efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

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

OMB No 1545-0047

2015

Open to Public Inspection

A For the 2015 calendar year, or tax year beginning 07-01-2015 , and ending 06-30-2016

B Check if applicable
- [x] 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

D Employer identification number
25-1778644

E Telephone number
(717) 231-8245

G Gross receipts $ 1,575,568,901

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 [x] 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 [x] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW PINNACLEHEALTH ORG

K Form of organization [x] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation 1996

M State of legal domicile PA

Part I Summary

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

Activities & Governance	**3** Number of voting members of the governing body (Part VI, line 1a)	**3**	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	**5**	5,403
	6 Total number of volunteers (estimate if necessary)	**6**	380
	7a Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	6,984,892
	b Net unrelated business taxable income from Form 990-T, line 34	**7b**	2,167,211

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	11,600,410	6,628,509
	9 Program service revenue (Part VIII, line 2g)	813,676,751	901,599,358
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,949,064	23,583,135
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,743,130	3,547,706
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	834,969,355	935,358,708
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	89,000	0
	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)	309,936,799	313,337,269
	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)	444,421,853	478,070,160
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	754,447,652	791,407,429
	19 Revenue less expenses Subtract line 18 from line 12	80,521,703	143,951,279

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,124,438,029	1,148,513,983
	21 Total liabilities (Part X, line 26)	734,899,445	738,620,606
	22 Net assets or fund balances Subtract line 21 from line 20	389,538,584	409,893,377

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 — 2017-05-12 Date

WILLIAM H PUGH TREASURER/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
JULIUS C GREEN CPA	JULIUS C GREEN CPA			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) [x] Yes [ ] No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

PROVIDING BOTH INPATIENT AND OUTPATIENT HEALTHCARE SERVICES ON A NON-PROFIT BASIS FOR CITIZENS OF THE SURROUNDING COMMUNITIES

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 611,816,098 including grants of $ 0) (Revenue $ 880,060,539)

PINNACLE HEALTH HOSPITALS PINNACLE HEALTH HOSPITALS SUBSIDIZES THE COST OF TREATING PATIENTS WHO ARE UNINSURED, UNABLE TO PAY, OR HAVE GOVERNMENT SPONSORED HEALTH INSURANCE WHERE REIMBURSEMENT IS LESS THAN THE COST OF PROVIDING THE SERVICE AS AN ANCHOR INSTITUTION AND A LEADER IN OUR COMMUNITY, OUR ROLE HAS BEEN TO CARE FOR PATIENTS EVEN IN THESE DIFFICULT ECONOMIC TIMES IN KEEPING WITH OUR TRADITION OF CARING FOR ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY, PINNACLE HEALTH HOSPITALS IS A FORCE FOR STABILITY, STRENGTH, AND RELIABILITY FOR THOSE WE SERVE IN ADDITION TO FINANCIAL SUPPORT, OUTREACH TO THE COMMUNITY IS CRUCIAL TO ACHIEVING OUR MISSION THROUGH VOLUNTEERISM AND ENGAGEMENT, WE STRIVE TO BE A FORCE FOR HEALTH AND WELL-BEING WE HELP THE UNDERSERVED, MENTOR STUDENTS, LEND EXPERTISE TO COMMUNITY ORGANIZATIONS, AND EDUCATE THE COMMUNITY ON DISEASE PREVENTION AND MANAGEMENT COMMUNITY HEALTH IMPROVEMENT SERVICESAS ONE OF THE LARGEST PROVIDERS OF HEALTHCARE SERVICES IN THE STATE OF PENNSYLVANIA, PINNACLE HEALTH HOSPITALS OFFERS A VARIETY OF CLINICAL, EDUCATION AND SUPPORT SERVICES FOCUSED ON IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE COMMUNITY HEALTH EDUCATIONDIABETES EDUCATION FOR DISPARATE POPULATIONS TO PROVIDE CULTURALLY AND ECONOMICALLY APPROPRIATE EDUCATION THAT ENABLES PERSONS WITH DIABETES TO BETTER MANAGE THEIR DISEASE EAT SMART PLAY SMART THE GOAL OF ESPS IS TO PROVIDE AN EVIDENCE-BASED, CULTURALLY SENSITIVENUTRITION AND PHYSICAL ACTIVITY PROGRAM TO ALL YOUTH FROM PRESCHOOL TO HIGH SCHOOL GOALS AND STRATEGIES1) IMPROVE KNOWLEDGE ABOUT HEALTH AND WELLNESS-OFFER EDUCATION THAT INCLUDES PRACTICAL INFORMATION ON FITNESS, NUTRITION, AND MENTAL HEALTH-OFFER FUN AND INTERACTIVE ACTIVITIES THAT WILL ENHANCE PROGRAM MATERIAL AND ARE ACCESSIBLE TO YOUTH-EVALUATE CHANGE IN YOUTHS' KNOWLEDGE BY ADMINISTERING PRE-TEST,POST-TEST, AND FUTURE FOLLOW UP2) EDUCATE YOUTH ON POSITIVE BEHAVIOR CHANGES TOWARDS A HEALTHYLIFESTYLE-IMPROVED KNOWLEDGE OF THE IMPORTANCE OF CARDIOVASCULAR FITNESS-NOTICEABLE CHANGE IN HEALTHY FOOD CHOICES-ENHANCED KNOWLEDGE OF TOOLS TO IMPROVE MENTAL HEALTH AND WELL-BEING3) DEVELOP A CURRICULUM THAT IS ACCESSIBLE AND CULTURALLY SENSITIVE FORYOUTH AND THEIR ROLE MODELS-OFFER THE PROGRAM IN A VARIETY OF SETTINGS THAT FIT THE NEEDS OF THECOMMUNITY, INCLUDING SCHOOL-BASED, AFTER SCHOOL-BASED, AND COMMUNITY-BASED PROGRAMS-PROVIDE THE PROGRAM TO A DIVERSE POPULATION-COLLABORATE WITH VARIOUS COMMUNITY PARTNERS TO ENSURE EFFICIENCY OFPROGRAM AND USE OF RESOURCES-OFFER MATERIALS IN A VARIETY OF DIFFERENT MEDIA, INCLUDING PRINT, ONLINE, AND ORAL COMMUNICATIONSA VARIETY OF CHILDBIRTH EDUCATION PROGRAMS ARE OFFERED FOR NEW AND EXPECTANT PARENTS AND SIBLINGS INCLUDING INFANT CARE CLASSES PINNACLE IS ONE OF ONLY 90 HOSPITALS TO PARTICIPATE IN THE BEST FED BEGINNING LEARNING COLLABORATIVE, A ONE-OF-A-KIND NATIONAL EFFORT TO SIGNIFICANTLY IMPROVE BREAST-FEEDING RATES SUPPORT GROUPS ARE OFFERED FREE OF CHARGE TO HELP PEOPLE UNDERSTAND AND COPE WITH PARTICULAR PROBLEMS OR ILLNESSES THEY INCLUDE DIABETES, BEREAVEMENT, CAREGIVER, TRANSPLANT, AND HEART DISEASE CHILDREN'S HEALTH FAIR, CONFERENCES AND LECTURES PROVIDE INFORMATION ON HEALTHY LIFESTYLES AND HEALTH CAREER SESSIONS, YOUTH HEALTH SCREENINGS, YOUTH OBESITY PREVENTION, CHILD ABUSE AWARENESS/PREVENTION AND LITERACY PROGRAMS FOR CHILDREN COMMUNITY HEALTH FAIRSCOMMUNITY LECTURES ON A VARIETY OF TOPICS, INCLUDING CARDIOVASCULAR HEALTH, HIV/AIDS, SPORTS MEDICINE, ETHICS, AND END-OF-LIFE PLANNING TOBACCO CESSATION EDUCATION IN CLINICS AND THROUGHOUT THE COMMUNITY HEALTH EDUCATION STORIES IN THE NEWSPAPER, ON TELEVISION, ON RADIO AND IN HOSPITAL NEWSLETTER CLERGY ARE AVAILABLE TO PATIENTS AND FAMILY MEMBERS TWENTY-FOUR HOURS A DAY VOLUNTEER CHAPLAINS PROVIDE BASIC SPIRITUAL SUPPORT, I E , PRAY WITH PATIENT, READ SCRIPTURE AND PROVIDE SPIRITUAL RESOURCES, SUCH AS ROSARIES, CROSSES AND RELIGIOUS BOOKS STAFF CHAPLAINS VISIT WITH PATIENTS AND FAMILIES WHEN THERE IS A CRISIS SITUATION, WHEN THERE ARE ETHICAL/MORAL DILEMMAS, WHEN PATIENT IS EXPERIENCING GRIEF, ANXIETY, DEPRESSION, LONELINESS OR PERSONAL ISSUES AS DESCRIBED IN THE HOSPITAL'S MISSION STATEMENT, PINNACLE HEALTH HOSPITALS IS COMMITTED TO PROVIDING COMMUNITY-BASED PROGRAMS AND SERVICES WHICH WILL ENHANCE THE HEALTH STATUS OF THE PEOPLE WE SERVE TOWARD THAT END, PINNACLE HEALTH HOSPITALS PROVIDED THE FOLLOWING WELLNESS AND SCREENING PROGRAMS SCREENINGS CHOLESTEROL SCREENINGSBODY COMPOSITION SCREENINGSPROSTATE SCREENINGSINFANT DEVELOPMENT SCREENINGSSPEECH AND HEARING SCREENINGSDEPRESSION AND ANXIETY SCREENINGSBONE DENSITY SCREENINGSNUTRITION THERAPY EDUCATION PROGRAMSLEAD POISONING SCREENINGS PINNACLE HEALTH CANCER CENTER'S BOARD-CERTIFIED SURGEONS AND MEDICAL ONCOLOGISTS ATTACK ALL TYPES OF CANCER, SUPPORTED BY A TEAM OF PHARMACISTS, SOCIAL WORKERS, REHABILITATION AND PAIN MANAGEMENT SPECIALISTS, EACH WITH A UNIQUE AWARENESS OF PATIENT NEEDS HEART FAILURE CENTER WAS DEVELOPED IN AN EFFORT TO PROVIDE PATIENTS SUFFERING FROM HEART FAILURE AN ALTERNATIVE TO FREQUENT HOSPITALIZATIONS OUR TEAM OF EXPERIENCED HEALTHCARE PROFESSIONALS ASSISTS YOU IN LEARNING THE SKILLS NEEDED TO HELP SELF-MANAGE YOUR CHRONIC ILLNESS SPINE INSTITUTE COMBINES THE EXPERTISE OF NEUROSURGEONS, ORTHOPEDIC SURGEONS, PSYCHIATRISTS, NEUROLOGISTS, PAIN MANAGEMENT SPECIALISTS, NURSES, IMAGING SERVICES AND REHABILITATION SERVICES TO TARGET EVERY PATIENT'S PARTICULAR PROBLEM AND PROVIDE OPTIMAL TREATMENT BUS PASSES OR TAXI FEES ARE PROVIDED TO PATIENTS AND FAMILIES MEETING THE ORGANIZATION'S FINANCIAL ASSISTANCE GUIDELINES TO ENHANCE PATIENT ACCESS TO CARE RESIDENT PHYSICIAN TRAINING PROGRAMS FOR ORTHOPEDIC SURGERY, INTERNAL MEDICINE, GENERAL SURGERY, PODIATRY, AND FAMILY PRACTICE FELLOWSHIP PROGRAMS FOR TOXICOLOGY, SPORTS MEDICINE, AND MATERNAL FETAL MEDICINE CLINICAL SITE FOR MEDICAL STUDENTSCLINICAL SITE FOR NURSING STUDENTSCLINICAL SITE FOR DIETITIANSCLINICAL SITE FOR EMERGENCY MEDICAL PERSONNELCLINICAL SITE FOR PARAMEDIC STUDENTSCLINICAL SITE FOR RESPIRATORY THERAPY STUDENTSCLINICAL SITE FOR RADIOLOGY STUDENTS INTERNSHIPS FOR MEDICAL ASSISTANTS, SPEECH AND HEARING, PT/OT AND OTHER ALLIED HEALTH PROFESSIONAL TRAINING CONTINUING EDUCATION FOR NURSES AND PHYSICIAN OFFICE STAFF AND FOR LOCAL COMMUNITY PROFESSIONALS SUCH AS SCHOOL NURSES AUXILIARY ERNEST R MCDOWELL SCHOLARSHIP PROGRAMEQUIPMENT DONATIONSUNITED WAY FUNDRAISINGBAILEY HOUSE IS OUR HOME AWAY FROM HOME IT PROVIDES FREE OVERNIGHT LODGING AND A COMFORTABLE, SUPPORTIVE, AND NURTURING ENVIRONMENT FOR FAMILIES FROM OUTSIDE THE HARRISBURG AREA NURSE/FAMILY PARTNERSHIP PROGRAM WAS IMPLEMENTED BASED ON VERY HIGH TEEN BIRTH RATES AND A HIGH INCIDENCE OF WOMEN NOT RECEIVING PRENATAL CARE DURING THE FIRST TRIMESTER THIS IS A NATIONALLY RENOWNED, EVIDENCE-BASED, NURSE HOME VISITATION PROGRAM THAT IMPROVES THE HEALTH, WELL-BEING AND SELF SUFFICIENCY OF LOW-INCOME FIRST-TIME PARENTS AND THEIR CHILDREN CHILDREN'S RESOURCE CENTER(CRC) PROVIDES CARE AND COORDINATION TO CHILDREN SUSPECTED OF BEING ABUSED AND ENGAGES MULTIPLE DISCIPLINES TO DIAGNOSE, EVALUATE AND TREAT CHILDREN WHO ARE VICTIMS OF SEXUAL ABUSE

