIONS. AN ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS WAS REQUIRED AS A RESULT OF THIS EVALUATION IN THE AMOUNT OF \$780 FOR THE FISCAL YEAR ENDED JUNE 30, 2015. NO ADJUSTMENT WAS REQUIRED FOR THE FISCAL YEAR ENDED JUNE 30, 2014.
PART XI, LINE 2D - OTHER ADJUSTMENTS	FINANCING FRAMEWORK TRANSFERS -57,711,939. CHANGE IN ADDITIONAL PENSION LIABILITY 46,033,298. INTERCOMPANY TRANSFERS - NET ASSETS RELEASED 176,137. PENSION SETTLEMENT LOSS -58,452,210. INVESTMENT FEES -34,380. INCREASE IN VALUE OF SELECT MEDICAL REHAB JOINT VENTURE 10,786,769. INTERCOMPANY TRANSFERS -1,584,468.
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSES SHOWN NET OF RENTAL INCOME -10,696,245.
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES SHOWN NET OF RENTAL INCOME 10,696,245.
PART XII, LINE 4B - OTHER ADJUSTMENTS	INVESTMENT FEES 34,380. CONTRIBUTIONS TO COMMUNITY LIFE TEAM 89,000.

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☒ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☒ Other 25000 0000000000 % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☒ 400% ☐ Other % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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	3a	Yes	
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			7,193,713		7,193,713	0 950 %
b Medicaid (from Worksheet 3, column a)			81,373,609	56,229,840	25,143,769	3 330 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			88,567,322	56,229,840	32,337,482	4 280 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			8,407,438		8,407,438	1 110 %
f Health professions education (from Worksheet 5)			8,510,861		8,510,861	1 130 %
g Subsidized health services (from Worksheet 6)			443,057		443,057	0 060 %
h Research (from Worksheet 7)			0			
i Cash and in-kind contributions for community benefit (from Worksheet 8)			792,887		792,887	0 110 %
j Total Other Benefits			18,154,243		18,154,243	2 410 %
k Total. Add lines 7d and 7j			106,721,565	56,229,840	50,491,725	6 690 %

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		200	85,194		85,194	0.010 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development		40	2,305		2,305	0 %
9Other						
10Total		240	87,499		87,499	0.010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

3Enter 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.

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

6Enter Medicare allowable costs of care relating to payments on line 5.

7Subtract line 6 from line 5. This is the surplus (or shortfall).

8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☒ Cost accounting system☐ Cost to charge ratio☐ Other

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?

9bIf "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.

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 %
11 WEST SHORE SURGERY CENTER LTD	SURGICAL CARE - MEDICAL SERVICES	49.000 %	0 %	49.000 %
22 SUSQUEHANNA VALLEY SURGERY CENTER	SURGICAL CARE - MEDICAL SERVICES	50.000 %	0 %	50.000 %
33 WALNUT BOTTOM RADIOLOGY LLC	OUTPATIENT IMAGING SERVICES	50.000 %	0 %	50.000 %
44 RIVER HEALTH ACO	SURGICAL CARE - MEDICAL SERVICES	70.000 %	0 %	30.000 %
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

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

3
Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

		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
	See Additional Data Table										

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)

PINNACLE HEALTH HOSPITALS - HARRISBURG

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):

1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 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 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
a ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The significant health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☐ Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA 20 12		
5 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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	Yes
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 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)	7	Yes
a ☒ Hospital facility's website (list url) WWW PINNACLEHEALTH ORG		
b ☒ Other website (list url) WWW HSH ORG, WWW PENNSTATEHERSHEY ORG		
c ☒ Made a paper copy available for public inspection without charge at the hospital facility		
d ☒ Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 12		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes
a If "Yes" (list url) WWW PINNACLEHEALTH ORG		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	No
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a 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)?	12a	No
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, 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)

Name of hospital facility or letter of facility reporting group

PINNACLE HEALTH HOSPITALS - HARRISBURG

		Yes	No
Financial Assistance Policy (FAP)			
13	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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes
a	☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250 000000000000%</u> and FPG family income limit for eligibility for discounted care of <u>400 000000000000%</u>		
b	☐ Income level other than FPG (describe in Section C)		
c	☐ Asset level		
d	☐ Medical indigency		
e	☒ Insurance status		
f	☐ Underinsurance discount		
g	☐ Residency		
h	☐ Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	14	Yes
15	Explained the method for applying for financial assistance?	15	Yes
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)		
a	☒ Described the information the hospital facility may require an individual to provide as part of his or her application		
b	☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	☐ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	☒ Other (describe in Section C)		
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a	☐ The FAP was widely available on a website (list url) _____		
b	☒ The FAP application form was widely available on a website (list url) <u>WWW.PINNACLEHEALTH.ORG</u>		
c	☒ A plain language summary of the FAP was widely available on a website (list url) <u>WWW.PINNACLEHEALTH.ORG</u>		
d	☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	☒ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	☐ Other (describe in Section C)		
Billing and Collections			
17	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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes
18	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	☐ Reporting to credit agency(ies)		
b	☐ Selling an individual's debt to another party		
c	☐ Actions that require a legal or judicial process		
d	☐ Other similar actions (describe in Section C)		
e	☒ None of these actions or other similar actions were permitted		

Part V

Facility Information (continued)

PINNACLE HEALTH HOSPITALS - HARRISBURG

Name of hospital facility or letter of facility reporting group			Yes	No
19	Did the hospital facility or other 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 a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Actions that require a legal or judicial process d ☐ Other similar actions (describe in Section C) 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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) f ☐ None of these efforts were made	19		No
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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 a ☐ The hospital facility did not provide care for any emergency medical conditions b ☐ The hospital facility's policy was not in writing c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d ☐ Other (describe in Section C)	21	Yes	
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b ☒ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d ☐ Other (describe in Section C) 23 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 Section C	23		No
24	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 Section C	24		No

Part V

Facility Information (continued)

PINNACLE HEALTH HOSPITALS - CGOH

Name of hospital facility or letter of facility reporting group

	Yes	No
Financial Assistance Policy (FAP)		
13 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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13 Yes	
a ☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250 000000000000%</u> and FPG family income limit for eligibility for discounted care of <u>400 000000000000%</u>		
b ☐ Income level other than FPG (describe in Section C)		
c ☐ Asset level		
d ☐ Medical indigency		
e ☒ Insurance status		
f ☐ Underinsurance discount		
g ☐ Residency		
h ☐ Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 Yes	
15 Explained the method for applying for financial assistance?	15 Yes	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)		
a ☒ Described the information the hospital facility may require an individual to provide as part of his or her application		
b ☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c ☐ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d ☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e ☒ Other (describe in Section C)		
16 Included measures to publicize the policy within the community served by the hospital facility?	16 Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a ☐ The FAP was widely available on a website (list url) _____		
b ☒ The FAP application form was widely available on a website (list url) <u>WWW.PINNACLEHEALTH.ORG</u>		
c ☒ A plain language summary of the FAP was widely available on a website (list url) <u>WWW.PINNACLEHEALTH.ORG</u>		
d ☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e ☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f ☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g ☒ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h ☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i ☐ Other (describe in Section C)		
Billing and Collections		
17 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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17 Yes	
18 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 ☐ Reporting to credit agency(ies)		
b ☐ Selling an individual's debt to another party		
c ☐ Actions that require a legal or judicial process		
d ☐ Other similar actions (describe in Section C)		
e ☒ None of these actions or other similar actions were permitted		

Part V

Facility Information (continued)

PINNACLE HEALTH HOSPITALS - CGOH

Name of hospital facility or letter of facility reporting group			Yes	No
19	Did the hospital facility or other 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 a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Actions that require a legal or judicial process d ☐ Other similar actions (describe in Section C) 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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) f ☐ None of these efforts were made	19		No
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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 a ☐ The hospital facility did not provide care for any emergency medical conditions b ☐ The hospital facility's policy was not in writing c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d ☐ Other (describe in Section C)	21	Yes	
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b ☒ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d ☐ Other (describe in Section C) 23 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 Section C	23		No
24	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 Section C	24		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)

PINNACLE HEALTH HOSPITALS - WEST SHORE

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):

3

		Yes	No
Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1	Yes
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	Yes
3	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 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3	No
a	☐ A definition of the community served by the hospital facility		
b	☐ Demographics of the community		
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☐ How data was obtained		
e	☐ The significant health needs of the community		
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☐ The process for consulting with persons representing the community's interests		
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	☐ Other (describe in Section C)		
4	Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
5	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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	
7	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)	7	
a	☐ Hospital facility's website (list url) _____		
b	☐ Other website (list url) _____		
c	☐ Made a paper copy available for public inspection without charge at the hospital facility		
d	☐ Other (describe in Section C)		
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 ____		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	
a	If "Yes" (list url) _____		
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a	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)?	12a	No
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c	If "Yes" to line 12b, 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)

PINNACLE HEALTH HOSPITALS - WEST SHORE

Name of hospital facility or letter of facility reporting group

		Yes	No
Financial Assistance Policy (FAP)			
13 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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes	
a ☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250 000000000000%</u> and FPG family income limit for eligibility for discounted care of <u>400 000000000000%</u>			
b ☐ Income level other than FPG (describe in Section C)			
c ☐ Asset level			
d ☐ Medical indigency			
e ☒ Insurance status			
f ☐ Underinsurance discount			
g ☐ Residency			
h ☐ Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	Yes	
15 Explained the method for applying for financial assistance?	15	Yes	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a ☒ Described the information the hospital facility may require an individual to provide as part of his or her application			
b ☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c ☐ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d ☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e ☒ Other (describe in Section C)			
16 Included measures to publicize the policy within the community served by the hospital facility?	16	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The FAP was widely available on a website (list url) _____			
b ☒ The FAP application form was widely available on a website (list url) <u>WWW.PINNACLEHEALTH.ORG</u>			
c ☒ A plain language summary of the FAP was widely available on a website (list url) <u>WWW.PINNACLEHEALTH.ORG</u>			
d ☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e ☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f ☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g ☒ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility			
h ☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i ☐ Other (describe in Section C)			

Billing and Collections			
17 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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes	
18 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 ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Actions that require a legal or judicial process			
d ☐ Other similar actions (describe in Section C)			
e ☒ None of these actions or other similar actions were permitted			

Part V

Facility Information (continued)

PINNACLE HEALTH HOSPITALS - WEST SHORE

Name of hospital facility or letter of facility reporting group			Yes	No
19	Did the hospital facility or other 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 a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Actions that require a legal or judicial process d ☐ Other similar actions (describe in Section C) 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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) f ☐ None of these efforts were made	19		No
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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 a ☐ The hospital facility did not provide care for any emergency medical conditions b ☐ The hospital facility's policy was not in writing c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d ☐ Other (describe in Section C)	21	Yes	
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b ☒ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d ☐ Other (describe in Section C) 23 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 Section C	23		No
24	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 Section C	24		No

Part V

Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation
See Additional Data Table	

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? 7

Name and address	Type of Facility (describe)
1 HORIZON HEALTH CARE SERVICES LLP 607 N DUKE STREET LANCASTER, PA 17602	IN-HOME DRUG INFUSION THERAPY
2 PINNACLE HEALTH EMERGENCY DEPARTMENT SER 111 SOUTH FRONT STREET HARRISBURG, PA 17101	EMERGENCY MEDICAL SERVICES
3 SUSQUEHANNA VALLEY SURGERY CENTER LLC 4310 LONDONDERRY ROAD SUITE 1 HARRISBURG, PA 17109	SURGICAL CARE - MEDICAL SERVICES
4 WEST SHORE SURGERY CENTER LTD 2015 TECHNOLOGY PARKWAY MECHANICSBURG, PA 17050	SURGICAL CARE - MEDICAL SERVICES
5 CONCENTRA OCCUPATIONAL HEALTHCARE HARRIS 495 OLD CONNECTICUT PATH SUITE 220 FRAMINGHAM, MA 01701	URGENT CARE CENTER - MEDICAL SERVICES
6 WALNUT BOTTOM RADIOLOGY LLC 850 WALNUT BOTTOM ROAD CARLISLE, PA 17013	OUTPATIENT RADIOLOGY AND IMAGING SERVICES
7 VNA COMMUNITY CARE SERVICES 1811 OLDE HOMESTEAD LANE PO BOX 10788 LANCASTER, PA 17604	HOME HEALTH CARE PROVIDER
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
PART I, LINE 6A	THE COMMUNITY BENEFIT REPORT IS PREPARED BY PINNACLE HEALTH SYSTEM, THE PARENT ORGANIZATION

Form and Line Reference	Explanation
PART I, LINE 7	THE COSTS OF CHARITY CARE AND UNREIMBURSED MEDICAID COSTS ARE CALCULATED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM FOR EACH OF THE INDIVIDUAL SERVICES PROVIDED TO THE PATIENT. IT UTILIZES HOSPITAL EXPENSES FROM THE GENERAL LEDGER AND REVENUE DETAILS FROM THE PATIENT ACCOUNTING SYSTEM. EACH DEPARTMENT WITHIN THE HOSPITAL IS CLASSIFIED AS EITHER INDIRECT (OVERHEAD) OR DIRECT (PATIENT CARE AREAS). EXPENSES ARE CLASSIFIED AS FIXED OR VARIABLE AS THEY RELATE TO PATIENT VOLUME. LOGICAL STATISTICS ARE USED TO ALLOCATE OVERHEAD EXPENSES TO THE PATIENT CARE DEPARTMENTS. USING EITHER A RATIO OF COST-TO-CHARGE OR RVUS (RELATIVE VALUE UNITS), THE DIRECT AND INDIRECT COSTS FOR EACH DEPARTMENT ARE ALLOCATED TO THE SERVICES THEY PROVIDE.

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE OF \$49,211,282 IS INCLUDED IN NET PATIENT REVENUE ON FORM 990, PART VIII LINE 2A, AND THEREFORE IS NOT INCLUDED FOR THE PURPOSES OF CALCULATING THE APPLICABLE EXPENSE PERCENTAGES OF SCHEDULE H

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	WITH A FOCUS ON PROVIDING LEADERSHIP IN IMPROVING THE OVERALL HEALTH OF OUR COMMUNITY, PIN NACLE HEALTH HOSPITALS VALUES RELATIONSHIPS WITH COMMUNITY PARTNERS AND THE ASSETS THEY BR ING TO ANY COLLABORATIVE EFFORTS PINNACLE HEALTH HOSPITALS HELPED CREATE THE DAUPHIN COUN TY HEALTH IMPROVEMENT PARTNERSHIP (DCHIP) COMPRISED OF REGIONAL HEALTH AND HUMAN SERVICE P ROVIDERS, PAYORS, COUNTY GOVERNMENT, BUSINESSES AND EDUCATION PHH HAS WORKED COLLABORATIV ELY WITH PHYSICIANS AND HEALTH AND HUMAN SERVICE ORGANIZATIONS FOR MANY YEARS TO MAXIMIZE COMMUNITY CAPACITY, PROVIDE NECESSARY SERVICES TO THE COMMUNITY AND REDUCE DUPLICATION OF SERVICES PHH SERVES IN A CONVENING ROLE TO STRENGTHEN COMMUNITY ASSETS THROUGH REFERRAL N ETWORKS AND PARTNERSHIPS, SUCH INITIATIVES INCLUDE THE PHARMACY VOUCHER PROGRAM WITH THE H ARRISBURG PHARMACY AND WITH THE LOCAL SCHOOL SYSTEM TO PROMOTE HEALTH AWARENESS AND PHYSIC AL ACTIVITY AMONG CHILDREN THE PROGRAM INCLUDES A PREMIUM SYSTEM TO ENCOURAGE STUDENTS TO ADOPT AND MAINTAIN A HEALTHIER LIFESTYLE AND OFFERS OPPORTUNITIES FOR FAMILIES TO PARTICI PATE IN CLASSES TOGETHER TO LEARN ABOUT HEALTHY COOKING AND PHYSICAL ACTIVITY BASED ON ID ENTIFIED COMMUNITY NEEDS AND VULNERABLE POPULATIONS, CONTINUOUS AND FREE PUBLIC PROGRAMS A RE TARGETED AT VARIOUS LOCATIONS THROUGHOUT THE COMMUNITY AND INTO AREAS OF LIMITED ACCESS TO SPECIALTY SERVICES THESE PROGRAMS ARE INTENDED TO INFORM AND CHANGE THE HEALTH HABITS OF PARTICIPANTS THROUGH SUCH TOPIC AREAS AS DIABETES, HEART DISEASE, SEXUALLY TRANSMITTED DISEASE PREVENTION, CANCER, ACCESSING HEALTHCARE, BEHAVIORAL HEALTH, SMOKING CESSATION AN D NUTRITION EXAMPLES OF PINNACLEHEALTH'S LEADERSHIP IN BUILDING COMMUNITY CAPACITY ARE FA ITH COMMUNITY HEALTH CONNECTION (FCHC) - FORMERLY KNOWN AS CONGREGATIONAL HEALTH NETWORK O R CHNPINNACLEHEALTH SYSTEM KNOWS THAT 70% OF OUR PATIENTS BELONG TO A CONGREGATION IN CENT RAL PENNSYLVANIA THE FCHC IS A PARTNERSHIP BETWEEN CONGREGATIONS, THE HEALTHCARE SYSTEM A ND THE COMMUNITY BY NETWORKING WITH THESE SPIRITUAL LEADERS AS PARTNERS THE FCHC WORKS T O IMPROVE THE HEALTH OF ALL IN OUR REGION IN FY2015, PINNACLEHEALTH'S BILINGUAL OUTREACH COORDINATOR CONTINUED TO GIVE SPECIAL FOCUS TO THE LATINO CONGREGATIONS AND ENGAGED MORE T HAN 25 LATINO SPIRITUAL LEADERS SEVERAL LATINO COMMUNITY LEADERS NOW PARTICIPATE IN OUR S PIRITUAL CARE ADVISORY COUNCIL IN ORDER TO ENSURE THAT THE LATINO COMMUNITY NEEDS ARE HEAR D AND ADDRESSED BY THE HEALTHSYSTEM SEVERAL MEMBERS OF THE FCHC PARTICIPATED IN THE COMMU NITY HEALTH NEEDS ASSESSMENT PROCESS IN PARTNERSHIP WITH PINNACLE TO ENSURE POPULATIONS TH AT ARE CONSIDERED HARD TO REACH AND MOST VULNERABLE ARE INCLUDED IN THE IDENTIFIED NEEDS O F THE CHNA OFTEN, CONGREGATIONAL LEADERS ARE THE ONLY TRUSTED INDIVIDUALS FOR MANY REMOTE AND UNACCESSIBLE MEMBERS OF OUR COMMUNITY THE FCHC WORKS WITH CONGREGATIONS TO EDUCATE A ND PROVIDE A SUPPORTIVE NETWORK TO HELP INDIVIDUAL MEMBERS NAVIGATE THE HEALTH SYSTEM TRA INED LEADERS AT LOCAL CONGREGATIONS WORK COLLABORATIVELY WITH PINNACLEHEALTH STAFF TO - PR OVIDE ACCESS TO QUALITY HEALTH CARE AND HELP GUIDE INDIVIDUALS THROUGH THE HEALTHCARE SYST EM - PROVIDE ADVOCACY TO EMPOWER CONGREGANTS IN HEALTHCARE DECISION MAKING - CONNECT FAITH COMMUNITIES TO A NETWORK OF SUPPORT FOLLOWING ILLNESS, INJURY, AND HOSPITALIZATION - CONN ECT PEOPLE WITH EDUCATION AND SERVICES THAT WILL ENABLE THEM TO MAINTAIN OPTIMAL LEVELS OF HEALTH AND WELLBEING -ASSIST PINNACLEHEALTH STAFF IN PROVIDING CULTURALLY SENSITIVE SERVI CES TO DIVERSE POPULATIONS KEYSTONE COMMUNITY CARE CONTINUUM (KCCC) EACH YEAR PINNACLE MAK ES AVAILABLE \$20,000 TO EACH CLINIC, AND IN FISCAL 2015 CLINICS UTILIZED APPROXIMATELY \$30 ,000 TO PROVIDE DIAGNOSTIC TESTING AT NO COST TO THEIR PATIENTS TO DATE, THE CONTINUUM PR OJECT HAS DISBURSED OVER \$100,000 IN FREE CARE FUNDS TO COVER THE COST OF DIAGNOSTIC SERVI CES TO PATIENTS AT THE HOPE WITHIN CLINIC, BETHESDA MISSION, AND THE COMMUNITY CHECK UP CE NTER BASED ON PINNACLEHALTH SYSTEM GOALS AND THE ANALYSIS OF RELATED DATA TO DATE, THE FO LLOWING GOALS AND RELATED OUTCOMES HAVE BEEN NOTED -DECREASE READMISSIONS WITHIN 30 DAYS F OR COMMUNITY HEALTH CENTER PATIENTS FROM 18% TO 16% IN EIGHTEEN MONTHS - MET-DECREASE THT TOTAL NUMBER OF COMMUNITY HEALTH CENTER PATIENTS WITH ACUITY LEVELS OF 4 OR 5 IN THE ED FR OM 55% TO 18% IN EIGHTEEN MONTHS - METTHIS TRANSFORMATION FROM A TRADITIONAL INPATIENT BAS ED HEALTH CARE MODEL TO A COLLABORATIVE, PATIENT-CENTERED MEDICAL HOME MODEL FACILITATES A PARTNERSHIP BETWEEN INDIVIDUAL PATIENTS, PHYSICIANS, CLINICS AND THE COMMUNITY-BASED PATI ENT SUPPORT SYSTEM PATIENT CARE IS FACILITATED BY THE COMMUNITY HEALTH NAVIGATION TEAM US ING RELATIONSHIPS WITH COMMUNITY BASED ORGANIZATIONS AND A HEALTH INFORMATION EXCHANGE TO ASSURE THAT PATIENTS GET THE INDICATED CARE WHEN AND WHERE THEY NEED AND WANT IT IN A CULT URALLY AND LINGUISTICALLY APPROPRIATE MANNER AS A TRUSTED PLACE FOR OUR COMMUNITY TO GO FO R ACCESS TO PUBLIC HEALTH SERVICES AND INFORMATION

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	, THE PHH AND ITS STAFF OF PROFESSIONALS MEET THE NEEDS OF A DIVERSE POPULATION WITH CULTU RAL AWARENESS AND SENSITIVITY. THE CHILDREN'S RESOURCE CENTER (CRC) PARTNERS WITH LAW ENFO RCEMENT, DISTRICT ATTORNEY OFFICES, SOCIAL SERVICES, PSYCHOLOGICAL SUPPORT SERVICES, CRISI S INTERVENTION, AND CHILD PROTECTION SERVICES TO PROVIDE EFFICIENT, QUALITY CARE IN A SAFE , CHILD-FRIENDLY ENVIRONMENT FOR CHILDREN SUSPECTED OF HAVING BEEN ABUSED OR NEGLECTED. TH ROUGH ONGOING TRAINING AND EDUCATION IN THE COMMUNITY, THE CRC HAS SEEN AN INCREASE IN PAR TICIPATION WITH PARTNER AGENCIES IN AN EVER-WIDENING GEOGRAPHIC SERVICE AREA. THE CRC SERV ED 1,199 CHILDREN IN 2015 AND APPROXIMATELY 600 CAREGIVERS. WE SAW CHILDREN FROM OVER 20 C OUNTIES IN PENNSYLVANIA, BUT ROUTINELY SERVED CHILDREN FROM DAUPHIN, CUMBERLAND, PERRY, LE BANON, SCHUYLKILL, JUNIATA, MIFFLIN, BLAIR AND BEDFORD COUNTIES. LEAD AND HEALTHY HOMES PR OGRAM (LHHP)THE LHHP SEEKS TO CREATE SAFE AND HEALTHY HOUSING BY ADDRESSING ENVIRONMENTAL HEALTH AND SAFETY ISSUES IN HOMES. WHEN HAZARDS ARE PRESENT IN A HOME, THEY CAN AFFECT THE HEALTH OF THE OCCUPANTS, PARTICULARLY THOSE MOST VULNERABLE SUCH AS CHILDREN AND SENIORS. THE PURPOSE OF THE LHHP IS TO REDUCE HOSPITALIZATIONS, INJURIES, ILLNESSES, OR DEATHS FRO M PREVENTABLE HOME HEALTH OR SAFETY RISKS. RESOURCE EDUCATION AND COMPREHENSIVE CARE FOR HI V (REACCH)THE PINNACLEHEALTH MEDICAL SERVICES' RESOURCES, EDUCATION AND COMPREHENSIVE CARE FOR HIV INDIVIDUALS (REACCH) PROGRAM SERVES AS A COMPREHENSIVE MEDICAL CARE PROGRAM FOR A LL PEOPLE LIVING WITH HIV/AIDS WITHIN THE SOUTH CENTRAL PENNSYLVANIA REGION. IN 2015, REAC CH SERVED A POPULATION OF APPROXIMATELY 510 INDIVIDUALS WHO WERE RACIALLY DIVERSE. 46% WER E AFRICAN AMERICAN, 42% CAUCASIAN/NON-HISPANIC, 12% HISPANIC, AND LESS THAN 1% MULTI-RACIA L OR OTHER. ALMOST ALL PATIENTS HAVE BEEN ABLE TO OBTAIN HEALTH INSURANCE THROUGH THE AFFO RDABLE CARE ACT AND EXPANDED MEDICAID. 60% ARE COVERED BY MEDICAID OR MEDICARE, 32% HAD PR IVATE INSURANCE AND ONLY 1% WERE UNINSURED. 71% OF REACCH PATIENTS LIVE IN HARRISBURG CITY , AND ALL OF THEM RESIDE IN DAUPHIN, CUMBERLAND, OR PERRY COUNTIES. IN ADDITION TO HIV TRE ATMENT AND PRIMARY MEDICAL CARE, STAFF SEEK TO REMOVE SOCIAL AND ECONOMIC BARRIERS TO CARE BY PROVIDING TREATMENT ADHERENCE COUNSELING, CASE MANAGEMENT, SOCIAL WORK SERVICES, NUTRI TION THERAPY, AND FINANCIAL COUNSELING. REACCH ALSO PROVIDES OUTREACH AND TESTING WITHIN T HE COMMUNITY, SEEKING TO IDENTIFY HIV+ INDIVIDUALS WHO DO NOT KNOW THEIR STATUS THROUGH TE STING HIGH-RISK POPULATIONS, AND REACHING OUT TO INDIVIDUALS KNOWN TO BE POSITIVE BUT WHO ARE NOT ACTIVELY ENGAGED IN MEDICAL TREATMENT. REACCH HAS EXCELLENT PROGRAM OUTCOMES. 88% OF REACCH PATIENTS CONSISTENTLY HAVE AN UNDETECTABLE AMOUNT OF HIV IN THEIR BLOOD, COMPARE D WITH THE NATIONAL RATE OF ONLY 33%. OVER 100 BABIES HAVE BEEN BORN TO HIV+ MOTHERS THROU GH THE REACCH PROGRAM, AND THERE HAS BEEN NO VERTICAL TRANSMISSION OF HIV, ALL OF THESE BA BIES ARE HIV NEGATIVE.