4b (Code) (Expenses $ 18,483,780 including grants of $ 0) (Revenue $ 14,523,884)

PINNACLE HEALTH EMERGENCY DEPARTMENT SERVICESPINNACLE HEALTH EMERGENCY DEPARTMENT SERVICES (PHEDS) IS A TAX EXEMPT, NON-PROFIT CORPORATION ENGAGED IN PROVIDING PROFESSIONAL SERVICES IN THE PINNACLE HEALTH EMERGENCY DEPARTMENT EMERGENCY SERVICESTWENTY-FOUR HOUR MEDICAL EMERGENCY SERVICE IS PROVIDED IN THREE EMERGENCY DEPARTMENTS, (HARRISBURG HOSPITAL, COMMUNITY GENERAL HOSPITAL, AND WEST SHORE HOSPITAL) STAFFED BY PHYSICIANS AND NURSES SPECIALIZING IN EMERGENCY MEDICINE AND SUPPORT PERSONNEL SERVICES ARE OPEN TO ALL PERSONS WITHOUT REGARD TO AGE, SEX, RACE, RELIGION, NATIONAL ORIGIN, HANDICAP OR ABILITY TO PAY MEDICAL COVERAGE IS GIVEN FOR COMMUNITY SPORTING EVENTS CPR TRAINING PROGRAMS ARE OFFERED TO COMMUNITY GROUPS AND ORGANIZATIONS TWENTY-FOUR HOUR EMERGENCY MEDICAL COMMAND IS PROVIDED FOR THE TRI-COUNTY AREA DURING FISCAL YEAR 2016, PINNACLE HEALTH HOSPITALS TREATED 142,088 PATIENTS IN ITS THREE EMERGENCY DEPARTMENTS THIS WAS AN INCREASE OF 3% OVER THE PRIOR YEAR

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses ▶** 630,299,878

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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
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? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	**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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	1a	0		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	5,403		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure

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

Check if Schedule O contains a response 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	1a	20		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16		
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 409 SOUTH SECOND ST HARRISBURG, PA 171048700 (717) 231-8245

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								2,576,239	4,048,820	333,478

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 ▶ 351

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SODEXO PO BOX 905374 CHARLOTTE, NC 28290	FOOD SERVICES	19,099,498
THE MILTON S HERSHEY MEDICAL CENTER PO BOX 853 HERSHEY, PA 17033	CALL COVERAGE	1,966,574
SPECIALTYCARE PO BOX 11407 BIRMINGHAM, AL 352461614	PERFUSION SERVICES	1,648,970
PULMONARY CRITICAL MED PC INC 1631 N FRONT STREET HARRISBURG, PA 17102	RESPIRATORY AND CRITICAL CARE SERVICES	1,512,697
MEDDATA INC PO BOX 8403 CAROL STREAM, IL 60197	BILLING AND COLLECTIONS	1,380,408

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 ▶ 59

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	193,961			
	e	Government grants (contributions) 1e	3,067,368			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	3,367,180			
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶	6,628,509			
Program Service Revenue		Business Code				
	2a	PATIENT REVENUE, NET	621500	897,108,388	890,093,453	7,014,935
	b	CONTRACTED MEDICAL SERVICES	621990	2,245,174	2,245,174	
	c	RETAIL PHARMACY	900099	728,726	728,726	
	d	MISC INPATIENT/OUTPATIENT	621990	634,639	634,639	
	e	MEDICAL EDUCATION	900099	424,164	424,164	
	f	All other program service revenue		458,267	458,267	
	g	**Total.** Add lines 2a–2f . . . . . ▶		901,599,358		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,480,971	-30,043	1,511,014
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents: 11,940,183				
	b	Less rental expenses: 12,372,594				
	c	Rental income or (loss): -432,411				
	d	Net rental income or (loss) . . . . . ▶	-432,411			-432,411
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory: 649,773,162 / 6,831				
	b	Less cost or other basis and sales expenses: 626,704,665 / 973,164				
	c	Gain or (loss): 23,068,497 / -966,333				
	d	Net gain or (loss) . . . . . ▶	22,102,164			22,102,164
	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: 395,510				
	b	Less cost of goods sold . . b: 159,770				
	c	Net income or (loss) from sales of inventory . . ▶	235,740			235,740
		Miscellaneous Revenue / Business Code				
	11a	QUALITY INCENTIVE INCOME 900099	944,064			944,064
	b	MEANINGFUL USE INCOME 900099	938,292			938,292
	c	ADMIN SVCS - JC BLAIR 900099	832,772			832,772
	d	All other revenue	1,029,249			1,029,249
	e	**Total.** Add lines 11a–11d . . . . . ▶	3,744,377			
	12	**Total revenue.** See Instructions . . . . . ▶	935,358,708	894,584,423	6,984,892	27,160,884