Form and Line Reference	Explanation
PART III, LINE 4	THE FINANCIAL STATEMENTS DO NOT HAVE A SPECIFIC NOTE ON BAD DEBT EXPENSE, RATHER THE FINANCIAL STATEMENTS EVALUATE BAD DEBTS BASED ON ITS ALLOWANCE FOR DOUBTFUL ACCOUNTS THE FOOTNOTE RELATED TO THE ALLOWANCE IS SUMMARIZED AS FOLLOWS "PATIENT RECEIVABLES ARE RECORDED AT THEIR ESTIMATED NET REALIZABLE VALUE THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS ESTIMATED BASED UPON HISTORICAL COLLECTION RATES "THE BAD DEBT EXPENSE ON PART III, LINE 2 WAS CALCULATED BY TAKING THE AMOUNT WRITTEN OFF TO BAD DEBT FOR EACH ACCOUNT AND CONVERTING IT TO CHARGES BY APPROPRIATELY ADJUSTING THE AMOUNT BY THE PAYOR REIMBURSEMENT PERCENTAGE FOR THAT ACCOUNT THEN, THE COST/CHARGE RATIO FOR EACH SPECIFIC ACCOUNT, UTILIZING THE COSTS FROM THE HOSPITAL COST ACCOUNTING SYSTEM (DESCRIBED IN DETAIL ABOVE), WAS APPLIED TO THIS CALCULATED PORTION OF THE TOTAL CHARGES FOR THE PORTION OF BAD DEBT EXPENSE THAT IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, THE HOSPITAL UTILIZES A HISTORICAL PERCENTAGE PROVIDED BY MEDEANALYTICS, A THIRD PARTY INDEPENDENT COMPANY, ON THE PATIENT'S ESTIMATED INCOME WHICH IS DERIVED BY NORMALIZING DATA FROM MULTIPLE, DISPARATE SOURCES TO DETERMINE WHICH OF THE BAD DEBT ACCOUNTS COULD HAVE BEEN ELIGIBLE FOR CHARITY CARE BUT THE PATIENT HAD NOT APPLIED THIS PATIENT FINANCIAL DATA HAS BEEN FOUND TO BE REASONABLY ACCURATE BASED ON COMPARISONS TO THE PATIENTS' ACTUAL INCOME PER SUPPORTING DOCUMENTATION PROVIDED FOR THOSE THAT HAVE APPLIED FOR CHARITY CARE AN OVERALL COST TO CHARGE RATIO WAS THEN APPLIED TO THIS AMOUNT TO ARRIVE AT AN EXPENSE FIGURE

Form and Line Reference	Explanation
PART III, LINE 8	THE MEDICARE COSTS WERE DETERMINED BASED ON THE HOSPITALS' COST ACCOUNTING SYSTEM ALLOCATION OF COSTS BASED ON THE SERVICES RENDERED

Form and Line Reference	Explanation
PART III, LINE 9B	PATIENTS ARE NOTIFIED OF OUR CHARITY CARE POLICY IN A VARIETY OF WAYS THERE ARE POSTERS INFORMING PATIENTS OF OUR CHARITY CARE POLICY AND PAMPHLETS OUTLINING THE APPLICATION PROCESS AT ALL THE REGISTRATION SITES ALL OF OUR PATIENT ACCOUNT STATEMENTS CONTAIN LANGUAGE THAT INDICATES THERE IS FINANCIAL AID AVAILABLE FOR QUALIFYING INDIVIDUALS IN ADDITION, THE POLICY AND APPLICATION ARE POSTED ON THE HOSPITAL WEBSITE IN BOTH ENGLISH AND SPANISH PATIENTS WHO APPLY FOR FINANCIAL ASSISTANCE AND PROVIDE ALL THE NECESSARY DOCUMENTATION REQUIREMENTS ARE NOTIFIED WITHIN TWO WEEKS OF THE HOSPITAL'S DECISION WHEN THE APPROVAL IS DETERMINED, THE APPROPRIATE DISCOUNT IS POSTED TO THE PATIENT'S ACCOUNT IMMEDIATELY THE FINANCIAL ASSISTANCE DISCOUNT WILL BE APPLIED TO SERVICES FOR THE PREVIOUS EIGHTEEN MONTHS AND SUBSEQUENT SIX MONTHS THE HOSPITAL'S COLLECTION POLICY CONTAINS PROVISIONS ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE FOR THOSE INDIVIDUALS DETERMINED TO FULLY QUALIFY FOR CHARITY CARE (OVER 96% OF APPROVED CHARGES) NO ADDITIONAL COLLECTION EFFORTS ARE MADE APPLICANTS APPROVED FOR ONLY PARTIAL DISCOUNT WILL BE REQUIRED TO MAKE REASONABLE PAYMENT ARRANGEMENTS ON THEIR BALANCE IN ACCORDANCE WITH THE HOSPITAL'S CREDIT AND COLLECTION POLICY THIS POLICY DOES PERMIT THE USE OF BOTH INTERNAL COLLECTION STAFF AND EXTERNAL COLLECTION AGENCIES WHO WILL ENGAGE IN STANDARD ACCEPTABLE BUSINESS PRACTICES WHICH INCLUDE PHONE CALLS, MAILINGS AND THE REPORTING OF ITS UNPAID DEBT TO THE CREDIT REPORTING AGENCIES, BUT UNDER NO CIRCUMSTANCES WILL THE HOSPITALS OR ITS CONTRACTED COLLECTION AGENCY ADOPT "EXTRAORDINARY COLLECTION ACTIONS" THAT ENTAIL LEGAL COURSE OF ACTION OR JUDICIAL PROCESS SUCH AS LAWSUITS OR LIENS

Form and Line Reference	Explanation
PART VI, LINE 2	LED BY THE MISSION EFFECTIVENESS DEPARTMENT, THE CHNA PROCESS REPRESENTS A COMPREHENSIVE C OMMUNITY-WIDE PROCESS THAT CONNECTED MORE THAN 500,000 COMMUNITY RESIDENTS, A WIDE RANGE O F PUBLIC AND PRIVATE ORGANIZATIONS, SUCH AS EDUCATIONAL INSTITUTIONS, HEALTH-RELATED PROFE SSIONALS, LOCAL GOVERNMENT OFFICIALS, HUMAN SERVICE ORGANIZATIONS, AND FAITH-BASED ORGANIZ ATIONS TO EVALUATE THE COMMUNITY'S HEALTH AND SOCIAL NEEDS THE ASSESSMENT UTILIZED SECOND ARY DATA COLLECTION, INTERVIEWS WITH KEY COMMUNITY LEADERS, PUBLIC FORUMS AND FOCUS GROUPS TO IDENTIFY HEALTH PROGRAMS AND RISK FACTORS IN THE SERVICE AREA PINNACLEHEALTH ENGAGED THE BROADER COMMUNITY TO GATHER INPUT AND DOCUMENT COMMUNITY HEALTH NEEDS THE FOLLOWING T OOLS WERE USED TO ASSESS THE COMMUNITY COMMUNITY LEADER INTERVIEWSINTERVIEWS WITH FIFTY-EI GHT COMMUNITY LEADERS THROUGHOUT THE REGION WERE CONDUCTED TO GAIN AN UNDERSTANDING OF THE COMMUNITY'S HEALTH NEEDS FROM ORGANIZATIONS AND AGENCIES THAT HAVE A DEEP UNDERSTANDING O F THE POPULATIONS IN THE GREATEST NEED THE COLLABORATIVE DEVELOPED A LIST OF COMMUNITY LE ADERS TO INTERVIEW INTERVIEWS WERE CONDUCTED WITH AN ARRAY OF DIRECTORS AND STAFF MEMBERS FROM COMMUNITY HEALTH CENTERS, MEMBERS FROM SOCIAL SERVICES ORGANIZATIONS, EDUCATIONAL LE ADERS, RELIGIOUS GROUPS, AND ELECTED OFFICIALS THE INFORMATION COLLECTED PROVIDED KNOWLED GE ABOUT THE COMMUNITY'S HEALTH STATUS, RISK FACTORS, SERVICE UTILIZATION, AND COMMUNITY R ESOURCE NEEDS, AS WELL AS GAPS AND SERVICE SUGGESTIONS SECONDARY DATA COLLECTIONSECONDARY DATA WAS COLLECTED FROM MULTIPLE SOURCES, INCLUDING COUNTY HEALTH RANKINGS, HEALTHY PEOPL E 2020, OFFICE OF APPLIED STUDIES, PENNSYLVANIA DEPARTMENT OF HEALTH, BUREAU OF HEALTH STA TISTICS AND RESEARCH, PENNSYLVANIA OFFICE OF RURAL HEALTH, CAPITAL AREA COALITION ON HOMEL ESSNESS, THE CENTERS FOR DISEASE PREVENTION AND CONTROL (CDC), ETC THE DATA RESOURCES WERE RELATED TO DISEASE PREVALENCE, SOCIO-ECONOMIC FACTORS, AND BEHAVIORAL HABITS THE DATA WAS BENCHMARKED AGAINST STATE AND NATIONAL TRENDS DATA WAS ALSO OBTAINED THROUGH TRUVEN HEA LTH ANALYTICS (FORMERLY KNOWN AS THOMSON REUTERS) TO QUANTIFY THE SEVERITY OF HEALTH DISPA RITIES FOR EVERY ZIP CODE IN THE NEEDS ASSESSMENT AREA BASED ON SPECIFIC BARRIERS TO HEALT HCARE ACCESS FIVE PROMINENT SOCIO-ECONOMIC BARRIERS TO COMMUNITY HEALTH WERE IDENTIFIED INCOME BARRIERS, CULTURAL/LANGUAGE BARRIERS, EDUCATIONAL BARRIERS, INSURANCE BARRIERS, AND HOUSING BARRIERS HAND DISTRIBUTED SURVEYSA HAND-DISTRIBUTION METHODOLOGY WAS EMPLOYED TO DISSEMINATE SURVEYS TO INDIVIDUALS THROUGHOUT THE STUDY AREA THE SURVEY WAS AVAILABLE IN BOTH ENGLISH AND IN SPANISH THE ASSISTANCE OF LOCAL COMMUNITY ORGANIZATIONS WAS VITAL TO THE SURVEY DISTRIBUTION PROCESS IN TOTAL, 1,279 SURVEYS WERE USED FOR ANALYSIS OF THESE SURVEYS 1,175 WERE COLLECTED IN ENGLISH AND 104 SURVEYS WERE COLLECTED IN SPANISH FOCUS G ROUPSNINE FOCUS GROUPS WERE FACILITATED WITHIN THE STUDY AREA WITH AT-RISK HEALTHCARE POPU LATIONS THE FOLLOWING TABLE LISTS THE TARGETED FOCUS GROUPS 1 HIV/AIDS 2 HOMELESS 3 I MMIGRANT/DISENFRANCHISED 4 OBESE ADULTS/DIABETIC 5 RURAL UNDER-SERVED 6 SENIORS ON A FI XED-INCOME 7 SPANISH-SPEAKING ADULTS 8 VETERANS 9 WORKING-POOR COMMUNITY FORUMSA SERIES OF THREE COMMUNITY FORUMS WERE FACILITATED WITH COMMUNITY ORGANIZATION LEADERS, RELIGIOUS LEADERS, GOVERNMENT STAKEHOLDERS, AND OTHER KEY COMMUNITY LEADERS AT EACH OF THE SPONSORI NG HOSPITAL/HEALTH SYSTEM LOCATIONS THE PURPOSE OF THE COMMUNITY FORUMS WAS TO PRESENT TH E CHNA FINDINGS TO DATE AND TO RECEIVE INPUT WITH REGARD TO THE NEEDS AND CONCERNS OF THE COMMUNITY WITH INPUT RECEIVED FROM FORUM PARTICIPANTS, COLLABORATIVE MEMBERS IDENTIFIED T HE THREE TOP PRIORITY AREAS AS HEALTHY LIFESTYLES, HEALTH EDUCATION, AND ACCESS TO AFFORD ABLE HEALTHCARE PINNACLE HEALTH HOSPITALS UTILIZES THE US DEPARTMENT OF HEALTH AND HUMAN SERVICES' COMMUNITY HEALTH STATUS INDICATORS WHICH PROVIDES DATA THAT CAN BE COMPARED TO P EER COUNTIES ON A STATE AND NATIONAL LEVEL IN ADDITION, HEALTHY PEOPLE 2020 IDENTIFIES NE ARLY 600 OBJECTIVES WITH MORE THAN 1,300 MEASURES TO IMPROVE THE HEALTH OF ALL AMERICANS TO MONITOR PROGRESS TOWARD ACHIEVING INDIVIDUAL OBJECTIVES, HEALTHY PEOPLE RELIES ON DATA SOURCES DERIVED FROM A NATIONAL CENSUS OF EVENTS LIKE THE NATIONAL VITAL STATISTICS SYSTEM AND NATIONALLY REPRESENTATIVE SAMPLE SURVEYS LIKE THE NATIONAL HEALTH INTERVIEW SURVEY P INNACLEHEALTH HOSPITALS SEARCHES THE HEALTH INDICATORS WAREHOUSE FOR DATA RELATED TO HEALT HY PEOPLE 2020 OBJECTIVES DEVELOPED BY THE NATIONAL CENTER FOR HEALTH STATISTICS TO DEFINE PRIORITIES THAT ASSIST IN IMPROVING HEALTH IN THE COMMUNITY PINNACLE HEALTH HOSPITALS USE S DIRECT PATIENT FEEDBACK, OUTREACH EFFORTS, AND COMMUNITY BASED PARTNERSHIPS TO DETERMINE THE HEALTH CARE NEEDS IN CUMBERLAND, DAUPHIN, AND PERRY COUNTIES THE PRIMARY DATA SOURCE S FOR ASSESSING THE UNMET NEEDS OF THE COMMUNITY ARE DIRECT PATIENT CONTACT, QUESTIONNAIRE S, AND OBSERVATION OF THE PATIENT POPULATION IN PI

Form and Line Reference	Explanation
PART VI, LINE 2	NNACLE'S FOUR CAMPUSES (COMMUNITY, CUMBERLAND, HARRISBURG AND POLYCLINIC), FAMILY CARE PHYSICIAN PRACTICES, OUTPATIENT SURGERY AND IMAGING CENTERS THROUGH VARIOUS OUTREACH PROGRAMS INCLUDING HEALTH FAIRS, SCREENINGS, LECTURES, AND EDUCATION SESSIONS, DATA IS COLLECTED AND INCLUDED IN ASSESSING THE OVERALL UNMET NEEDS OF THE COMMUNITY AS A PART OF THE CHNA PROCESS, OUR TEAM GATHERED BOTH PRIMARY AND SECONDARY DATA AS A PART OF THE PRIMARY DATA COLLECTION, WE CONDUCTED 58 PHONE INTERVIEWS WITH LOCAL COMMUNITY LEADERS WITH THE HELP OF COMMUNITY BASED, GRASSROOTS ORGANIZATIONS, A HAND-DISTRIBUTED SURVEY WAS DISSEMINATED TO OUR MOST VULNERABLE POPULATIONS AVAILABLE IN BOTH ENGLISH AND SPANISH, WE RECEIVED 1,279 COMPLETED SURVEYS IN ADDITION, WE CONDUCTED (9) FOCUS GROUPS IN THE AREAS OF HIV/AIDS, HOMELESS, IMMIGRANTS/DISENFRANCHISED, OBESE ADULTS/DIABETICS, RURAL UNDERSERVED SENIORS ON FIXED INCOME, SPANISH SPEAKING ADULTS, VETERANS, AND WORKING POOR LASTLY, THREE COMMUNITY FORUMS WERE HELD WELCOMING THE ENTIRE COMMUNITY TO REVIEW THE FINDINGS AND ADD COMMENTS OR ADDITIONAL CONCERNS AS PINNACLEHEALTH LOOKS TOWARD THE FUTURE, WE ENSURE THAT OUR CORE VALUES OF QUALITY, ACCESS TO CARE AND COORDINATION OF CARE ARE AT THE CENTER OF ALL OF OUR ORGANIZATIONAL STRATEGIES WE EMBRACE OUR COMMUNITY PARTNERS AND WORK COLLABORATIVELY WITH THEM TO STRENGTHEN THE SUPPORT SYSTEMS THAT WILL ALLOW OUR PATIENTS TO MAINTAIN POSITIVE HEALTH OUTCOMES THE PINNACLEHEALTH SYSTEM PRESENTED THE RESULTS OF A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN SEPTEMBER 2012 AND DEVELOPED AN IMPLEMENTATION PLAN WITH STRATEGIES TO ADDRESS THE IDENTIFIED COMMUNITY HEALTH NEEDS THE FINAL IMPLEMENTATION PLAN WAS REVIEWED BY THE MISSION EFFECTIVENESS AND STRATEGIC ISSUES COMMITTEE OF THE BOARD IN MAY 2013 AND APPROVED BY THE PINNACLEHEALTH BOARD OF DIRECTORS IN MAY 2013 THE FINAL APPROVED VERSION OF THE CHNA AND IMPLEMENTATION PLAN IS AVAILABLE TO THE PUBLIC ON THE WWW.PINNACLEHEALTH.ORG WEBSITE IN ACCORDANCE WITH IRS GUIDELINES, PINNACLEHEALTH HOSPITALS BEGAN THE NEXT COMMUNITY HEALTH NEEDS ASSESSMENT IN FALL 2014

Form and Line Reference	Explanation
PART VI, LINE 3	PATIENTS ARE INFORMED OF AVAILABLE ASSISTANCE IN NUMEROUS WAYS SIGNAGE IS POSTED AND PAMPHLETS ARE AVAILABLE AT ALL THE REGISTRATION SITES INDICATING TO THE PATIENTS THAT FINANCIAL ASSISTANCE IS AVAILABLE ALL UNINSURED PATIENTS WHO ARE SCHEDULED FOR HIGH DOLLAR TESTS AND SURGERIES ARE CONTACTED BY ONE OF THE HOSPITAL'S FINANCIAL COUNSELORS TO DISCUSS THE FINANCIAL ASSISTANCE OPTIONS AVAILABLE TO THEM THE FINANCIAL ASSISTANCE POLICY IS ALSO DISCLOSED ON THE HOSPITAL WEBSITE, ALONG WITH THE APPLICATION, IN BOTH ENGLISH AND SPANISH IN ADDITION, ALL INPATIENTS WHO ARE RESIDENTS OF PENNSYLVANIA ARE PROVIDED PERSONAL ASSISTANCE IN THE COMPLETION OF THE MEDICAL ASSISTANCE APPLICATION AS PART OF THE DISCHARGE PROCESS IN THE EMERGENCY DEPARTMENT, ALL UNINSURED PATIENTS ARE SCREENED FOR CHARITY CARE ELIGIBILITY UNDER THE HOSPITAL POLICY LASTLY, INFORMATION ABOUT FINANCIAL ASSISTANCE IS INCLUDED ON THE PATIENT BILLING STATEMENTS PROGRAMS DISCUSSED INCLUDE THE PENNSYLVANIA STATE MEDICAID PROGRAM (MEDICAL ASSISTANCE), HOSPITAL CHARITY CARE PROGRAM, AND FUNDS AVAILABLE THROUGH HOSPITAL ENDOWMENT FUNDS IN INSTANCES WHEN AN UNINSURED PATIENT MAY APPEAR ELIGIBLE FOR A CHARITY CARE/FINANCIAL ASSISTANCE DISCOUNT, BUT LACKS DOCUMENTATION TO SUPPORT IT, CONSIDERATION WILL BE GIVEN BASED ON CIRCUMSTANCES PRESENTED OR CREDIT AGENCY INCOME DATA FOR PRESUMPTIVE CHARITY CARE/FINANCIAL ASSISTANCE THIS WILL INCLUDE, BUT NOT LIMITED TO, HOMELESSNESS, NO INCOME, PARTICIPATION IN WOMEN'S INFANTS AND CHILDREN'S PROGRAMS (WIC), FOOD STAMP ELIGIBILITY, OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED (E G MEDICAID SPEND-DOWN), INFORMATION FROM FAMILY OR FRIENDS, LOW INCOME HOUSING PROVIDED AS VALID ADDRESS, PATIENT DECEASED WITH NO KNOWN ESTATE, ELIGIBLE FOR STATE FUNDED PRESCRIPTION PROGRAM, AND CREDIT BUREAU SOFT CREDIT CHECKS THAT ARE ONLY SEEN BY THE PATIENT/GUARANTOR

Form and Line Reference	Explanation
PART VI, LINE 4	PINNACLE HEALTH HOSPITALS' (PHH) PRIMARY SERVICE AREA (PSA) CONSISTS OF 43 CONTIGUOUS ZIP CODES IN PORTIONS OF 6 COUNTIES IN THE GREATER HARRISBURG AREA OF SOUTH CENTRAL PENNSYLVANIA. THE SIX COUNTIES INCLUDE DAUPHIN, CUMBERLAND, PERRY, YORK, LANCASTER AND LEBANON. THE COMMUNITY CAN BE DESCRIBED AS A MIX OF RURAL, URBAN, AND SUBURBAN AREAS. THE PSA ACCOUNTS FOR APPROXIMATELY 85 PERCENT OF THE OVERALL ACUTE PATIENT DISCHARGES OF THE HOSPITALS. PINNACLE HEALTH HOSPITALS COMPETES WITH THREE ACUTE CARE HOSPITALS AND 2 REHABILITATION HOSPITALS WITHIN THE PSA. ONE OF THE ACUTE CARE HOSPITALS IS A FOR-PROFIT HOSPITAL OWNED BY A LARGE, PUBLICLY TRADED HEALTH CARE SYSTEM. THE SECOND COMPETITOR IS AN ACADEMIC MEDICAL CENTER THAT IS AFFILIATED WITH A LARGE STATE FUNDED PUBLIC UNIVERSITY. THE FINAL COMPETITOR IS A SMALLER, NON-TEACHING HOSPITAL THAT IS OWNED BY A LARGE, REGIONAL, VERTICALLY INTEGRATED NOT- FOR-PROFIT HEALTH SYSTEM. THE COMPETITOR REHABILITATION HOSPITALS ARE MAJORITY OR WHOLELY OWNED AND OPERATED BY TWO DIFFERENT PUBLICLY TRADED CORPORATIONS. THE PSA IN WHICH PHH SERVES HAS 12 CENSUS TRACTS WHICH HAVE BEEN IDENTIFIED BY THE U.S. HEALTH RESOURCES AND SERVICES ADMINISTRATION AS MEDICALLY UNDERSERVED AREAS (MUAS). IN ADDITION, IMMEDIATELY ADJACENT TO THE WEST OF THE PSA ARE AN ADDITIONAL 5 MINOR CIVIL DIVISIONS WHICH HAVE BEEN IDENTIFIED AS MUAS. PHH IS A SIGNIFICANT PROVIDER OF HEALTHCARE SERVICES TO PATIENTS IN THE AREAS ADJACENT TO ITS PSA. PHH IS THE PRIMARY PROVIDER FOR THE 50,000 PEOPLE LIVING IN THE CITY OF HARRISBURG. THE EMERGENCY DEPARTMENT (ED) OF THE HOSPITAL IS THE FIRST OPTION FOR A LARGE MAJORITY OF THE CITY RESIDENTS. IN ADDITION, THE HOSPITAL AND RELATED ORGANIZATIONS OPERATE ADULT, CHILDREN, WOMAN AND TEEN PRIMARY CARE CLINICS THAT MAINLY SERVE THE CITY'S MEDICAID AND UNINSURED POPULATION. NEARLY 75% OF THE HARRISBURG CITY POPULATION IS MINORITY, COMPARED TO 33% OF THE COUNTY POPULATION. AFRICAN-AMERICANS/BLACKS COMPRISE 45.9% OF HARRISBURG'S POPULATION AND HISPANICS/LATINOS MAKE UP 22.1% OF THE CITY'S POPULATION, COMPARED TO 17.1% AFRICAN-AMERICANS/BLACKS AND 8.7% HISPANICS/LATINOS IN DAUPHIN COUNTY AS A WHOLE. NEARLY 17% OF HARRISBURG CITY RESIDENTS SPEAK A LANGUAGE OTHER THAN ENGLISH IN THE HOME, COMPARED TO 10% OF COUNTY RESIDENTS. FULLY 31.6% OF CITY RESIDENTS HAVE INCOME BELOW THE POVERTY LEVEL, WHILE ONLY 12.3% OF COUNTY RESIDENTS HAVE INCOME BELOW POVERTY. WHILE THE CITY REPRESENTS 18% OF THE COUNTY POPULATION, IT IS HOME TO 45% OF THOSE WITH INCOMES AT OR BELOW THE FEDERAL POVERTY LEVEL (FPL). NEARLY 26% OF HARRISBURG CITY RESIDENTS RECEIVED FOOD STAMPS/SNAP BENEFITS AT SOME POINT IN THE PAST YEAR, COMPARED TO 9.1% IN THE COUNTY AS A WHOLE. AMERICAN COMMUNITY SURVEY DATA FOR 2011 SHOWED THAT THE 10.3% OF DAUPHIN COUNTY RESIDENTS HAD NO HEALTH INSURANCE. ALTHOUGH INSURANCE COVERAGE RATES FOR MOST OF THE COUNTRY INCREASED BECAUSE OF THE AFFORDABLE CARE ACT'S PROVISIONS EXTENDING PARENT'S INSURANCE TO 18-TO-26-YEAR-OLDS, AN INCREASE IN COVERAGE RATES WAS NOT VISIBLE IN DAUPHIN COUNTY. PINNACLEHEALTH WORKS IN COLLABORATION WITH OUR LOCAL FEDERALLY QUALIFIED HEALTH CENTER (FQHC), HAMILTON HEALTH CENTER, WHICH IS LOCATED IN THE HEART OF THE HARRISBURG HIGH-NEED AREA. ZIP CODE ANALYSIS CONDUCTED BY PINNACLE SHOWED THAT THIS SAME POPULATION USES PINNACLEHEALTH AS THEIR PRIMARY HOSPITAL INCLUDING THE EMERGENCY DEPARTMENT. IN 2012, 81% OF THOSE SERVED HAD INCOME AT OR BELOW THE FEDERAL POVERTY LEVEL (FPL) AND 99% HAD INCOME AT OR BELOW 200% OF THE FPL. MORE THAN A THIRD OF THOSE SERVED (34.5%) BY HAMILTON DID NOT HAVE INSURANCE COVERAGE. THIS IS SUBSTANTIALLY HIGHER THAN FQHCs IN THE STATE AS A WHOLE, WHERE 26.9% OF PATIENTS SERVED HAD NO INSURANCE. PHH IS ALSO THE MAJOR PROVIDER OF HEALTH CARE SERVICES FOR ALL OF DAUPHIN COUNTY, WHERE THE CITY OF HARRISBURG IS LOCATED, AND ACCORDING TO "COUNTY HEALTH RANKINGS," DAUPHIN COUNTY RANKS 38TH OUT OF A TOTAL OF 67 PENNSYLVANIA COUNTIES IN AN ASSESSMENT OF THE OVERALL HEALTH OF EACH COUNTY. THE PA DEPARTMENT OF HEALTH (DOH) REPORTS THAT DAUPHIN COUNTY RANKS ABOVE THE STATE OF PA AS A WHOLE IN THE FOLLOWING CATEGORIES: LOW BIRTH WEIGHT, BIRTHS TO MOTHERS UNDER THE AGE OF 18, MOTHERS RECEIVING NO PRENATAL CARE IN THE FIRST TRIMESTER, BREAST CANCER INCIDENCE, HEART DISEASE AND DIABETES.