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				
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	257,823,329	233,525,472	24,297,857	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	10,611,203	9,611,179	1,000,024	
9 Other employee benefits	26,372,838	23,887,402	2,485,436	
10 Payroll taxes	18,529,899	16,783,599	1,746,300	
11 Fees for services (non-employees)				
a Management	91,956,011		91,956,011	
b Legal	225,603		225,603	
c Accounting	27,663		27,663	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	52,306		52,306	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	82,316,807	66,242,561	16,074,246	
12 Advertising and promotion	546,554	440,803	105,751	
13 Office expenses	4,262,171	4,355,843	-93,672	
14 Information technology	18,428,879	12,951,661	5,477,218	
15 Royalties				
16 Occupancy	50,160,444	37,147,169	13,013,275	
17 Travel	422,517	298,207	124,310	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,376,852	1,198,724	178,128	
20 Interest	18,114,807	15,526,522	2,588,285	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	63,410,317	62,052,903	1,357,414	
23 Insurance	1,612	429	1,183	
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	145,179,043	145,026,937	152,106	
b UBIT TAXES	356,037	356,037		
c DUES AND SUBSCRIPTIONS	599,476	536,795	62,681	
d TEMP REST DONATIONS	528,506	263,253	265,253	
e All other expenses	104,555	94,382	10,173	
25 **Total functional expenses.** Add lines 1 through 24e	791,407,429	630,299,878	161,107,551	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) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		3,188	1	4,886
	2	Savings and temporary cash investments		3,127,518	2	42,541,910
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		121,943,887	4	113,553,445
	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		1,642,503	7	1,904,623
	8	Inventories for sale or use		14,882,294	8	17,342,548
	9	Prepaid expenses and deferred charges		12,454,194	9	10,803,815
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,078,936,745			
	b	Less accumulated depreciation	10b 590,591,997	484,622,919	10c	488,344,748
	11	Investments—publicly traded securities		410,464,114	11	394,291,882
	12	Investments—other securities See Part IV, line 11		19,730,288	12	20,287,116
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		337,206	14	2,070,953
	15	Other assets See Part IV, line 11		55,229,918	15	57,368,057
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,124,438,029	16	1,148,513,983
Liabilities	17	Accounts payable and accrued expenses		97,225,642	17	131,391,368
	18	Grants payable			18	
	19	Deferred revenue		171,831,968	19	168,649,613
	20	Tax-exempt bond liabilities		393,175,399	20	399,473,352
	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		18,549,175	23	12,796,873
	24	Unsecured notes and loans payable to unrelated third parties		45,000,000	24	22,500,000
	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		9,117,261	25	3,809,400
	26	**Total liabilities.** Add lines 17 through 25		734,899,445	26	738,620,606
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		346,757,471	27	367,478,568
	28	Temporarily restricted net assets		21,684,711	28	21,102,266
	29	Permanently restricted net assets		21,096,402	29	21,312,543
		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		389,538,584	33	409,893,377
	34	Total liabilities and net assets/fund balances		1,124,438,029	34	1,148,513,983

Part XI Reconcilliation 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	935,358,708
2	Total expenses (must equal Part IX, column (A), line 25)	2	791,407,429
3	Revenue less expenses Subtract line 2 from line 1	3	143,951,279
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	389,538,584
5	Net unrealized gains (losses) on investments	5	-16,661,355
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	-106,935,128
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	409,893,377

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

Additional Data

Software ID:
Software Version:
EIN: 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			
GEORGE F GRODE CHAIRMAN	0 20 0 30	X		X				0	0	0
FELIX GUTIERREZ MD DIRECTOR	0 10 39 90	X						0	512,226	37,924
DEBORAH S MILLER DIRECTOR	0 30 0 40	X						0	0	0
CLARENCE E ASBURY VICE CHAIRMAN	0 20 0 20	X		X				0	0	0
DENNIS WALSH DIRECTOR	0 10 0 20	X						0	0	0
BONY R DAWOOD DIRECTOR	0 30 0 40	X						0	0	0
STEVEN C KUSIC DIRECTOR	0 40 0 50	X						0	0	0
KENNETH OKEN MD DIRECTOR	0 40 0 40	X						0	76,400	0
MICHAEL L FERNANDEZ MD DIRECTOR	0 20 0 30	X						0	0	0
JOHN C HICKEY DIRECTOR	0 40 0 40	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CAROLYN KREAMER PHD DIRECTOR	0 30 0 30	X						0	0	0
MICHAEL A YOUNG PRESIDENT/CEO	14 00 26 00	X		X				0	1,330,867	27,853
ROGER LEVIN MD DIRECTOR	0 40 0 50	X						0	0	0
CYNTHIA TOLSMA DIRECTOR	0 40 0 50	X						0	0	0
E GERALD WOODWARD MD DIRECTOR	0 20 0 20	X						0	0	0
BARRY KAIN DIRECTOR	0 10 0 20	X						0	0	0
DANIEL KAMBIC DIRECTOR	39 70 0 30	X						0	138,965	25,672
MICHAEL MURCHIE DIRECTOR	0 20 0 20	X						0	0	0
DOUG NEIDICH DIRECTOR	0 40 0 50	X						0	0	0
HAROLD YANG DIRECTOR	0 10 0 20	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHRISTOPHER P MARKLEY ESQ SEC'Y/SR VP STAT SVCC/GEN COUNSEL	12 00 28 00			X				0	501,066	31,109
WILLIAM H PUGH TREASURER/SR VP CORP FIN/CFO	14 00 26 00			X				0	746,821	23,704
JOHN DELORENZO ASSISTANT SECRETARY	24 00 16 00			X				0	0	0
PHILIP GUARNESCHELLI SR VICE PRESIDENT/COO	30 00 10 00				X			0	742,475	34,854
FRANK DITRAGLIA ED PHYSICIAN	40 00					X		545,567	0	14,845
R SCOTT RANKIN ED PHYSICIAN	40 00					X		558,667	0	37,637
MARK BARABAS SR VICE PRESIDENT OPERATIO	40 00					X		545,389	0	27,853
EDWARD HILDREW ED PHYSICIAN	40 00					X		456,663	0	37,649
CHRISTIAN CAICEDO MD VP, OPERATIONS/MED DIR W SHORE	40 00 0 00					X		469,953	0	34,378

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

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

2015

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

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 (Form 990 or 990-EZ))

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

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

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

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

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

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

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

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

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box 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 (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ. Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2015

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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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 2015 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2014 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2015.** 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—2014.** 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—2015.** 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—2014.** 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 III Support Schedule for Organizations Described in Section 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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 2015 (line 8, column (f) divided by line 13, column (f))	15
16	Public support percentage from 2014 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2015** (line 10c, column (f) divided by line 13, column (f))	17
18	Investment income percentage from **2014** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2015.** 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—2014.** 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*	1		
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*	2		

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)*	1		

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?	1		
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)*	2		
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*	3		

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).

			Yes	No
2	Activities Test. **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*	2a		
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*	2b		
3	Parent of Supported Organizations. **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*	3a		
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*	3b		

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) ☐

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

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 2015 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-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013.			
e From 2014.			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7 $			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 **Excess distributions carryover to 2016.** Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013.			
d From 2014.			
e From 2015.			

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," on 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

2015

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 7.

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

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

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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 on 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 on 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" on 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

			Amount
b	If "Yes," explain the arrangement in Part XIII and complete the following table		
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, 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 on lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" on 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)	Accumulated (c)depreciation	(d)Book value
1a Land		14,692,463		14,692,463
b Buildings		624,153,142	319,418,123	304,735,019
c Leasehold improvements		17,164,359	12,164,648	4,999,711
d Equipment		368,190,617	247,798,271	120,392,346
e Other		54,736,164	11,210,955	43,525,209
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* ▶				488,344,748

Part VII Investments—Other Securities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII Investments—Program Related.
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* . . . . . ▶	

Part X Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
Federal income taxes	
ADVANCES FROM THIRD-PARTY PAYORS	3,809,400
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	3,809,400

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	824,242,280
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (losses) on investments	2a	-16,661,355		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-106,987,434		
e	Add lines **2a** through **2d**			2e	-123,648,789
3	Subtract line **2e** from line **1**			3	947,891,069
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	-12,532,364		
c	Add lines **4a** and **4b**			4c	-12,532,364
5	Total revenue Add lines **3** and **4c.**(This must equal Form 990, Part I, line 12)			5	935,358,705

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	803,887,487
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	12,532,364		
e	Add lines **2a** through **2d**			2e	12,532,364
3	Subtract line **2e** from line **1**			3	791,355,123
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	52,306		
c	Add lines **4a** and **4b**			4c	52,306
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	791,407,429

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 INCREASES OF $356 AND $780 WERE RECORDED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 AND JUNE 30, 2015, RESPECTIVELY

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSES SHOWN NET OF RENTAL INCOME -12,372,594 COST OF GOODS SOLD - 159,770
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES SHOWN NET OF RENTAL INCOME 12,372,594 COST OF GOODS SOLD 159,770
PART XII, LINE 4B - OTHER ADJUSTMENTS	BANK FEES 52,306

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" on 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

2015

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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 25000 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the 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			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			13,310,199		13,310,199	1 680 %
b Medicaid (from Worksheet 3, column a)			92,989,751	66,745,044	26,244,707	3 320 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			106,299,950	66,745,044	39,554,906	5 000 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			7,186,031		7,186,031	0 910 %
f Health professions education (from Worksheet 5)			8,528,694		8,528,694	1 080 %
g Subsidized health services (from Worksheet 6)			322,259		322,259	0 040 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,010,126		1,010,126	0 130 %
j **Total.** Other Benefits			17,047,110		17,047,110	2 160 %
k **Total.** Add lines 7d and 7j			123,347,060	66,745,044	56,602,016	7 160 %

Part II Community Building Activities

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support		131,308	294,516		294,516	0 040 %
4	Environmental improvements						
5	Leadership development and training for community members		1,000	20,000		20,000	0 %
6	Coalition building						
7	Community health improvement advocacy		200	149,796		149,796	0 020 %
8	Workforce development						
9	Other			2,361,978		2,361,978	0 300 %
10	**Total**		132,508	2,826,290		2,826,290	0 360 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	13,310,199		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	1,671,961		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	151,527,136
6	Enter Medicare allowable costs of care relating to payments on line 5	6	157,666,737
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-6,139,601
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 WEST SHORE SURGERY CENTER LTD	SURGICAL CARE - MEDICAL SERVICES	45 000 %	0 %	49 000 %
2	2 SUSQUEHANNA VALLEY SURGERY CENTER	SURGICAL CARE - MEDICAL SERVICES	50 000 %	0 %	50 000 %
3	3 WALNUT BOTTOM RADIOLOGY LLC	OUTPATIENT IMAGING SERVICES	50 000 %	0 %	50 000 %
4	4 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)