Form and Line Reference	Explanation
PART VI, LINE 5	PINNACLE HEALTH HOSPITALS MAINTAINS AN ACTIVE ROLE IN THE COMMUNITY IN WHICH IT SERVES. THE ROLE IS REFLECTIVE IN ITS BOARD OF DIRECTORS WHOSE COMPOSITION IS GREATER THAN 80 PERCENT INDEPENDENT COMMUNITY BASED LEADERS. PHH HAS AN OPEN MEDICAL STAFF. PHH PROVIDES TRAINING FOR BOTH MEDICAL STUDENTS AND RESIDENTS IN A NUMBER OF SPECIALTIES. PINNACLE HEALTH HOSPITALS HAS ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION (ACGME) ACCREDITED RESIDENCY PROGRAMS AS WELL AS AMERICAN OSTEOPATHIC ASSOCIATION (AOA) ACCREDITED TEACHING PROGRAMS. PHH USES ITS SURPLUS FUNDS TO RENOVATE AND EXPAND PATIENT CARE AREAS IN ADDITION TO PROVIDING PATIENT SERVICES WHICH MAY NOT BE CURRENTLY AVAILABLE IN THE COMMUNITY. PINNACLEHEALTH HOSPITALS RECOGNIZES THAT THE HEALTH OF THE COMMUNITY GOES BEYOND THAT OF THE PHYSICAL HEALTH OF ITS MEMBERS. TAKING A HOLISTIC APPROACH TO ADDRESSING THE HEALTH NEEDS OF THE COMMUNITY, PINNACLEHEALTH SUPPORTS A PLETHORA OF COMMUNITY-WIDE INITIATIVES THAT ADDRESS SOCIO-ECONOMIC BARRIERS TO IMPROVED HEALTH. STAFF WORK CLOSELY WITH THE CAPITAL AREA COALITION ON HOMELESSNESS AND HOLD SEATS ON BROAD-BASED INITIATIVES SUCH AS PROJECT HOMELESS CONNECT, AN EVENT THAT TARGETS THE HARDEST-TO-REACH MEN, WOMEN, TEENS, AND CHILDREN WHO ARE IN SHELTERS, ABOUT TO LEAVE SHELTERS, OR LIVING ON THE STREET. IN SEPTEMBER 2013, THIS EVENT HELPED MORE THAN THREE HUNDRED INDIVIDUALS MOVE FROM CRISIS TO MEANINGFUL AND LASTING SUCCESS. PINNACLE STAFF ALSO HAS A LEAD ROLE IN THE COMPASSIONATE CLOSURES PROGRAM TO ASSIST INDIGENT FAMILIES WITH NO FINANCIAL RESOURCES TO RESPECTFULLY MEMORIALIZE, CREMATE OR BURY THEIR LOVED ONES. A BROAD COMMUNITY PARTNERSHIP HAS COME TOGETHER TO ADDRESS THIS NEED AND THE PARTNERS ARE THE VNA OF CENTRAL PENNSYLVANIA AND CROSSINGS HOSPICE, THE HISPANIC COMMUNITY CENTER, THE INTERNATIONAL SERVICE CENTER, THE PENNSYLVANIA FUNERAL DIRECTORS ASSOCIATION, PINNACLEHEALTH SYSTEM, THE SALVATION ARMY, THE UNITED WAY OF THE CAPITAL REGION, DAUPHIN COUNTY COMMISSIONERS AND CORONER'S OFFICE, CUMBERLAND COUNTY COMMISSIONERS AND CORONER'S OFFICE, THE FOUNDATION FOR ENHANCING COMMUNITIES AND THE PA DEPARTMENT OF PUBLIC WELFARE. THE MISSION OF THE PARTNERS IS TO OFFER A MEASURE OF COMPASSIONATE CARE BLENDED WITH DIGNITY AND RESPECT FOR OUR INDIGENT FAMILIES LIVING IN DAUPHIN OR CUMBERLAND COUNTIES WHO HAVE LOST LOVED ONES. SEVERAL MAJOR CONSTRUCTION PROJECTS WERE COMPLETED IN FISCAL YEAR 2014 INCLUDING CONSTRUCTION OF A NEW 108 BED ACUTE CARE HOSPITAL ON THE FREDRICKSEN CAMPUS AT A COST OF \$114.4 MILLION, EXPANSION AND RENOVATION FROM SEMI-PRIVATE TO MOSTLY PRIVATE ROOMS AT COMMUNITY GENERAL HOSPITAL WITH AN EXPECTED COST OF \$25.0 MILLION, RENOVATIONS AND NEW CONSTRUCTION AT HARRISBURG HOSPITAL TO INCLUDE NEW HEART CATH AND ELECTROPHYSIOLOGY LABS AND A CARDIOTHORACIC INTENSIVE CARE UNIT, AND PATIENT ROOM UPGRADES TO MOSTLY PRIVATE ROOMS WITH COSTS ESTIMATED AT \$34.0 MILLION, AND CONSTRUCTION OF A NEW CANCER CENTER LOCATED ON THE WEST SHORE FREDRICKSEN CAMPUS WITH A COST OF \$20.6 MILLION. THE NEW WEST SHORE HOSPITAL BEGAN OPERATIONS ON MAY 19, 2014 FOLLOWED BY THE OPENING OF THE WEST SHORE CANCER CENTER IN AUGUST 2014. ADDITIONAL PROJECTS INCLUDE MODERNIZING AND UPDATING EXISTING LOCATIONS WITHIN THE PHH SERVICE AREA TO MEET THE PATIENT NEEDS IN THE COMMUNITY WE SERVE AND EXPANDING THE UTILIZATION OF ELECTRONIC MEDICAL RECORDS BOTH WITHIN PINNACLE HEALTH SYSTEM AS WELL AS WITHIN THE COMMUNITY-BASED PHYSICIAN PRACTICES OF OUR AREA. AS ONE OF THE LEADING HOSPITALS IN SOUTH CENTRAL PENNSYLVANIA, PINNACLE HEALTH HOSPITALS STRIVES TO STRENGTHEN ACCESS TO CARE AS WE PROVIDE A CONTINUUM OF COMMUNITY-BASED SERVICES THAT EXTEND BEYOND THE ROLE OF AN ACUTE CARE HOSPITAL - FROM IN-HOME PRENATAL CARE FOR FIRST TIME MOTHERS TO A LEAD AGENCY ON A REGIONAL DISASTER PREPAREDNESS TASK FORCE. TO BRING FOCUS TO OUR MISSION, PINNACLE HEALTH HOSPITALS IS COMMITTED TO SIX STRATEGIC PILLARS: COMMITMENT TO PEOPLE, SERVICE, QUALITY, GROWTH, COMMUNITY, AND FINANCE. GUIDED BY THESE PILLARS, THE SIX INITIATIVES HIGHLIGHTED BELOW ARE KEY EXAMPLES OF OUR COMMITMENT TO BEING A TRUSTED PLACE FOR OUR COMMUNITY TO GO FOR ACCESS TO PUBLIC HEALTH SERVICES AND INFORMATION -NURSE FAMILY PARTNER SHIP (NFP) - WITH A FOCUS ON PEOPLE AND A DESIRE TO MAKE THE HEALTHCARE SYSTEM EASIER TO NAVIGATE, WE OFFER THIS VOLUNTARY PREVENTION PROGRAM THAT PROVIDES NURSE HOME VISITATION SERVICES TO LOW INCOME, FIRST-TIME MOTHERS. THIS NATIONALLY RENOWNED, EVIDENCE-BASED COMMUNITY HEALTH CURRICULUM TRANSFORMS THE LIVES OF VULNERABLE FAMILIES -CERTIFIED APPLICATION COUNSELORS (CAC) DURING THE LAUNCH OF THE INSURANCE MARKETPLACE IN FALL 2013, PINNACLEHEALTH HOSPITALS DEDICATED TWO STAFF TO THE OPEN ENROLLMENT PROCESS AND SUPPORTED THEIR ROLES AS CERTIFIED APPLICATION COUNSELORS. PINNACLEHEALTH CACS WERE POSITIONED IN OUR HEALTH CLINICS WHERE MANY UNINSURED AND VULNERABLE MEMBERS OF OUR COMMUNITY VISIT OUR HEALTHSYSTEM FOR SERVICES. THE CACS HELPED PEOPLE UNDERSTAND, APP

Form and Line Reference	Explanation
PART VI, LINE 5	LY, AND ENROLL FOR HEALTH COVERAGE THROUGH THE MARKETPLACE THE CACS COMPLETED REQUIRED TRAINING, AND COMPLIED WITH PRIVACY AND SECURITY LAWS, AND OTHER PROGRAM STANDARDS -BRIDGES TO CARE - NEARLY 1,000 CHILDREN AND MORE THAN 6,700 ADULTS IN THE CITY OF HARRISBURG ARE NOT RECEIVING ADEQUATE HEALTH CARE OR DO NOT HAVE HEALTH INSURANCE TO ADDRESS THIS GAP IN CARE AND COVERAGE, CAPITAL BLUECROSS, HAMILTON HEALTH CENTER AND PINNACLEHEALTH HAVE PARTNERED WITH DAUPHIN COUNTY ON THIS PROGRAM, WHICH CONNECTS PEOPLE TO MUCH-NEEDED HEALTH CARE LAUNCHED IN APRIL 2013, THE PROGRAM'S MISSION IS TO IDENTIFY, ENROLL AND COORDINATE HEALTH CARE SERVICES FOR HARRISBURG AREA CHILDREN UP TO AGE 19 WHO ARE UNINSURED OR MEDICALLY UNDERSERVED THE PROGRAM ALSO PROVIDES FAMILY-CENTERED SUPPORT TO PARENTS OR GUARDIANS OF THESE CHILDREN -DAUPHIN COUNTY HEALTH IMPROVEMENT PARTNERSHIP (DCHIP) - WITH A FOCUS ON CREATING A COHESIVE SYSTEM OF PUBLIC HEALTH SERVICES, WE CONVEENE A TEAM OF MULTI-SECTOR, COMMUNITY-BASED PARTNERS FROM HEALTHCARE, HUMAN SERVICE, GOVERNMENT, EDUCATION, FAITH AND PAYOR COMMUNITIES MEMBERS ARE COMMITTED TO WORKING COLLABORATIVELY TO IMPROVE HEALTH, REDUCE DISPARITIES, AND ADDRESS THE QUALITY OF LIFE OF COMMUNITY RESIDENTS -RESOURCE EDUCATION AND COMPREHENSIVE CARE FOR HIV (REACCH) PROGRAM - WITH A FOCUS ON ACCESS TO QUALITY CARE FOR VULNERABLE MEMBERS OF THE COMMUNITY WE EMPHASIZE TREATMENT AND PREVENTION OF THE SPREAD OF HIV FOR WOMEN AND CHILDREN REACCH INCLUDES DIAGNOSTIC, THERAPEUTIC AND SUPPORTIVE SERVICES SUCH AS EDUCATION ABOUT HIV DISEASE AND TRANSMISSION, AS WELL AS TREATMENT RECOMMENDATIONS AND HOW TO ACCESS THEM -EAT SMART, PLAY SMART - WITH A FOCUS ON LONG RANGE SUSTAINABLE GROWTH WITHIN OUR COMMUNITIES, IT IS EVIDENT THAT THE HEALTH OF OUR CHILDREN IS A FOCAL POINT A MULTI-STEP, LONG-TERM APPROACH TO PARTNERING WITH SCHOOLS, BUSINESSES, AND PAYORS TO EDUCATE STUDENTS AND FAMILIES ON HEALTHY FOOD CHOICES AND PHYSICAL ACTIVITY ALTERNATIVES ENSURES SUSTAINABLE BEHAVIOR CHANGE -EMERGENCY MANAGEMENT PLAN-SOUTH CENTRAL TASK FORCE - WITH A FOCUS ON PROVIDING LEADERSHIP IN IMPROVING THE OVERALL HEALTH OF OUR COMMUNITY, OUR EMERGENCY MANAGEMENT TEAM CREATES AN ENVIRONMENT THAT SUPPORTS ACCESSIBILITY AND CONSIDERATION OF BASIC FAMILY NEEDS INCLUDING SAFETY THE TASK FORCE COLLABORATES AND COORDINATES BOTH PUBLIC AND PRIVATE SECTOR RESOURCES FOR REGIONAL SOLUTIONS THAT PROVIDE SUPPORT TO COMMUNITIES WHEN EVENTS EXCEED THEIR CAPABILITIES -SMILES - IN JANUARY 2013, PINNACLEHEALTH STARTED WORKING IN PARTNERSHIP WITH MEMBERS OF THE HARRISBURG AREA DENTAL SOCIETY TO PROVIDE ACCESS TO DENTAL SERVICES FOR UNINSURED AND UNDERINSURED PATIENTS WITH URGENT DENTAL NEEDS A NETWORK OF MORE THAN FIFTY VOLUNTEER DENTISTS SPAN THE EAST AND WEST SHORES OF HARRISBURG ONCE IT IS DETERMINED THAT A PATIENT HAS AN URGENT DENTAL NEED, HE/SHE CAN BE REFERRED TO SMILES USING THE FOLLOWING REFERRAL PROCESS PINNACLEHEALTH'S DENTAL ACCESS COORDINATOR WILL WORK WITH THE PATIENT AND DENTIST TO SET UP AN APPOINTMENT TO ALLEVIATE THE URGENT NEED IN 2012, PINNACLE REFERRED CLOSE TO 100 PATIENTS TO VOLUNTEER DENTISTS FOR URGENT DENTAL NEEDS -FAITH COMMUNITY CONNECTION - A CONGREGATIONAL HEALTH NETWORK DEVELOPED AS A PATIENT NAVIGATION MODEL THAT LINKS BODY, MIND, SPIRIT AND COMMUNITY TO ADDRESS CHRONIC DISEASES THAT SUPPORTS OUTCOME BASED PLANNING, CARE COORDINATION AND FOLLOW UP OF CARE

Form and Line Reference	Explanation
PART VI, LINE 6	PINNACLE HEALTH HOSPITALS IS PART OF THE PINNACLE HEALTH SYSTEM, A FULLY INTEGRATED, AFFILIATED HEALTH CARE SYSTEM THE SYSTEM IS COMPRISED OF NINE WHOLLY OWNED ENTITIES AS WELL AS A VARIETY OF AFFILIATED JOINT VENTURES THE ORGANIZATION'S MISSION IS TO MAINTAIN AND IMPROVE THE HEALTH AND QUALITY OF LIFE FOR EVERYONE IN CENTRAL PENNSYLVANIA PINNACLE HEALTH SYSTEM IS ENGAGED IN AND CONDUCTS CHARITABLE, EDUCATIONAL, AND SCIENTIFIC ACTIVITIES THROUGH THE SUPPORT AND BENEFIT OF PINNACLE HEALTH FOUNDATION, AND PROVIDES MANAGEMENT AND CONSULTATIVE SERVICES TO AFFILIATED ENTITIES PINNACLE HEALTH FOUNDATION ENGAGES IN INVESTMENT AND FUNDRAISING ACTIVITIES FOR THE BENEFIT OF THE RELATED ORGANIZATIONS PINNACLE HEALTH MEDICAL SERVICES IS PRIMARILY ENGAGED IN THE PROVISION OF PHYSICIAN SERVICES TO SUPPORT AND ENHANCE THE SERVICES WITHIN PINNACLE HEALTH HOSPITALS AND PINNACLE HEALTH SYSTEM THE PINNACLE HEALTH CARDIOVASCULAR INSTITUTE IS ENGAGED IN PROVIDING COMPREHENSIVE CARDIAC CARE, INCLUDING LEADING EDGE TECHNOLOGICAL ADVANCES IN ORDER TO PROVIDE THE BEST CLINICAL OUTCOMES TO THE COMMUNITY THE COMMUNITY LIFE TEAM IS ENGAGED IN PROVIDING COMMUNITY BASED, EFFICIENT AND COST EFFECTIVE MEDICAL TRANSPORT SERVICES, PRE-HOSPITAL EMERGENCY MEDICAL SERVICES FOR THE RESIDENTS AND COMMUNITIES OF THE CENTRAL PENNSYLVANIA REGION PINNACLE HEALTH VENTURES, INC WAS FORMED AS A RESULT OF THE ACQUISITION OF 100% OF THE STOCK OF TRISTAN ASSOCIATES ON MARCH 1, 2012 AND IS THE SOLE SHAREHOLDER OF PINNACLE HEALTH IMAGING (PHI) PHI LEASES EQUIPMENT AND SERVICES TO PINNACLE HEALTH HOSPITALS UNITED HEALTH RISK IS A WHOLLY-OWNED, FOR PROFIT, OFFSHORE CAPTIVE INSURANCE COMPANY AND UNITED CENTRAL PENNSYLVANIA RECIPROCAL RISK RETENTION GROUP IS A WHOLLY-OWNED, FOR PROFIT, VERMONT CAPTIVE INSURANCE COMPANY BOTH INSURANCE ENTITIES OPERATE FOR THE BENEFIT OF PINNACLE HEALTH SYSTEM RIVER HEALTH ACO IS AN ACCOUNTABLE CARE ORGANIZATION DEDICATED TO IMPROVING THE COST, QUALITY, ACCESS, AND PATIENT EXPERIENCE TO CARE FOR A MEDICARE POPULATION IN CENTRAL PENNSYLVANIA PINNACLE HEALTH SYSTEM IS A 70% MAJORITY PARTNER IN THIS ENTITY THE PINNACLE HEALTH SYSTEM AND ITS AFFILIATES ARE ACTIVELY INVOLVED IN THE CENTRAL PENNSYLVANIA REGION THROUGH VARIOUS CHARITY AND COMMUNITY BENEFIT ACTIVITIES THE OTHER ENTITIES WITHIN THE SYSTEM, NOT INCLUDING THE HOSPITAL, PROVIDED \$278,860 OF CHARITY CARE RECORDED AT CHARGES THE SYSTEM ENTITIES ARE ALSO ACTIVELY ENGAGED IN A VARIETY OF COMMUNITY BENEFIT ACTIVITIES THE FOLLOWING LISTS THE VARIETY OF COMMUNITY BENEFITS PERFORMED WITHIN THE SYSTEM, THAT HAD THEY BEEN PERFORMED AT THE HOSPITAL LEVEL, WOULD HAVE BEEN INCLUDABLE ON SCHEDULE H -PINNACLE HEALTH SYSTEM - \$2,818,942 IN COMMUNITY HEALTH IMPROVEMENT SERVICES, HEALTH PROFESSIONS EDUCATION, COMMUNITY BENEFIT OPERATIONS AND CASH AND IN-KIND CONTRIBUTIONS -PINNACLE HEALTH MEDICAL SERVICES - \$1,491,867 IN COMMUNITY HEALTH IMPROVEMENT SERVICES, COMMUNITY BASED CLINICAL SERVICES AND HEALTH CARE SUPPORT SERVICES - PINNACLE HEALTH FOUNDATION - \$193,880 IN COMMUNITY BENEFIT OPERATIONS AND FINANCIAL CONTRIBUTIONS WERE THE ABOVE COMMUNITY BENEFIT EXPENSES OF \$4.8 MILLION INCLUDED IN THE HOSPITAL COMMUNITY BENEFIT EXPENSES OF \$50.4 MILLION, THE PERCENTAGE OF COMMUNITY BENEFIT EXPENSE TO TOTAL EXPENSE WOULD HAVE BEEN 7.51%

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	PA

Additional Data

Software ID:
Software Version:
EIN: 25-1778644
Name: PINNACLE HEALTH HOSPITALS

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - HARRISBURG	PART V, SECTION B, LINE 6A PENN STATE HERSHEY MEDICAL CENTERHOLY SPIRIT HOSPITAL

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - CGOH	PART V, SECTION B, LINE 6A PENN STATE HERSHEY MEDICAL CENTERHOLY SPIRIT HOSPITAL

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - HARRISBURG	PART V, SECTION B, LINE 7D COMMUNITY EVENTS

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - CGOH	PART V, SECTION B, LINE 7D COMMUNITY EVENTS

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - WEST SHORE	PART V, SECTION B, LINE 2 UTILIZING PROCEEDS FROM THE SERIES A REVENUE BONDS OF 2012, PINNACLEHEALTH HOSPITAL UNDERTOOK A PROJECT CONSISTING OF THE CONSTRUCTION, EQUIPPING, AND DEVELOPMENT OF A NEW APPROXIMATELY 200,000 SQUARE FOOT, 108 BED PRIVATE ROOM ACUTE CARE HOSPITAL ON THE FREDRICKSON CAMPUS LOCATED IN HAMPDEN TOWNSHIP PENNSYLVANIA KNOWN AS THE WEST SHORE HOSPITAL, THIS FACILITY WAS COMPLETED AND OPENED IN MAY 2014 PROVIDING CONVENIENT ACCESS TO HEALTHCARE FOR THE RESIDENTS IN AND AROUND CUMBERLAND AND PERRY COUNTIES

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - HARRISBURG	PART V, SECTION B, LINE 11 AFTER REVIEWING THE DATA GENERATED FROM THE CHNA AND MAPPING EXISTING INTERNAL AND COMMUNITY BASED RESOURCES, PINNACLEHEALTH DEVELOPED THE FOLLOWING IMPLEMENTATION PLAN WITH EVIDENCE-BASED STRATEGIES PINNACLEHEALTH'S CHNA IMPLEMENTATION PLAN (THE PLAN) DESCRIBES THE ASSESSMENT PROCESS, THE NEEDS IDENTIFIED, AND THE PRIORITIES CHOSEN TO INCLUDE (1) HEALTHY LIFESTYLES WITH A FOCUS ON OBESITY AND PHYSICAL ACTIVITY/NUTRITION, (2) HEALTH EDUCATION IN THE AREAS OF DIABETES, HEART DISEASE AND CANCER ENSURING THAT THE EDUCATION IS CULTURALLY COMPETENT AND PRIMARILY FOCUSED ON SCHOOL AGED CHILDREN, AND (3) ACCESS TO CARE IN THE AREAS OF SPECIALTY CARE, PRIMARY CARE, DENTAL CARE, AND MENTAL HEALTH CARE FOR EACH PRIORITY, THE PLAN DOCUMENTS PINNACLEHEALTH'S OBJECTIVES, GOALS, AND STRATEGIES FOR ADDRESSING THE COMMUNITY NEED THE STRATEGIES ARE SUPPORTED BY SENIOR MANAGEMENT AND WILL BE SUSTAINED BY PINNACLEHEALTH STAFF, VOLUNTEERS, PARTNERSHIPS WITH COMMUNITY BASED ORGANIZATIONS INCLUDING PAYORS AND LOCAL FOUNDATIONS, AND FUNDING FROM THE PINNACLEHEALTH FOUNDATION WHEN APPROPRIATE PINNACLEHEALTH WILL NOT DIRECTLY ADDRESS THE NEED FOR ACCESS TO MENTAL HEALTH SERVICES, HOWEVER, THE NEED WILL BE ADDRESSED BY THE PENNSYLVANIA PSYCHIATRIC INSTITUTE (PPI) WHICH IS A PARTNERSHIP BETWEEN PINNACLEHEALTH AND PENN STATE HERSHEY MEDICAL CENTER, CREATED IN 2008 PPI STAFFS A COMPREHENSIVE TEAM OF SPECIALISTS WHO PROVIDE CARE FOR CHILDREN, ADOLESCENTS, ADULTS AND OLDER ADULTS ADVANTAGES OF PPI EXPERTISE INCLUDE - LICENSED PSYCHIATRISTS, PSYCHOLOGISTS, THERAPISTS, NURSES AND OTHER MENTAL HEALTH PROFESSIONALS- PERSONALIZED TREATMENT PLANS TO MEET UNIQUE PATIENT NEEDS- THE FULL RANGE OF INPATIENT AND OUTPATIENT THERAPIES- MODERN, 80-BED INPATIENT FACILITY- TWO CONVENIENT LOCATIONS OFFERING OUTPATIENT SERVICESPPI ALSO OFFERS HISPANIC PSYCHIATRIC PROGRAMS WHICH INCLUDE PSYCHIATRIC EVALUATIONS, MEDICATION MANAGEMENT AND THERAPY THAT ARE DESIGNED FOR ADOLESCENTS AND ADULTS IN INDIVIDUAL, FAMILY OR GROUP SETTINGS

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - CGOH	PART V, SECTION B, LINE 11 AFTER REVIEWING THE DATA GENERATED FROM THE CHNA AND MAPPING EXISTING INTERNAL AND COMMUNITY BASED RESOURCES, PINNACLEHEALTH DEVELOPED THE FOLLOWING IMPLEMENTATION PLAN WITH EVIDENCE-BASED STRATEGIES PINNACLEHEALTH'S CHNA IMPLEMENTATION PLAN (THE PLAN) DESCRIBES THE ASSESSMENT PROCESS, THE NEEDS IDENTIFIED, AND THE PRIORITIES CHOSEN TO INCLUDE (1) HEALTHY LIFESTYLES WITH A FOCUS ON OBESITY AND PHYSICAL ACTIVITY/NUTRITION, (2) HEALTH EDUCATION IN THE AREAS OF DIABETES, HEART DISEASE AND CANCER ENSURING THAT THE EDUCATION IS CULTURALLY COMPETENT AND PRIMARILY FOCUSED ON SCHOOL AGED CHILDREN, AND (3) ACCESS TO CARE IN THE AREAS OF SPECIALTY CARE, PRIMARY CARE, DENTAL CARE, AND MENTAL HEALTH CARE FOR EACH PRIORITY, THE PLAN DOCUMENTS PINNACLEHEALTH'S OBJECTIVES, GOALS, AND STRATEGIES FOR ADDRESSING THE COMMUNITY NEED THE STRATEGIES ARE SUPPORTED BY SENIOR MANAGEMENT AND WILL BE SUSTAINED BY PINNACLEHEALTH STAFF, VOLUNTEERS, PARTNERSHIPS WITH COMMUNITY BASED ORGANIZATIONS INCLUDING PAYORS AND LOCAL FOUNDATIONS, AND FUNDING FROM THE PINNACLEHEALTH FOUNDATION WHEN APPROPRIATE PINNACLEHEALTH WILL NOT DIRECTLY ADDRESS THE NEED FOR ACCESS TO MENTAL HEALTH SERVICES, HOWEVER, THE NEED WILL BE ADDRESSED BY THE PENNSYLVANIA PSYCHIATRIC INSTITUTE (PPI) WHICH IS A PARTNERSHIP BETWEEN PINNACLEHEALTH AND PENN STATE HERSHEY MEDICAL CENTER, CREATED IN 2008 PPI STAFFS A COMPREHENSIVE TEAM OF SPECIALISTS WHO PROVIDE CARE FOR CHILDREN, ADOLESCENTS, ADULTS AND OLDER ADULTS ADVANTAGES OF PPI EXPERTISE INCLUDE - LICENSED PSYCHIATRISTS, PSYCHOLOGISTS, THERAPISTS, NURSES AND OTHER MENTAL HEALTH PROFESSIONALS- PERSONALIZED TREATMENT PLANS TO MEET UNIQUE PATIENT NEEDS- THE FULL RANGE OF INPATIENT AND OUTPATIENT THERAPIES- MODERN, 80-BED INPATIENT FACILITY- TWO CONVENIENT LOCATIONS OFFERING OUTPATIENT SERVICESPPI ALSO OFFERS HISPANIC PSYCHIATRIC PROGRAMS WHICH INCLUDE PSYCHIATRIC EVALUATIONS, MEDICATION MANAGEMENT AND THERAPY THAT ARE DESIGNED FOR ADOLESCENTS AND ADULTS IN INDIVIDUAL, FAMILY OR GROUP SETTINGS

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - HARRISBURG	PART V, SECTION B, LINE 15E IN INSTANCES WHEN AN UNINSURED PATIENT MAY APPEAR ELIGIBLE FOR A CHARITY CARE/FINANCIAL ASSISTANCE DISCOUNT, BUT LACKS DOCUMENTATION TO SUPPORT IT, CONSIDERATION WILL BE GIVEN BASED ON CIRCUMSTANCES PRESENTED OR CREDIT AGENCY INCOME DATA FOR PRESUMPTIVE CHARITY CARE/FINANCIAL ASSISTANCE THIS WILL INCLUDE, BUT IS NOT LIMITED TO, HOMELESSNESS, NO INCOME, PARTICIPATION IN WOMEN'S INFANTS AND CHILDREN'S PROGRAMS (WIC), FOOD STAMP ELIGIBILITY, OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED (E G MEDICAID SPEND-DOWN), INFORMATION FROM FAMILY OR FRIENDS, LOW INCOME HOUSING PROVIDED AS VALID ADDRESS, PATIENT DECEASED WITH NO KNOWN ESTATE, ELIGIBLE FOR STATE FUNDED PRESCRIPTION PROGRAM, AND CREDIT BUREAU SOFT CREDIT CHECKS THAT ARE ONLY SEEN BY THE PATIENT/GUARANTOR