Name of hospital facility or letter of facility reporting group PINNACLE HEALTH HOSPITALS - HARRISBURG

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	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The 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 15			
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	
6 a	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	Yes	
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW PINNACLEHEALTH ORG			
b	☑ Other website (list url) WWW HSH ORG, WWW PENNSTATEHERSHEY ORG, WWW PPIMHS 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 15			
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" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" on 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)*

Financial Assistance Policy (FAP)

PINNACLE HEALTH HOSPITALS - HARRISBURG

Name of hospital facility or letter of facility reporting group

			Yes	No
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 250 000000000000 % and FPG family income limit for eligibility for discounted care of 400 000000000000 %			
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) WWW PINNACLEHEALTH ORG			
c	☑ A plain language summary of the FAP was widely available on a website (list url) WWW PINNACLEHEALTH ORG			
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 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?	**19**		No
	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 19 (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			

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

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?	**23**		No
	If "Yes," explain in Section C			
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?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group PINNACLE HEALTH HOSPITALS - CGOH

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 2

			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	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The 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 15			
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	
6 a	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	Yes	
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW PINNACLEHEALTH ORG			
b	☑ Other website (list url) WWW HSH ORG, WWW PENNSTATEHERSHEY ORG, WWW PPIMHS 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 15			
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" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" on 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)*

Financial Assistance Policy (FAP)

PINNACLE HEALTH HOSPITALS - CGOH

Name of hospital facility or letter of facility reporting group

			Yes	No
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?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 250 000000000000 % and FPG family income limit for eligibility for discounted care of 400 000000000000 %			
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) WWW PINNACLEHEALTH ORG			
c	☑ A plain language summary of the FAP was widely available on a website (list url) WWW PINNACLEHEALTH ORG			
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 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?	**19**		No
	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 19 (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			

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

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?	**23**		No
	If "Yes," explain in Section C			
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?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group PINNACLE HEALTH HOSPITALS - WEST SHORE

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		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	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The 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 15			
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	
6 a	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	Yes	
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW PINNACLEHEALTH ORG			
b	☑ Other website (list url) WWW HSH ORG, WWW PENNSTATEHERSHEY ORG, WWW PPIMHS 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 15			
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" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" on 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)*

Financial Assistance Policy (FAP)

PINNACLE HEALTH HOSPITALS - WEST SHORE

Name of hospital facility or letter of facility reporting group

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 250 000000000000 % and FPG family income limit for eligibility for discounted care of 400 000000000000 %			
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) WWW PINNACLEHEALTH ORG			
c	☑ A plain language summary of the FAP was widely available on a website (list url) WWW PINNACLEHEALTH ORG			
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 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?	**19**		No
	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 19 (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			

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

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?	**23**		No
	If "Yes," explain in Section C			
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?	**24**		No
	If "Yes," explain in Section C			

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

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? **4**

	Name and address	Type of Facility (describe)
1	2 - PINNACLE HEALTH EMERGENCY DEPARTMENT SER 111 SOUTH FRONT STREET HARRISBURG,PA 17101	EMERGENCY MEDICAL SERVICES
2	3 - SUSQUEHANNA VALLEY SURGERY CENTER LLC 4310 LONDONDERRY ROAD SUITE 1 HARRISBURG,PA 17109	SURGICAL CARE - MEDICAL SERVICES
3	4 - WEST SHORE SURGERY CENTER LTD 2015 TECHNOLOGY PARKWAY MECHANICSBURG,PA 17050	SURGICAL CARE - MEDICAL SERVICES
4	6 - WALNUT BOTTOM RADIOLOGY LLC 850 WALNUT BOTTOM ROAD CARLISLE,PA 17013	OUTPATIENT RADIOLOGY AND IMAGING SERVICES
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
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 COST 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 $32,713,413 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 (PHH) VALUES RELATIONSHIPS WITH COMMUNITY PARTNERS AND THE ASSETS T HEY BRING TO ANY COLLABORATIVE EFFORTS PHH HELPED CREATE THE DAUPHIN COUNTY HEALTH IMPROV EMENT PARTNERSHIP (DCHIP) COMPRISED OF REGIONAL HEALTH AND HUMAN SERVICE PROVIDERS, PAYORS , COUNTY GOVERNMENT, AND BUSINESSES AND EDUCATION PHH HAS WORKED COLLABORATIVELY WITH PHY SICIANS AND HEALTH AND HUMAN SERVICE ORGANIZATIONS FOR MANY YEARS TO MAXIMIZE COMMUNITY CA PACITY, PROVIDE NECESSARY SERVICES TO THE COMMUNITY AND REDUCE DUPLICATION OF SERVICES PH H SERVES IN A CONVENING ROLE TO STRENGTHEN COMMUNITY ASSETS THROUGH REFERRAL NETWORKS AND PARTNERSHIPS, SUCH INITIATIVES INCLUDE PHARMACY VOUCHER PROGRAM WITH THE HARRISBURG PHARM ACY AND WITH THE LOCAL SCHOOL SYSTEM TO PROMOTE HEALTHY CHOICES STAFF AND VOLUNTEERS SUPP ORT THE SCHOOL NURSES BY ASSISTING WITH MANDATED HEALTH SCREENINGS INCLUDING HEIGHT, WEIGH T, VISION, HEARING, AND DENTAL SCREENINGS DURING FALL 2015, PINNACLE STAFF AND VOLUNTEERS ASSISTED WITH SCREENING 5,984 STUDENTS IN THE HARRISBURG SCHOOL DISTRICT AND OVER 700 IN NEWPORT SCHOOL DISTRICT, A RURAL DISTRICT IN PERRY COUNTY PHH ALSO ENGAGED THE HELP OF ME SSIAH COLLEGE NURSING STUDENTS TO BUILD CAPACITY AND ENHANCE THE EDUCATIONAL EXPERIENCES F OR NURSING STUDENTS THE SCHOOL DISTRICTS SHARE THE SCREENING DATA WITH PINNACLE TO AID IN FOCUSING OUR EFFORTS AND RESOURCES IN THE AREAS WITH THE HIGHEST NEEDS FOR ACCESS, EDUCAT ION, AND SUPPORT BASED ON IDENTIFIED COMMUNITY NEEDS AND VULNERABLE POPULATIONS, CONTINUO US AND FREE PUBLIC PROGRAMS TARGET VARIOUS LOCATIONS THROUGHOUT THE COMMUNITY AND INTO ARE AS OF LIMITED ACCESS TO SPECIALTY SERVICES THESE PROGRAMS ARE INTENDED TO INFORM AND CHAN GE THE HEALTH HABITS OF PARTICIPANTS THROUGH SUCH TOPIC AREAS AS DIABETES, HEART DISEASE, SEXUALLY TRANSMITTED DISEASE PREVENTION, CANCER, ACCESSING HEALTHCARE, BEHAVIORAL HEALTH, SMOKING CESSATION AND NUTRITION EXAMPLES OF PHH'S LEADERSHIP IN BUILDING COMMUNITY CAPACI TY ARE FAITH COMMUNITY HEALTH CONNECTION (FCHC) IN FALL 2015, PINNACLE HIRED A NEW LEADER FOR SPIRITUAL CARE, REVEREND BRENDA ALTON SHE HAS ENHANCED THE FAITH COMMUNITY HEALTH CON NECTION (FCHC) BY OFFERING A NUMBER OF EDUCATIONAL SESSIONS ON TOPICS SUCH AS ADVANCED DIR ECTIVES AND PALLIATIVE CARE OUR SPIRITUAL CARE DEPARTMENT ENGAGES OUR FAITH COMMUNITY WIT H INVITATIONS TO ANY AND ALL EDUCATIONAL OPPORTUNITIES AND ALSO PARTNERS WITH THE FAITH LE ADERS TO REACH OUT TO THE MOST VULNERABLE POPULATIONS IN OUR COMMUNITY IN MANY OF THE ETH NIC COMMUNITIES AROUND HARRISBURG HOSPITAL, THE FAITH LEADER IS THE MOST TRUSTED INDIVIDUA L AND MANY ARE PARTNERS OF PINNACLE DUE TO THE RELATIONSHIPS WITH THE LEADERS OF OUR SPIRI TUAL CARE DEPARTMENT AND THE FCHC INITIATIVE WHEN A MEMBER OF THE FAITH COMMUNITY IS ADMI TTED TO A PINNACLE HEALTH HOSPITAL, THE FAITH LEADER AND OUR FCHC LEADERS WORK TO ENSURE T HAT THE PATIENT HAS ALL AVAILABLE SUPPORT AND SERVICES ALIGNED TO ASSIST IN A HEALTHY RECO VERY LEADERS AT LOCAL CONGREGATIONS WORK COLLABORATIVELY WITH PINNACLE STAFF TO -PROVIDE ACCESS TO QUALITY HEALTH CARE AND HELP GUIDE INDIVIDUALS THROUGH THE HEALTHCARE SYSTEM -PR OVIDE ADVOCACY TO EMPOWER CONGREGANTS IN HEALTHCARE EDUCATION MAKING - CONNECT FAITH COMMUN ITIES TO A NETWORK OF SUPPORT FOLLOWING ILLNESS, INJURY, AND HOSPITALIZATION -CONNECT PEOP LE WITH EDUCATION AND SERVICES THAT WILL ENABLE THEM TO MAINTAIN OPTIMAL LEVELS OF HEALTH AND WELLBEING - ASSIST PINNACLEHEATH STAFF IN PROVIDING CULTURALLY SENSITIVE SERVICES TO DI VERSE POPULATIONS KEYSTONE COMMUNITY CARE CONTINUUM (KCCC)EACH YEAR PINNACLE MAKES AVAILAB LE $20,000 TO EACH CLINIC, AND IN FISCAL 2016 CLINICS UTILIZED APPROXIMATELY $27,000 TO PR OVIDE DIAGNOSTIC TESTING AT NO COST TO THEIR PATIENTS TO DATE, THE CONTINUUM PROJECT HAS DISBURSED OVER $200,000 IN FREE CARE FUNDS TO COVER THE COST OF DIAGNOSTIC SERVICES TO PAT IENTS AT THE BEACON CLINIC, HOPE WITHIN CLINIC, BETHESDA MISSION, AND THE COMMUNITY CHECK UP CENTER BASED ON PINNACLE GOALS AND THE ANALYSIS OF RELATED DATA TO DATE, THE FOLLOWING GOALS AND RELATED OUTCOMES HAVE BEEN NOTED - DECREASED READMISSIONS WITHIN 30 DAYS FOR COM MUNITY HEALTH CENTER PATIENTS FROM 16% TO 12% IN EIGHTEEN MONTHS - METTHIS TRANSFORMATION FROM A TRADITIONAL INPATIENT BASED HEALTH CARE MODEL TO A COLLABORATIVE, PATIENT-CENTERED MEDICAL HOME MODEL REQUIRES A PARTNERSHIP BETWEEN INDIVIDUAL PATIENTS, PHYSICIANS, CLINICS AND THE COMMUNITY-BASED PATIENT SUPPORT SYSTEM PATIENT CARE IS FACILITATED BY THE COMMUN ITY HEALTH NAVIGATION TEAM USING RELATIONSHIPS WITH COMMUNITY BASED ORGANIZATIONS AND A HE ALTH INFORMATION EXCHANGE TO ENSURE THAT PATIENTS GET THE INDICATED CARE WHEN AND WHERE TH EY NEED AND WANT IT IN A CULTURALLY AND LINGUISTICALLY APPROPRIATE MANNER CHILDREN'S RESOU RCE CENTER (CRC)AS A TRUSTED PLACE FOR OUR COMMUNITY TO GO FOR ACCESS TO PUBLIC HEALTH SER VICES AND INFORMATION, PHH AND ITS STAFF OF PROFES

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	SIONALS MEET THE NEEDS OF A DIVERSE POPULATION WITH CULTURAL AWARENESS AND SENSITIVITY PH H PARTNERS WITH LAW ENFORCEMENT, DISTRICT ATTORNEY OFFICES, SOCIAL SERVICES, PSYCHOLOGICAL SUPPORT SERVICES, CRISIS 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 THROUGH ONGOING TRAINING AND EDUCATION IN THE COMMUNITY, THE CRC HAS SEEN AN INCREASE IN PARTICIPATION WITH PARTNER AGENCIES IN AN EVER-WIDENING GEOGRAPHIC SE RVICE AREA THE CRC SERVED 1,006 CHILDREN IN 2016 AND APPROXIMATELY 600 CAREGIVERS WE SAW CHILDREN FROM OVER 20 COUNTIES IN PENNSYLVANIA BUT ROUTINELY SERVED CHILDREN FROM DAUPHIN , CUMBERLAND, PERRY, LEBANON, SCHUYKILL, JUNIATA, MIFFLIN, BLAIR, AND BEDFORD COUNTIES LEA D AND HEALTHY HOMES PROGRAM (LHHP) IN FISCAL YEAR 2016, THE PENNSYLVANIA DEPARTMENT OF HEAL TH (DOH) SET A GOAL OF 330 ENVIRONMENTAL HOME ASSESSMENTS (EHA) TO BE CONDUCTED IN LOW INC OME FAMILIES WE RECEIVED THESE REFERRALS FROM MANY SOCIAL SERVICE AGENCIES THROUGHOUT OUR COMMUNITY OUR GOAL IS TO ENSURE FAMILIES ARE LIVING IN SAFE AND HEALTHY HOUSING (LHHP) IS AVAILABLE FOR BOTH HOMEOWNERS AND RENTERS SUPPLIES SUCH AS CO(2) DETECTORS, FIRE EXTIN GUISHERS, VACUUMS, DEHUMIDIFIERS, PEST SUPPLIES, BED BUG AND ASTHMA PREVENTION BEDDING COV ERS, PLUS APPROXIMATELY 100 OTHER HOME SAFETY AND HEALTHY HOME SUPPLIES WERE DELIVERED TO FAMILIES, ALONG WITH EDUCATION AND A FULL INTERNAL AND EXTERNAL INSPECTION OF THEIR HOMES THE EHA'S WERE PERFORMED BY PINNACLEHEALTH ENVIRONMENTAL HOME SPECIALISTS AND LICENSED LE AD RISK ASSESSORS IN THE FIRST AND SECOND QUARTERS OF FY2016, OUR STAFF CONDUCTED 259 EHA' S IN THE THIRD QUARTER OF THE PROGRAM, WE SERVED 90 FAMILIES FOR HEALTHY HOMES ISSUES AND 11 FAMILIES FOR ELEVATED LEAD LEVELS IN CHILDREN UP TO AGE 7 UNFORTUNATELY, THE DOH FUND ING FOR THIS PROGRAM WILL CEASE AFTER JUNE 30, 2016 SO THE FOURTH QUARTER OF THE LHHP GRAN T ONLY ALLOWED US TO CONDUCT HEALTH HOME ASSESSMENTS FOR THE MONTH OF APRIL TO ALLOW ANY P OST 60 DAY ASSESSMENTS TO BE COMPLETED BEFORE THE JUNE 30, 2016 COMPLETION DATE OF THE PRO GRAM TWENTY SIX (26) HEALTHY HOME ASSESSMENTS WERE CONDUCTED FOR FAMILIES, AND FOURTEEN (14) LEAD ENVIRONMENTAL ASSESSMENTS WERE COMPLETED STAFF WAS VERY BUSY WITH ALL 60 DAY POS T ASSESSMENTS AT EACH HOME SERVED IN ADDITION, THE LHHP ALSO REMEDIATED APPROXIMATELY 153 UNSAFE AND UNHEALTHY ISSUES IN THE HOMES BY SUBCONTRACTING WITH PA LICENSED GENERAL CONTR ACTORS TO FIX PROBLEMS IN HOMES THAT CAUSE FAMILY MEMBERS WHO SUFFER FROM ASTHMA, LEAD POI SONING, PHYSICAL DISABILITIES AND MANY OTHER HEALTH CHALLENGES THERE ARE EFFORTS TO SEEK OTHER SOURCES OF FUNDING FOR THIS IMPORTANT PROJECT PINNACLEHEALTH IS COMMITTED TO THE CO MMUNITY AND RECOGNIZES THAT THERE IS GREAT NEED FOR ENVIRONMENTAL HOME ASSESSMENTS RESOURC E EDUCATION AND COMPREHENSIVE CARE FOR HIV (REACCH) THE PINNACLEHEALTH (REACCH) PROGRAM SER VES AS A COMPREHENSIVE MEDICAL CARE PROGRAM FOR ALL PEOPLE LIVING WITH HIV/AIDS WITHIN THE SOUTH CENTRAL PENNSYLVANIA REGION IN 2016, REACCH SERVED 533 RACIALLY DIVERSE PATIENTS 41% WERE AFRICAN AMERICAN, 46% CAUCASIAN/NON-HISPANIC, 11% HISPANIC, AND 2% MULTI-RACIAL O R OTHER ALMOST ALL PATIENTS HAVE BEEN ABLE TO OBTAIN HEALTH INSURANCE THROUGH THE AFFORDA BLE CARE ACT AND EXPANDED MEDICAID 61% ARE COVERED BY MEDICAID OR MEDICARE, 32% HAD PRIVA TE INSURANCE AND ONLY 7% WERE UNINSURED 70% OF REACCH PATIENTS LIVE IN HARRISBURG CITY, 1 5% IN CUMBERLAND COUNTY, 2% IN PERRY COUNTY, AND THE REST OF THEM RESIDE IN FRANKLIN, YORK , OR OTHER SURROUNDING COUNTIES IN ADDITION TO HIV TREATMENT AND PRIMARY MEDICAL CARE, ST AFF SEEK TO REMOVE SOCIAL AND ECONOMIC BARRIERS TO CARE BY PROVIDING TREATMENT ADHERENCE C OUNSELING, CASE MANAGEMENT, SOCIAL WORK SERVICES, NUTRITION THERAPY, AND FINANCIAL COUNSEL ING REACCH ALSO PROVIDES OUTREACH AND TESTING WITHIN THE COMMUNITY, SEEKING TO IDENTIFY H IV+ INDIVIDUALS WHO DO NOT KNOW THEIR ST

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 "ACCOUNTS 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 DETERMINED THE CITY OF HARRISBURG ZIP CODES THAT PRIMARILY INCLUDE PUBLIC HOUSING THEN WE REVIEWED OUR BAD DEBT WRITE-OFFS FOR THE FISCAL YEAR TO DETERMINE THE ACCOUNTS WHERE THE PATIENT ADDRESS WAS INCLUDED IN THOSE ZIP CODES AN OVERALL COST TO CHARGE RATIO WAS THEN APPLIED TO THIS AMOUNT TO ARRIVE AT AN EXPENSE FIGURE THIS AMOUNT CONTINUES TO DECREASE EACH YEAR AS WE HAVE FURTHER DEVELOPED OUR PRESUMPTIVE CHARITY CARE AND FINANCIAL AID APPROACH