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - CGOH	PART V, SECTION B, LINE 15E IN INSTANCES WHEN AN UNINSURED PATIENT MAY APPEAR ELIGIBLE FOR A CHARITY CARE/FINANCIAL ASSISTANCE DISCOUNT, BUT LACKS DOCUMENTATION TO SUPPORT IT, CONSIDERATION WILL BE GIVEN BASED ON CIRCUMSTANCES PRESENTED OR CREDIT AGENCY INCOME DATA FOR PRESUMPTIVE CHARITY CARE/FINANCIAL ASSISTANCE THIS WILL INCLUDE, BUT IS NOT LIMITED TO, HOMELESSNESS, NO INCOME, PARTICIPATION IN WOMEN'S INFANTS AND CHILDREN'S PROGRAMS (WIC), FOOD STAMP ELIGIBILITY, OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED (E G MEDICAID SPEND-DOWN), INFORMATION FROM FAMILY OR FRIENDS, LOW INCOME HOUSING PROVIDED AS VALID ADDRESS, PATIENT DECEASED WITH NO KNOWN ESTATE, ELIGIBLE FOR STATE FUNDED PRESCRIPTION PROGRAM, AND CREDIT BUREAU SOFT CREDIT CHECKS THAT ARE ONLY SEEN BY THE PATIENT/GUARANTOR

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - WEST SHORE	PART V, SECTION B, LINE 15E IN INSTANCES WHEN AN UNINSURED PATIENT MAY APPEAR ELIGIBLE FOR A CHARITY CARE/FINANCIAL ASSISTANCE DISCOUNT, BUT LACKS DOCUMENTATION TO SUPPORT IT, CONSIDERATION WILL BE GIVEN BASED ON CIRCUMSTANCES PRESENTED OR CREDIT AGENCY INCOME DATA FOR PRESUMPTIVE CHARITY CARE/FINANCIAL ASSISTANCE THIS WILL INCLUDE, BUT IS NOT LIMITED TO, HOMELESSNESS, NO INCOME, PARTICIPATION IN WOMEN'S INFANTS AND CHILDREN'S PROGRAMS (WIC), FOOD STAMP ELIGIBILITY, OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED (E G MEDICAID SPEND-DOWN), INFORMATION FROM FAMILY OR FRIENDS, LOW INCOME HOUSING PROVIDED AS VALID ADDRESS, PATIENT DECEASED WITH NO KNOWN ESTATE, ELIGIBLE FOR STATE FUNDED PRESCRIPTION PROGRAM, AND CREDIT BUREAU SOFT CREDIT CHECKS THAT ARE ONLY SEEN BY THE PATIENT/GUARANTOR

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PART V, SECTION B, LINE 16	FINANCIAL ASSISTANCE POLICY WEBSITE AVAILABILITY

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - HARRISBURG PART V, SECTION B, LINE 16B WEBSITE	WWW.PINNACLEHEALTH.ORG

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - HARRISBURG PART V, SECTION B, LINE 16C WEBSITE	WWW.PINNACLEHEALTH.ORG

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - CGOH PART V, SECTION B, LINE 16B WEBSITE	WWW.PINNACLEHEALTH.ORG

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - CGOH PART V, SECTION B, LINE 16C WEBSITE	WWW.PINNACLEHEALTH.ORG

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - WEST SHORE PART V, SECTION B, LINE 16B WEBSITE	WWW.PINNACLEHEALTH.ORG

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
PINNACLE HEALTH HOSPITALS - WEST SHORE PART V, SECTION B, LINE 16C WEBSITE	WWW.PINNACLEHEALTH.ORG

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

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

OMB No 1545-0047

2014

Open to Public
Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) COMMUNITY LIFE TEAM 409 SOUTH SECOND STR PO BOX 8700 HARRISURG, PA 17105	23-1890444	501(C)(3)	89,000				GENERAL OPERATIONS

2

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

3

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

Part III

Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

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

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	THE ORGANIZATION MAKES INTERCOMPANY GRANTS TO OTHER, AFFILIATED ORGANIZATIONS THE MONITORING IS PERFORMED THROUGH COMMON MANAGEMENT AND ACCOUNTING PRACTICES

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☒ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☒ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a No	
		4b Yes	
		4c No	
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of a The organization? b Any related organization? If "Yes," to line 5a or 5b, describe in Part III	5a No	
		5b No	
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of a The organization? b Any related organization? If "Yes," to line 6a or 6b, describe in Part III	6a No	
		6b No	
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7 Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8 No	
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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
PART I, LINE 1A	THE ORGANIZATION PAYS FOR THE CEO'S CLUB DUES, WHICH ARE REPORTABLE AS TAXABLE COMPENSATION FOR THE CEO. THE CEO'S SPOUSE ACCOMPANIED THE CEO ON INFREQUENT TRIPS WHERE THE PRESENCE OF THE SPOUSE WAS EXPECTED. RELATED COSTS WERE MINIMAL AND WERE NOT INCLUDED IN THE CEO'S COMPENSATION.
PART I, LINE 1B	THERE IS A WRITTEN POLICY REGARDING THE PAYMENT OF CLUB DUES, HOWEVER, THERE IS NO WRITTEN POLICY REGARDING COMPANION TRAVEL. THE INFREQUENCY OF THE TRAVEL AND THE DE MINIMIS COSTS ASSOCIATED WITH THE ACTIVITY WERE DEEMED NOT TO RISE TO THE LEVEL WHERE A WRITTEN POLICY WAS CONSIDERED NECESSARY.
PART I, LINE 3	PINNACLE HEALTH HOSPITALS RELIES ON PINNACLE HEALTH SYSTEM, A RELATED ORGANIZATION, TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S CEO. METHODS USED TO ESTABLISH COMPENSATION BY THE RELATED ORGANIZATION INCLUDE: * COMPENSATION COMMITTEE * INDEPENDENT COMPENSATION CONSULTANT * COMPENSATION SURVEY OR STUDY * APPROVAL BY THE COMPENSATION COMMITTEE OF THE BOARD.
PART I, LINE 4B	DR. FELIX GUTIERREZ IS A MEMBER OF THE BOARD OF DIRECTORS AND IS EMPLOYED AS A CARDIOLOGIST IN A RELATED ENTITY. HE WAS COVERED BY A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN IN CALENDAR YEAR 2014 AT A TOTAL COST OF \$12,195. MICHAEL YOUNG PARTICIPATES IN A SPLIT INTEREST LIFE INSURANCE POLICY WHEREBY THE ORGANIZATION PAYS THE PREMIUMS AND MR. YOUNG REPORTS THE PREMIUMS AS OTHER REPORTABLE COMPENSATION. UPON MR. YOUNG'S DEATH, THE ORGANIZATION WILL RECOVER ITS PREMIUMS BEFORE ANY PROCEEDS ARE RELEASED TO THE BENEFICIARIES.
PART I, LINE 7	THE COMPENSATION COMMITTEE OF THE BOARD, WITH ASSISTANCE FROM AN INDEPENDENT OUTSIDE ADVISOR, ESTABLISHES A COMPENSATION PHILOSOPHY TO COMPENSATE LEADERS OF THE ORGANIZATION AT THE MARKET MEDIAN WITH AN INCENTIVE OPPORTUNITY TO REACH THE 75TH PERCENTILE OF THE MARKET FOR THEIR POSITION. THE INCENTIVE OPPORTUNITY IS DIVIDED BETWEEN PERSONAL GOALS AND SYSTEM LEVEL GOALS. ALL GOALS ARE MEASURABLE AND ARE DESIGNED TO IMPROVE QUALITY OF CARE, PATIENT SAFETY, PATIENT EXPERIENCE, AND MANAGEMENT OF RESOURCES. PERFORMANCE IS REWARDED AT THREE LEVELS: THRESHOLD (IMPROVEMENT OVER THE BASELINE), TARGET (SIGNIFICANT IMPROVEMENT OVER THE PRIOR YEAR) AND OPTIMUM (STRETCH).

Additional Data

Software ID:
Software Version:
EIN: 25-1778644
Name: PINNACLE HEALTH HOSPITALS

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

(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 in column (B) reported as deferred in prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
FELIX GUTIERREZ MD, DIRECTOR	(i) (ii)	0 394,357	0 93,892	0 21,316	0 12,195	0 12,536	0 534,296	0 0
MICHAEL A YOUNG, PRESIDENT/CEO	(i) (ii)	0 736,060	0 324,970	0 157,252	0 13,000	0 12,702	0 1,243,984	0 0
KEVIN KELLY MD, DIRECTOR	(i) (ii)	0 146,627	0 46,138	0 10,632	0 11,090	0 7,569	0 222,056	0 0
CHRISTOPHER P MARKLEY ESQ, SEC'Y/SR VP STAT SVCC/GEN COUNSEL	(i) (ii)	0 302,600	0 102,910	0 54,985	0 14,734	0 8,268	0 483,497	0 0
WILLIAM H PUGH, TREASURER/SR VP CORP FIN/CFO	(i) (ii)	0 487,613	0 158,533	0 78,396	0 15,600	0 7,287	0 747,429	0 0
NANCY HAMMONDS, ASST TREASURER/CFO	(i) (ii)	0 163,408	0 50,310	0 19,741	0 10,061	0 14,636	0 258,156	0 0
PHILIP GUARNESCHELLI, SR VICE PRESIDENT/COO	(i) (ii)	0 457,130	0 160,128	0 101,642	0 15,600	0 19,133	0 753,633	0 0
JOHN DELORENZO, ASSISTANT SECRETARY	(i) (ii)	0 137,771	0 25,086	0 429	0 7,158	0 17,152	0 187,596	0 0
FRANK DITRAGLIA, ED PHYSICIAN	(i) (ii)	0 0	0 0	472,900 0	5,200 0	0 0	478,100 0	0 0
R SCOTT RANKIN, ED PHYSICIAN	(i) (ii)	241,005 0	36,131 0	146,170 0	15,600 0	12,381 0	451,287 0	0 0
JED SPRUCE SEITZINGER, ER PHYSICIAN	(i) (ii)	254,670 0	39,086 0	142,201 0	15,600 0	18,266 0	469,823 0	0 0
MARK BARABAS, SR VICE PRESIDENT OPERATIONS	(i) (ii)	459,658 0	0 0	61,674 0	13,000 0	14,627 0	548,959 0	0 0
CARLO DEAUGUSTINE, ER PHYSICIAN	(i) (ii)	190,871 0	33,911 0	300,915 0	14,125 0	12,316 0	552,138 0	0 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public
Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

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 DAUPHIN COUNTY GENERAL AUTHORITY	23-2336949	23825ECL6	06-24-2009	187,538,449	REFUND SERIES 2004, 2005 & 2007, SWAP TERMINATION, CAPITAL PROJECTS		X		X		X
B DAUPHIN COUNTY GENERAL AUTHORITY	23-2336949	23825ECY8	06-28-2011	100,000,000	REFUND 2009B NOTES AND CAPITAL PROJECTS		X		X		X
C DAUPHIN COUNTY GENERAL AUTHORITY	23-2336949	23825EDB7	08-07-2012	135,249,990	CAPITAL PROJECTS		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	23,911,212		5,765,000					
2	Amount of bonds legally defeased								
3	Total proceeds of issue	187,538,449		100,000,000		135,249,990			
4	Gross proceeds in reserve funds	14,590,708							
5	Capitalized interest from proceeds					10,851,923			
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	2,962,259		279,272		1,512,711			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	6,775,515		27,640,702		122,255,668			
11	Other spent proceeds	168,307,000		70,000,000					
12	Other unspent proceeds					668,893			
13	Year of substantial completion	2009		2012		2014		YesNo	
		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?	X		X		X			
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	0 680 %		0 %		0 %			
6	Total of lines 4 and 5	0 680 %		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, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		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 "Yes" to 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?	X		X		X			

Part VI

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

Return Reference	Explanation
DATE REBATE COMPUTATION PERFORMED	ISSUER NAME DAUPHIN COUNTY GENERAL AUTHORITY DATE THE REBATE COMPUTATION WAS PERFORMED 06/24/2014 ISSUER NAME DAUPHIN COUNTY GENERAL AUTHORITY DATE THE REBATE COMPUTATION WAS PERFORMED 07/01/2013 ISSUER NAME DAUPHIN COUNTY GENERAL AUTHORITY DATE THE REBATE COMPUTATION WAS PERFORMED 09/30/2014

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

2014

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

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				
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 ▶ (EQUIPMENT)	X	1	4,817,971	COST
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

Yes

No

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

No

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

Yes

No

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

33

Yes

No

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
PART I, COLUMN (B)	THE NUMBER OF CONTRIBUTIONS REPRESENTS THE NUMBER OF CONTRIBUTORS

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 990-EZ 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.**

OMB No 1545-0047

2014

**Open to Public
Inspection**

Name of the organization PINNACLE HEALTH HOSPITALS	Employer identification number 25-1778644
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Return Reference	Explanation
FORM 990, PART V, LINE 1	PINNACLE HEALTH SYSTEM, THE PARENT ENTITY OF A GROUP OF TAX-EXEMPT ORGANIZATIONS, IS THE COMMON REPORTING AGENT FOR THE GROUP AND FILES ALL 1099 FORMS FOR PINNACLE HEALTH HOSPITALS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THE CORPORATION IS PINNACLE HEALTH SYSTEM, A NONPROFIT CORPORATION (EIN 25-1778658)