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 A PLAIN LANGUAGE VERSION OF THE POLICY HANDED OUT TO THE UNINSURED 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 THIRTY DAYS 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 TWELVE 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 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 ANY LEGAL COURSE OF ACTION OR JUDICIAL PROCESSES 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 CONNECTS MORE THAN 500,000 COMMUNITY RESIDENTS AND A WIDE RANGE OF PUBLIC AND PRIVATE ORGANIZATIONS, INCLUDING EDUCATIONAL INSTITUTIONS, HEALTH-RELATED P ROFESSIONALS, LOCAL GOVERNMENT OFFICIALS, HUMAN SERVICE ORGANIZATIONS AND FAITH-BASED ORGA NIZATIONS, TO EVALUATE THE COMMUNITY'S HEALTH AND SOCIAL NEEDS THE ASSESSMENT UTILIZED SE CONDARY DATA COLLECTION, INTERVIEWS WITH KEY COMMUNITY LEADERS, PUBLIC FORUMS, AND FOCUS G ROUPS TO IDENTIFY HEALTH PROGRAMS AND RISK FACTORS IN THE SERVICE AREA IN FY2013 PINNACLE CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN COLLABORATION WITH TWO OTHER LOCA L HEALTH SYSTEMS THIS COLLABORATIVE ENGAGED THE BROADER COMMUNITY TO GATHER INPUT AND DOC UMENT COMMUNITY HEALTH NEEDS THE FOLLOWING TOOLS WERE USED TO ASSESS THE COMMUNITY IN FY 2013 COMMUNITY LEADER INTERVIEWSINTERVIEWS WITH FIFTY-EIGHT COMMUNITY LEADERS THROUGHOUT T HE REGION WERE CONDUCTED TO GAIN AN UNDERSTANDING OF THE COMMUNITY'S HEALTH NEEDS FROM ORG ANIZATIONS AND AGENCIES THAT HAVE A DEEP UNDERSTANDING OF THE POPULATIONS IN THE GREATEST NEED THE COLLABORATIVE DEVELOPED A LIST OF COMMUNITY LEADERS TO INTERVIEW INTERVIEWS WER E CONDUCTED WITH AN ARRAY OF DIRECTORS AND STAFF MEMBERS FROM COMMUNITY HEALTH CENTERS, ME MBERS FROM SOCIAL SERVICES ORGANIZATIONS, EDUCATIONAL LEADERS, RELIGIOUS GROUPS, AND ELECT ED OFFICIALS THE INFORMATION COLLECTED PROVIDED KNOWLEDGE ABOUT THE COMMUNITY'S HEALTH ST ATUS, RISK FACTORS, SERVICE UTILIZATION, AND COMMUNITY RESOURCE NEEDS, AS WELL AS GAPS AND SERVICE SUGGESTIONS 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 SPANISH THE ASSISTANCE OF LOCAL COMMUNITY ORGANIZATIONS WAS VITAL TO THE SURVEY DISTRIBUTION PROCESS IN TOTAL, 883 SURVEYS WERE USED FOR ANALYSIS OF THESE SU RVEYS 790 WERE COLLECTED IN ENGLISH AND 93 SURVEYS WERE COLLECTED IN SPANISH COMMUNITY FO RUMSA SERIES OF THREE COMMUNITY FORUMS WERE FACILITATED WITH COMMUNITY ORGANIZATION LEADER S, RELIGIOUS LEADERS, GOVERNMENT STAKEHOLDERS, AND OTHER KEY COMMUNITY LEADERS AT EACH OF THE SPONSORING HOSPITAL/HEALTH SYSTEM LOCATIONS THE PURPOSE OF THE COMMUNITY FORUMS WAS T O PRESENT THE CHNA FINDINGS TO DATE AND TO RECEIVE INPUT WITH REGARD TO THE NEEDS AND CONC ERNS OF THE COMMUNITY WITH INPUT RECEIVED FROM FORUM PARTICIPANTS, COLLABORATIVE MEMBER I DENTIFIED THE THREE TOP PRIORITY AREAS AS HEALTHY LIFESTYLES, BEHAVIORAL HEALTH SERVICES, AND ACCESS TO HEALTH SERVICES PINNACLE HEALTH HOSPITALS USED DIRECT PATIENT FEEDBACK, OUT REACH EFFORTS, AND COMMUNITY BASED PARTNERSHIPS TO DETERMINE THE HEALTH CARE NEEDS IN CUMB ERLAND, DAUPHIN, AND PERRY COUNTIES THE PRIMARY DATA SOURCES FOR ASSESSING THE UNMET NEED S OF THE COMMUNITY ARE DIRECT PATIENT POPULATION IN PINNACLE'S FOUR CAMPUSES (COMMUNITY, W EST SHORE, HARRISBURG AND POLYCLINIC), FAMILY CARE PHYSICIAN PRACTICES, AND OUTPATIENT SUR GERY AND IMAGING CENTERS THROUGH VARIOUS OUTREACH PROGRAMS INCLUDING HEALTH FAIRS, SCREEN INGS, LECTURES, AND EDUCATION SESSIONS, DATA IS COLLECTED AND INCLUDED IN ASSESSING THE OV ERALL UNMET NEEDS OF THE COMMUNITY AS PART OF THE CHNA PROCESS, OUR TEAM GATHERED BOTH PRI MARY AND SECONDARY DATA AS A PART OF THE PRIMARY DATA COLLECTION, WE CONDUCTED 56 PHONE I NTERVIEWS WITH LOCAL COMMUNITY LEADERS WITH THE HELP OF COMMUNITY BASED, GRASSROOTS ORGAN IZATIONS, A HAND-DISTRIBUTED SURVEY WAS DISSEMINATED TO OUR MOST VULNERABLE POPULATIONS A VAILABLE IN BOTH ENGLISH AND SPANISH, WE RECEIVED 1,229 COMPLETED SURVEYS IN ADDITION WE CONDUCTED 9 FOCUS GROUPS LASTLY, TWO COMMUNITY FORUMS WERE HELD WELCOMING THE ENTIRE COMM UNITY TO REVIEW THE FINDINGS AND ADD COMMENTS OR ADDITIONAL CONCERNS FY2016 CHNAPINNACLE C ONDUCTED THE NEXT CHNA IN FY2016 AS PART OF THIS CHNA PROCESS, OUR TEAM GATHERED BOTH PRI MARY AND SECONDARY DATA AS PART OF THE PRIMARY DATA COLLECTION, WE CONDUCTED 56 PHONE INT ERVIEWS WITH LOCAL COMMUNITY LEADERS WITH THE HELP OF COMMUNITY-BASED GRASS ROOTS ORGANIZ ATIONS A HAND-DISTRIBUTED SURVEY WAS DISSEMINATED TO OUR MOST VULNERABLE POPULATIONS AVA ILABLE IN BOTH ENGLISH AND SPANISH, WE RECEIVED 833 COMPLETED SURVEYS NEW TO THE CHNA PRO CESS, PINNACLE COLLECTED 654 PROVIDER SERVICES SURVEYS WHICH DOCUMENTED COMMUNTY NEEDS AS IDENTIFIED BY PHYSICIANS, NURSES, AND MID-LEVEL PROVIDERS IN BOTH INPATIENT AND OUTPATIENT SETTINGS ALSO THREE KIOSKS WERE MADE AVAILABLE THROUGHOUT THE SYSTEM FOR PUBLIC COMMENTA RY ADDITIONALLY, THIRTY FIVE COMMUNITY MEMBERS PROVIDED FEEDBACK ON THE PRIOR CHNA AND TH E CURRENT HEALTH NEEDS OF THE COMMUNITY FINALLY, TWO COMMUNITY FORUMS WERE HELD WELCOMING THE ENTIRE COMMUNITY TO REVIEW THE FINDINGS AND PROVIDE FEEDBACK AND/OR VOICE ADDITIONAL CONCERNS SECONDARY DATA COLLECTIONSECONDARY DATA WAS COLLECTED FROM MULTIPLE SOURCES, INCL UDING COUNTY HEALTH RANKINGS, HEALTHY PEOPLE 2020