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	AS SOLE MEMBER OF THE ORGANIZATION, PINNACLE HEALTH SYSTEM SHALL ELECT THE BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE FOLLOWING POWERS ARE RESERVED TO THE SOLE MEMBER, PINNACLE HEALTH SY STEM TO APPROVE AND AUTHORIZE ANNUAL OPERATING AND CAPITAL BUDGETS STRATEGIC PLANS BORROWINGS OR EXTENSIONS OF CREDIT EQUAL TO OR GREATER THAN ONE MILLION DOLLARS VOLUNTARY DISSOLUTION, MERGER, OR CONSOLIDATION THE SALE, PLEDGING, LEASING OR TRANSFER OF ASSETS IN EXCESS OF \$500,000 THE CREATION OR ACQUISITION OF ANY SUBSIDIARY OR AFFILIATE ADDITION OR DELETION OF CLINICAL CENTERS OF EMPHASIS ANY CONTRACT WITH AN UNRELATED PARTY FOR MANAGEMENT OF SUBSTANTIALLY ALL ACTIVITIES INVESTMENT POLICIES UNBUDGETED CAPITAL EXPENDITURES TO SELECT THE CERTIFIED PUBLIC ACCOUNTANTS TO ESTABLISH AN OBLIGATED GROUP FOR FINANCING PURPOSES TO ADOPT EMPLOYEE BENEFIT PLANS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE AUTHORITY AND RESPONSIBILITY FOR REVIEW OF THE FORM 990 FOR PINNACLE HEALTH SYSTEM AND SUBSIDIARIES IS DELEGATED TO THE FINANCE AND AUDIT COMMITTEE OF THE PINNACLE HEALTH SYSTEM BOARD. IN ORDER TO ACCOMPLISH THIS, ALL MEMBERS OF THE FINANCE AND AUDIT COMMITTEE ARE PROVIDED WITH A REASONABLE OPPORTUNITY TO REVIEW AND COMMENT TO EXECUTIVE LEADERSHIP ON THE IRS FORMS 990 OF THE PINNACLE HEALTH SYSTEM AND ITS SUBSIDIARIES, INCLUDING PINNACLE HEALTH HOSPITALS, PINNACLE HEALTH MEDICAL SERVICES, PINNACLE HEALTH FOUNDATION, AND COMMUNITY LIFE TEAM. IN ADDITION, EACH MEMBER OF EACH RESPECTIVE BOARD OF DIRECTORS WILL BE GIVEN ACCESS TO VIEW THEIR INDIVIDUAL FORM 990 VIA A SHARED, PASSWORD-PROTECTED WEBSITE BEFORE THE RETURNS ARE FILED WITH THE INTERNAL REVENUE SERVICE.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	IN THE PERFORMANCE OF THEIR DUTIES TO PINNACLE HEALTH SYSTEM AND SUBSIDIARIES (COLLECTIVELY REFERRED TO AS "PHS"), COVERED PERSONS SHALL SEEK TO ACT IN THE BEST INTERESTS OF PHS, AND SHALL EXERCISE GOOD FAITH, LOYALTY, DILIGENCE AND HONESTY. A COVERED PERSON IS ANY INDIVIDUAL WHO SERVES IN A FIDUCIARY CAPACITY TO, OR WHO HAS LEGAL AUTHORITY TO REPRESENT OR OBLIGATE, THE PINNACLE HEALTH SYSTEM OR ANY OF ITS AFFILIATED ORGANIZATIONS INCLUDING, BUT NOT LIMITED TO, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS. COVERED PERSONS ALSO INCLUDE A) IMMEDIATE FAMILIES (SPOUSES, CHILDREN, SIBLINGS, PARENTS, OR SPOUSE'S PARENTS), B) ANY ORGANIZATION IN WHICH THEY OR THEIR IMMEDIATE FAMILIES DIRECTLY OR INDIRECTLY I) HAVE A MATERIAL FINANCIAL OR BENEFICIAL INTEREST, OR II) SERVE AS A DIRECTOR, OFFICER, EMPLOYEE, AGENT, ATTORNEY OR SIMILAR CAPACITY. A COVERED PERSON SHALL DISCLOSE ANY BUSINESS OR PERSONAL INTERESTS OR RELATIONSHIPS WHICH MAY BE IN CONFLICT WITH THE INTERESTS OF PHS, INCLUDING, BUT NOT LIMITED TO (A) ENGAGING IN OR SEEKING TO BE ENGAGED IN (I) THE DELIVERY OF HEALTH CARE SERVICES OR (II) THE DELIVERY OF GOODS OR SERVICES TO PHS, OR (B) ANY TRANSACTION OR ARRANGEMENT WITH PHS WHICH WOULD RESULT IN BENEFIT TO COVERED PERSONS. THE GOVERNANCE COMMITTEE OF THE PHS BOARD REVIEWS ALL CONFLICT OF INTEREST STATEMENTS AND DETERMINES WHETHER EACH DIRECTOR ON THE BOARD IS INDEPENDENT. COVERED PERSONS WHO ARE DIRECTORS MUST COMPLY WITH THE PINNACLE HEALTH SYSTEM GUIDELINES FOR DETERMINING DIRECTOR INDEPENDENCE AND APPLYING DIRECTOR INDEPENDENCE REQUIREMENTS. COVERED PERSONS WITH A CONFLICT OF INTEREST SHALL NOT VOTE ON THE MATTER, AND THE PHS BOARD OR COMMITTEE MUST APPROVE, AUTHORIZE, OR RATIFY THE TRANSACTION OR ARRANGEMENT BY A MAJORITY VOTE OF THE NON-INTERESTED DIRECTORS OR COMMITTEE MEMBERS PRESENT AT A MEETING THAT HAS A QUORUM. VIOLATIONS OF THIS STATEMENT OF POLICY MAY SUBJECT COVERED PERSONS TO APPROPRIATE SANCTIONS, INCLUDING REMOVAL FROM THEIR POSITIONS WITH PHS.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE PINNACLE HEALTH SYSTEM ("PHS") BOARD OF DIRECTORS HAS THE AUTHORITY TO DEVELOP AND MAINTAIN EXECUTIVE AND PHYSICIAN COMPENSATION TO BE APPROVED BY THE PINNACLE HEALTH SYSTEM BOARD. THE COMPENSATION COMMITTEE WILL FOLLOW A DILIGENT PROCESS THAT MEETS REGULATORY REQUIREMENTS FOR A REBUTTABLE PRESUMPTION OF REASONABLENESS AND PROMOTES EFFECTIVE GOVERNANCE OF EXECUTIVE COMPENSATION, CONSISTENT WITH THE PHS COMPENSATION PHILOSOPHY. 1. FOLLOW A PROCESS THAT ESTABLISHES AND MAINTAINS A REBUTTABLE PRESUMPTION OF REASONABLENESS FOR ALL EXECUTIVES AND PHYSICIANS POTENTIALLY SUBJECT TO INTERMEDIATE SANCTIONS. 2. PREPARE MINUTES FOR EACH MEETING TO RECORD THE TERMS OF THE COMMITTEE'S DECISIONS AND THE PROCESS FOLLOWED IN REACHING THOSE DECISIONS. THESE MINUTES MUST INCLUDE INDICATIONS THAT THE COMMITTEE IS FOLLOWING GOOD PRACTICES IN DEALING WITH CONFLICTS OF INTEREST AND IN OBTAINING AND RELYING ON APPROPRIATE COMPARABILITY DATA ON TOTAL COMPENSATION. 3. SELECT AND DIRECTLY ENGAGE AND SUPERVISE ANY CONSULTANT HIRED BY PHS TO ADVISE THE COMMITTEE ON EXECUTIVE AND PHYSICIAN COMPENSATION. 4. PERIODICALLY EVALUATE THE APPROPRIATENESS OF THIS CHARTER AND THE EFFECTIVENESS OF THE PROCESS THE COMMITTEE USES IN GOVERNING EXECUTIVE AND PHYSICIAN COMPENSATION AND REPORT THIS EVALUATION TO THE BOARD. 5. PROVIDE THE BOARD WITH AN ANNUAL REPORT ON THE COMMITTEE'S ACTIONS. 6. MONITOR CHANGES IN LAWS AND REGULATIONS PERTAINING TO EXECUTIVE COMPENSATION AND BENEFITS TO SEE THAT PHS COMPLIES WITH THEM. 7. SEEK OUTSIDE REVIEW OF COMMITTEE OPERATIONS TO ENSURE COMPLIANCE WITH THE IRS REBUTTABLE PRESUMPTION OF REASONABLENESS. 8. REVIEW ACTUAL EXECUTIVE COMPENSATION AND BENEFITS PROVIDED TO CONFIRM CONSISTENCY WITH COMPENSATION AND BENEFITS APPROVED BY THE COMMITTEE.

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE FOR PUBLIC INSPECTION. THE ORGANIZATION INCLUDES A COPY OF ITS FINANCIAL STATEMENTS WITH THE STATE REGISTRATION FILED WITH THE PENNSYLVANIA DEPARTMENT OF STATE, BUREAU OF CHARITABLE ORGANIZATIONS. THESE DOCUMENTS ARE A MATTER OF PUBLIC RECORD AND CAN BE VIEWED AT THE BUREAU OFFICE.

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	PHYSICIAN FEES PROGRAM SERVICE EXPENSES 4,580,284 MANAGEMENT AND GENERAL EXPENSES 2,255,961 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 6,836,245 OUTSOURCING PROGRAM SERVICE EXPENSES 28,337,266 MANAGEMENT AND GENERAL EXPENSES 6,647,013 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 34,984,279 CLEANING SERVICES PROGRAM SERVICE EXPENSES 8,319,725 MANAGEMENT AND GENERAL EXPENSES 1,826,281 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 10,146,006 LAB FEES PROGRAM SERVICE EXPENSES 2,865,035 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,865,035 RESIDENT ROTATION PROGRAM SERVICE EXPENSES 1,121,122 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,121,122 OTHER PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 19,588,208 MANAGEMENT AND GENERAL EXPENSES 6,466,693 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 26,054,901 CONSULTING FEES PROGRAM SERVICE EXPENSES 1,258,410 MANAGEMENT AND GENERAL EXPENSES 139,823 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,398,233

Return Reference	Explanation
FORM 990, PART XI, LINE 9	PENSION SETTLEMENT LOSS -58,452,210 CHANGE IN ADDITIONAL MINIMUM PENSION LIABILITY 46,033,298 FINANCING FRAMEWORK TRANSFERS -57,711,939 INTERCOMPANY TRANFERS - NET ASSETS RELEASED 176,137 INCREASE IN VALUE OF SELECT MEDICAL REHAB JOINT VENTURE 10,786,769 INTERCOMPANY TRANSFERS -1,495,468

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.

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

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
(1) PINNACLE HEALTH EMERGENCY DEPARTMENT SERVICES LLC 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 17105 86-1057582	MEDICAL EMERGENCY SERVICES	PA	-7,473,073	1,451,808	PINNACLE HEALTH HOSPITALS
(2) PINNACLE HEALTH HOSPITALISTS SERVICES LLC 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 17105	HOSPITALISTS SERVICES	PA	-7,329,307	68,799	PINNACLE HEALTH HOSPITALS
(3) PINNACLE HEALTH OBSERVATION SERVICES LLC 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 17105 47-2088742	PROFESSIONAL SERVICES TO OBSERVATION PATIENTS	PA	-551,824	11,722	PINNACLE HEALTH HOSPITALS

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) PINNACLE HEALTH SYSTEM 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 25-1778658	MANAGEMENT AND CONSULTATIVE SERVICES FOR RELATED EXEMPT ORGS	PA	501(C)(3)	LINE 11C, III-FI	N/A		No
(2) PINNACLE HEALTH MEDICAL SERVICES 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 25-1709054	PHYSICIAN SERVICES	PA	501(C)(3)	LINE 3	PINNACLE HEALTH SYSTEM		No
(3) PINNACLE HEALTH FOUNDATION 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 22-2691718	INVESTMENT AND FUNDRAISING ACTIVITIES FOR RELATED TAX-EXEMPT ORGANIZATIONS	PA	501(C)(3)	LINE 11B, II	PINNACLE HEALTH SYSTEM		No
(4) COMMUNITY LIFE TEAM 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 23-1890444	COMMUNITY EMERGENCY MANAGEMENT SERVICE AND MEDICAL TRANSPORT PROVIDER	PA	501(C)(3)	LINE 9	PINNACLE HEALTH SYSTEM		No

Part II

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) WEST SHORE SURGERY CENTER LTD 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 25-1821415	SURGICAL CARE - MEDICAL SERVICES	PA	SEE PART VII - SUPPLEMENTAL INFORMATION	RELATED	1,139,985	1,161,458		No			No	49 000 %
(2) RIVER HEALTH ACO LLC 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 46-2567488	MEDICAL SERVICES	PA	N/A									
(3) SUSQUEHANNA VALLEY SURGICAL CENTER 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 25-1847818	SURGICAL CARE - MEDICAL SERVICES	PA	N/A	RELATED	693,272	1,361,782		No			No	50 000 %
(4) WALNUT BOTTOM RADIOLOGY 850 WALNUT BOTTOM ROAD CARLISLE, PA 17013 25-1675580	RADIOLOGY	PA	N/A	RELATED	-11,037	-151,993		No			No	50 000 %

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) UNITED CENTRAL PA RISK RETENTION GROUP 76 ST PAUL STREET SUITE 500 BULINGTON, VT 054014477 13-4224033	CAPTIVE INSURANCE	VT	N/A	C					No
(2) UNITED HEALTH RISK LTD PO BOX 2450 HAMILTON HM JX BD	CAPTIVE INSURANCE	BD	N/A	C					No
(3) PINNACLE HEALTH CARDIOVASCULAR INSTITUTE PO BOX 8700 HARRISBURG, PA 17105 32-0321362	PHYSICIAN SERVICES	PA	N/A	C					No
(4) PINNACLE HEALTH VENTURES INC PO BOX 8700 HARRISBURG, PA 17105 61-1677624	HOLDING COMPANY	PA	N/A	C					No
(5) PINNACLE HEALTH IMAGING INC PO BOX 8700 HARRISBURG, PA 17105 23-1718571	IMAGING SERVICES	PA	N/A	C					No

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 Yes

1b Yes

1c Yes

1d Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j Yes

1k

No

1l Yes

1m Yes

1n Yes

1o Yes

1p Yes

1q Yes

1r Yes

1s Yes

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) WEST SHORE SURGERY CENTER LTD	A	138,805	COST
(2) WEST SHORE SURGERY CENTER LTD	R	724,310	COST

Schedule R (Form 990) 2014

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

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

Part VII

Supplemental Information

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

Return Reference	Explanation
FORM 990, SCHEDULE R, PART III	WEST SHORE SURGERY CENTER IS OWNED BY THE FOLLOWING RELATED ENTITIES PINNACLE HEALTH HOSPITALS - 49% PINNACLE HEALTH MEDICAL SERVICES - 2% THE REMAINING 49% IS OWNED BY A NUMBER OF INDIVIDUAL PHYSICIANS PINNACLE HEALTH HOSPITALS' 49% OWNERSHIP PERCENTAGE DOES NOT RESULT IN ANY DIRECT CONTROLLING ENTITY, HOWEVER, COMBINED WITH THE OWNERSHIP PERCENTAGE OF PINNACLE HEALTH MEDICAL SERVICES, A RELATED ENTITY, THERE IS MORE THAN 50% CONTROL AMONG THE RELATED GROUP