Form and Line Reference	Explanation
PART VI, LINE 2	, OFFICE OF APPLIED STUDIES, PENNSYLVANIA DEPARTMENT OF HEALTH, BUREAU OF HEALTH STATISTIC S AND RESEARCH, PENNSYLVANIA OFFICE OF RURAL HEALTH, CAPITAL AREA COALITION ON HOMELESSNES S, THE CENTERS FOR DISEASE PREVENTION AND CONTROL (CDC), ETC THE DATA RESOURCES WERE RELA TED TO DISEASE PREVALENCE, SOCIO-ECONOMIC FACTORS, AND BEHAVIORAL HABITS THE DATA WAS BEN CHMARKED AGAINST STATE AND NATIONAL TRENDS PINNACLE HEALTH HOSPITALS UTILIZED THE US DEPAR TMENT OF HEALTH AND HUMAN SERVICES COMMUNITY HEALTH STATUS INDICATORS, WHICH PROVIDED DATA THAT CAN BE COMPARED TO PEER COUNTIES ON A STATE AND NATIONAL LEVEL IN ADDITION, HEALTHY PEOPLE 2020 IDENTIFIED NEARLY 600 OBJECTIVES WITH MORE THAN 1,300 MEASURES TO IMPROVE THE HEALTH OF ALL AMERICANS TO MONITOR PROGRESS TOWARDS ACHIEVING INDIVIDUAL OBJECTIVES, HEA LTHY PEOPLE RELIES ON DATA SOURCES DERIVED FROM A NATIONAL CENSUS OF EVENTS LIKE NATIONAL VITAL STATISTICS SYSTEM AND NATIONALLY REPRESENTATIVE SAMPLE SURVEYS LIKE THE NATIONAL HEA LTH INTERVIEW SURVEY PINNACLE HEALTH HOSPITALS SEARCHES THE HEALTH INDICATORS WAREHOUSE F OR DATA RELATED TO HEALTHY PEOPLE 2020 OBJECTIVES DEVELOPED BY THE NATIONAL CENTER FOR HEA LTH STATISTICS TO DEFINE PRIORITIES THAT ASSIST IN IMPROVING HEALTH IN THE COMMUNITY DATA WAS ALSO OBTAINED THROUGH TRUVEN HEALTH ANALYTICS (FORMERLY KNOWN AS THOMSON REUTERS) TO QUANTIFY THE SEVERITY OF HEALTH DISPARITIES FOR EVERY ZIP CODE IN THE NEEDS ASSESSMENT ARE A BASED ON SPECIFIC BARRIERS TO HEALTHCARE ACCESS FIVE PROMINENT SOCIO-ECNONMIC BARRIERS TO COMMUNITY HEALTH WERE IDENTIFIED INCOME BARRIERS, CULTURE/LANGUAGE BARRIERS, EDUCATION AL BARRIERS, INSURANCE BARRIERS, AND HOUSING BARRIERS THE PINNACLE HEALTH SYSTEM PRESENTED THE RESULTS OF A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN NOVEMBER 2015 AND DEVELOPED AN IMPLEMENTATION PLAN WITH STRATEGIES TO ADDRESS THE IDENTIFIED COMMUNITY HEALTH NEEDS T HE FINAL IMPLEMENTATION PLAN WAS VIEWED BY THE MISSION EFFECTIVENESS AND STRATEGIC ISSUES COMMITTEE OF THE BOARD IN SEPTEMBER 2016 AND APPROVED BY THE PINNACLEHEALTH BOARD OF DIREC TORS IN NOVEMBER 2016 THE FINAL APPROVED VERSIONS OF THE CHNA AND IMPLEMENTATION PLAN ARE AVAILABLE TO THE PUBLIC ON THE WWW PINNACLEHEALTH ORG WEBSITE AS PINNACLEHEALTH LOOKS TOW ARDS THE FUTURE, WE ENSURE THAT OUR CORE VALUES OF QUALITY, ACCESS TO CARE AND COORDINATIO N OF CARE ARE AT THE CENTER OF ALL OF OUR ORGANIZATIONAL STRATEGIES WE EMBRACE OUR COMMUN ITY PARTNERS AND WORK COLLABORATIVELY WITH THEM TO STRENGTHEN THE SUPPORT SYSTEMS THAT WIL L ALLOW US AND OUR PARTNERS TO MAINTAIN POSITIVE HEALTH OUTCOMES IN ACCORDANCE WITH IRS GU IDELINES, PINNACLEHEALTH HOSPITALS WILL BEGIN THE NEXT COMMUNITY HEALTH NEEDS ASSESSMENT I N FALL 2017

Form and Line Reference	Explanation
PART VI, LINE 3	PATIENTS ARE INFORMED OF AVAILABLE ASSISTANCE IN NUMEROUS WAYS SIGNAGE IS POSTED AND LITERATURE IS HANDED OUT TO THE UNINSURED 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, AND IF APPROPRIATE PROVIDED ASSISTANCE IN APPLYING FOR MEDICAID OR OBTAINING INSURANCE THROUGH HEALTHCARE GOV 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 PROGRAMS (WIC), FOOD STAMP ELIGIBILITY AND OTHER STATE OR LOCAL ASSISTANCE THAT ARE UNFUNDED (E G MEDICAID SPEND-DOWN), INFORMATION FROM FAMILY OR FRIENDS, LOW INCOME HOUSING PROVIDED AS A 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 WHOLLY 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 32% OF THE COUNTY POPULATION AFRICAN-AMERICANS/BLACKS COMPRISE 52% OF HARRISBURG'S POPULATION AND HISPANICS/LATINOS MAKE UP 18% OF THE CITY'S POPULATION, COMPARED TO 17% AFRICAN-AMERICANS/BLACKS AND 9% 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 32% OF CITY RESIDENTS HAVE INCOME BELOW THE POVERTY LEVEL, WHILE ONLY 12% OF COUNTY RESIDENTS HAVE INCOME BELOW THE POVERTY LEVEL WHILE THE CITY REPRESENTS 18% OF THE COUNTY POPULATION, IT IS HOME TO 38% 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 CURRENTLY 19% OF DAUPHIN COUNTY RESIDENTS HAVE NO HEALTH INSURANCE 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 HARRISBURG HOSPITAL AS THEIR PRIMARY HOSPITAL INCLUDING THE EMERGENCY DEPARTMENT MOST RECENTLY AVAILABLE INFORMATION SHOWS 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 COUNTIES IN EACH OF THE 50 STATES ARE RANKED ACCORDING TO SUMMARIES OF MORE THAN 30 HEALTH MEASURES THOSE HAVING GOOD RANKINGS, SUCH AS 1 OR 2, ARE CONSIDERED TO BE THE "HEALTHIEST " COUNTIES ARE RANKED RELATIVE TO THE HEALTH OF OTHER COUNTIES IN THE SAME STATE (PENNSYLVANIA HAVING 67 COUNTIES) ON HEALTH OUTCOMES (MORTALITY, MORBIDITY) AND HEALTH MEASURES (HEALTH BEHAVIORS, CLINICAL CARE, SOCIAL AND ECONOMIC, AND PHYSICAL ENVIRONMENTS) DAUPHIN COUNTY RANKS AMONG THE WORST (UNHEALTHIEST) OF THE COUNTIES IN HEALTH OUTCOMES (52), MORBIDITY (54), HEALTH BEHAVIORS (51), AND SOCIAL AND ECONOMIC FACTORS (49) PERRY COUNTY RANKS AMONG THE WORST (UNHEALTHIEST) IN MORTALITY (53), CLINICAL CARE (54), AND PHYSICAL ENVIRONMENT (61) CUMBERLAND COUNTY RANKS IN THE TOP 5 (HEALTHIEST) IN A NUMBER OF CATEGORIES HEALTH OUTCOMES (4), HEALTH FACTORS (4), MORTALITY - LENGTH OF LIFE (4), HEALTH BEHAVIORS (3), AND CLINICAL CARE (4)

Form and Line Reference	Explanation
PART VI, LINE 5	PINNACLE HEALTH HOSPITALS MAINTAINS AN ACTIVE ROLE IN THE COMMUNITIES IN WHICH IT SERVES THE ROLE IS REFLECTIVE IN ITS BOARD OF DIRECTORS WHOSE COMPOSITION IS GREATER THAN 80 PERC ENT INDEPENDENT COMMUNITY-BASED LEADERS PHH HAS AN OPEN MEDICAL STAFF PHH PROVIDES TRAIN ING FOR BOTH MEDICAL STUDENTS AND RESIDENTS IN A NUMBER OF SPECIALTIES PINNACLE HEALTH HO SPITALS HAS ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION (ACGME) ACCREDITED RESIDE NCY PROGRAMS AS WELL AS AMERICAN OSTEOPATHIC ASSOCIATION (AOA) ACCREDITED TEACHING PROGRAM S PHH USES ITS SURPLUS FUNDS TO RENOVATE AND EXPAND PATIENT CARE AREAS IN ADDITION TO DEV ELOPING PATIENT SERVICES WHICH MAY NOT BE CURRENTLY AVAILABLE IN THE COMMUNITY PINNACLEHEA LTH 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 C OMMUNITY, PINNACLEHEALTH SUPPORTS A PLETHORA OF COMMUNITY-WIDE INITIATIVES THAT ADDRESS SO CIO-ECONOMIC BARRIERS TO IMPROVED HEALTH STAFF WORK CLOSELY WITH THE CAPITAL AREA COALITI ON ON HOMELESSNESS AND HOLD SEATS ON BROAD-BASED INITIATIVES SUCH AS PROJECT HOMELESS CONN ECT, 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 SUC CESS PINNACLE STAFF ALSO HAVE A LEAD ROLE IN THE COMPASSIONATE CLOSURES PROGRAM TO ASSIST INDIGENT FAMILIES WITH NO FINANCIAL RESOURCES TO RESPECTFULLY MEMORIALIZE, CREMATE OR BUR Y THEIR LOVED ONES A BROAD COMMUNITY PARTNERSHIP HAS COME TOGETHER TO ADDRESS THIS NEED A ND THE PARTNERS ARE THE VNA OF CENTRAL PENNSYLVANIA AND CROSSINGS HOSPICE, THE HISPANIC C OMMUNITY CENTER, THE INTERNATIONAL SERVICE CENTER, THE PENNSYLVANIA FUNERAL DIRECTORS ASSO CIATION, PINNACLEHEALTH SYSTEM, THE SALVATION ARMY, THE UNITED WAY OF THE CAPITAL REGION, DAUPHIN COUNTY COMMISSIONERS AND CORONER'S OFFICE, CUMBERLAND COUNTY COMMISSIONERS AND COR ONER'S OFFICE, THE FOUNDATION FOR ENHANCING COMMUNITIES AND THE PA DEPARTMENT OF PUBLIC WE LFARE THE MISSION OF THE PARTNERS IS TO OFFER A MEASURE OF COMPASSIONATE CARE BLENDED WIT H DIGNITY AND RESPECT FOR OUR INDIGENT FAMILIES LIVING IN DAUPHIN OR CUMBERLAND COUNTIES W HO HAVE LOST LOVED ONES DURING THE YEAR A RETAIL PHARMACY WAS OPENED IN THE HARRISBURG HO SPITAL TO BETTER SERVE PATIENTS AND THEIR FAMILIES ADDITIONALLY, CONSTRUCTION WAS COMPLET ED FOR THE LEBANON VALLEY ADVANCED CARE CENTER WHICH OPENED IN JULY 2017 ADDITIONAL PROJEC TS INCLUDE MODERNIZING AND UPDATING EXISTING LOCATIONS WITHIN THE PHH SERVICE AREA TO MEET THE PATIENT NEEDS IN THE COMMUNITIES WE SERVE AND IMPLEMENTATION OF THE ELECTRONIC HEALTH RECORDS ACROSS THE BREADTH OF THE PINNACLE HEALTH SYSTEM SIGNIFICANT RESOURCES WERE EXPE NDED TO INSTALL A NEW INTEGRATED CLINICAL ENTERPRISE WIDE COMPUTER SYSTEM WHICH WENT LIVE IN THE MEDICAL SERVICES PRACTICES IN THE FISCAL YEAR THE TRANSITION TO A MORE EFFICIENT C ENTRALIZED INFORMATION MANAGEMENT SYSTEM CENTERED ON THE PATIENT HAS ADVANCED THE VALUE OF ALL PATIENT CARE SERVICES DELIVERED AS ONE OF THE LEADING HOSPITALS IN SOUTH CENTRAL PENN SYLVANIA, PINNACLE HEALTH HOSPITALS STRIVES TO STRENGTHEN ACCESS TO CARE AS WE PROVIDE A C ONTINUUM 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 DISAST ER PREPAREDNESS TASK FORCE TO BRING FOCUS TO OUR MISSION, PINNACLE HEALTH HOSPITALS IS CO MMITTED TO SIX STRATEGIC PILLARS COMMITMENT TO PEOPLE, SERVICE, QUALITY, GROWTH, COMMUNIT Y, AND FINANCE GUIDED BY THESE PILLARS, THE NINE INITIATIVES HIGHLIGHTED BELOW ARE KEY EX AMPLES OF OUR COMMITMENT TO BEING A TRUSTED PLACE FOR OUR COMMUNITY TO GO FOR ACCESS TO PU BLIC HEALTH SERVICES AND INFORMATION -NURSE FAMILY PARTNERSHIP (NFP) - WITH A FOCUS ON PE OPLE AND A DESIRE TO MAKE THE HEALTHCARE SYSTEM EASIER TO NAVIGATE, WE OFFER THIS VOLUNTAR Y PREVENTION PROGRAM THAT PROVIDES NURSE HOME VISITATION SERVICES TO LOW INCOME, FIRST-TIM E MOTHERS THIS NATIONALLY RENOWNED, EVIDENCE-BASED COMMUNITY HEALTH CURRICULUM TRANSFORME D THE LIVES OF VULNERABLE FAMILIES IN FY2016, NFP SERVED 277 CLIENTS -CERTIFIED APPLICAT ION COUNSELORS (CAC)- DURING THE LAUNCH OF THE INSURANCE MARKETPLACE IN FALL 2013, PINNACL EHHEALTH HOSPITALS DEDICATED TWO STAFF TO THE OPEN ENROLLMENT PROCESS AND SUPPORTED THEIR ROLES AS CERTIFIED APPLICATION COUNSELORS PINNACLEHEALTH CACS WERE POSITIONED IN OUR HEAL TH CLINICS WHERE MANY UNINSURED AND VULNERABLE MEMBERS OF OUR COMMUNITY VISIT OUR HEALTHSY STEM FOR SERVICES THE CACS HELPED PEOPLE UNDERSTAND, APPLY, AND ENROLL FOR HEALTH COVERAG E 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 HARRISBU

Form and Line Reference	Explanation
PART VI, LINE 5	RG 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 HA VE PARTNERED WITH DAUPHIN COUNTY ON THIS PROGRAM, WHICH CONNECTS PEOPLE TO MUCH-NEEDED HEA LTH CARE LAUNCHED IN APRIL 2013, THE PROGRAM'S MISSION IS TO IDENTIFY, ENROLL AND COORDINA TE HEALTH CARE SERVICES FOR HARRISBURG AREA CHILDREN UP TO AGE 19 WHO ARE UNINSURED OR MED ICALLY UNDERSERVED THE PROGRAM ALSO PROVIDES FAMILY-CENTERED SUPPORT TO PARENTS OR GUARDI ANS OF THESE CHILDREN - DAUPHIN COUNTY HEALTH IMPROVEMENT PARTNERSHIP (DCHIP) - WITH A FOC US ON CREATING A COHESIVE SYSTEM OF PUBLIC HEALTH SERVICES, WE CONVENED A TEAM OF MULTI-SE CTOR, COMMUNITY-BASED PARTNERS FROM HEALTHCARE, HUMAN SERVICE, GOVERNMENT, EDUCATION, FAIT H AND PAYOR COMMUNITIES MEMBERS ARE COMMITTED TO WORKING COLLABORATIVELY TO IMPROVE HEALT H, REDUCE DISPARITIES, AND ADDRESS THE QUALITY OF LIFE OF COMMUNITY RESIDENTS - RESOURCE ED UCATION AND COMPREHENSIVE CARE FOR HIV (REACCH) PROGRAM - WITH A FOCUS ON ACCESS TO QUALIT Y CARE FOR VULNERABLE MEMBERS OF THE COMMUNITY WE EMPHASIZED TREATMENT AND PREVENTION OF T HE SPREAD OF HIV FOR WOMEN AND CHILDREN REACCH INCLUDES DIAGNOSTIC, THERAPEUTIC AND SUPPO RTIVE 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 CENTRA L 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 ACCESSIBILI TY AND CONSIDERATION OF BASIC FAMILY NEEDS INCLUDING SAFETY THE TASK FORCE COLLABORATES A ND COORDINATES BOTH PUBLIC AND PRIVATE SECTOR RESOURCES FOR REGIONAL SOLUTIONS THAT PROVID E SUPPORT TO COMMUNITIES WHEN EVENTS EXCEED THEIR CAPABILITIES -SMILES - IN JANUARY 2013, PINNACLEHEALTH STARTED WORKING IN PARTNERSHIP WITH MEMBERS OF THE HARRISBURG AREA DENTAL S OCIETY TO PROVIDE ACCESS TO DENTAL SERVICES FOR UNINSURED AND UNDERINSURED PATIENTS WITH U RGENT 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 DENTA L ACCESS COORDINATOR WILL WORK WITH THE PATIENT AND DENTIST TO SET UP AN APPOINTMENT TO AL LEVIATE THE URGENT NEED IN 2015, PINNACLE REFERRED 369 PATIENTS TO VOLUNTEER DENTISTS FOR URGENT DENTAL NEEDS IT IS ESTIMATED THAT THIS PROGRAM HAS REDUCED DENTAL RELATED VISITS TO THE ER BY 35% -FAITH COMMUNITY CONNECTION - A CONGREGATION-BASED HEALTH NETWORK DEVELO PED AS A PATIENT NAVIGATION MODEL THAT LINKS BODY, MIND, SPIRIT AND COMMUNITY TO ADDRESS C HRONIC DISEASES THAT SUPPORTS OUTCOME-BASED PLANNING, CARE COORDINATION AND FOLLOW UP OF C ARE

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 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 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 AND 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 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 $373,327 OF CHARITY CARE RECORDED AT CHARGES THE SYSTEMS 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 - $3,161,673 IN COMMUNITY HEALTH IMPROVEMENT SERVICES, HEALTH PROFESSIONS EDUCATION, COMMUNITY BENEFIT OPERATIONS AND CASH AND IN-KIND CONTRIBUTIONS -PINNACLE HEALTH MEDICAL SERVICES - $2,219,774 IN COMMUNITY HEALTH IMPROVEMENT SERVICES, COMMUNITY BASED CLINICAL SERVICES AND HEALTH CARE SUPPORT SERVICES -PINNACLE HEALTH FOUNDATION - $432,963 IN COMMUNITY BENEFIT OPERATIONS AND FINANCIAL CONTRIBUTIONS WERE THE ABOVE COMMUNITY BENEFIT EXPENSES OF $5 8 MILLION INCLUDED IN THE HOSPITAL COMMUNITY BENEFIT EXPENSES OF $56 6 MILLION, THE PERCENTAGE OF COMMUNITY BENEFIT EXPENSE TO TOTAL EXPENSE WOULD HAVE BEEN 7 88%

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 Schedule H, Part V Section A. Hospital Facilities

Section A. Hospital Facilities

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

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	PINNACLE HEALTH HOSPITALS - HARRISBURG 111 SOUTH FRONT STREET HARRISBURG,PA 17101 WWW PINNACLEHEALTH ORG 340601	X	X		X		X	X			
2	PINNACLE HEALTH HOSPITALS - CGOH 4300 LONDONDERRY ROAD HARRISBURG,PA 17109 WWW PINNACLEHEALTH ORG 340601	X	X		X		X	X			
3	PINNACLE HEALTH HOSPITALS - WEST SHORE 1995 TECHNOLOGY PARKWAY MECHANICSBURG,PA 17050 WWW PINNACLEHEALTH ORG 340601	X	X		X		X	X			

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

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" on 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

2015

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 on 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 indemnification 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**		
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**		
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 on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," on line 5a or 5b, describe in Part III			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," on line 6a or 6b, describe in Part III			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported on Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" on 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 on 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 on 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 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	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

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 on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1FELIX GUTIERREZ MD DIRECTOR	(I)	0	0	0	0	0	0	0
	(II)	411,117	87,239	13,870	25,000	- 12,924	550,150	0
1MICHAEL A YOUNG PRESIDENT/CEO	(I)	0	0	0	0	0	0	0
	(II)	829,767	318,520	182,580	13,250	- 14,603	1,358,720	0
2DANIEL KAMBICDIRECTOR	(I)	0	0	0	0	0	0	0
	(II)	138,628	0	337	7,229	- 18,443	164,637	0
CHRISTOPHER P MARKLEY **3**ESQ SEC'Y/SR VP STAT SVCC/GEN COUNSEL	(I)	0	0	0	0	0	0	0
	(II)	325,199	96,656	79,211	15,900	- 15,209	532,175	0
4WILLIAM H PUGH TREASURER/SR VP CORP FIN/CFO	(I)	0	0	0	0	0	0	0
	(II)	516,005	151,972	78,844	15,900	- 7,804	770,525	0
5PHILIP GUARNESCHELLI SR VICE PRESIDENT/COO	(I)	0	0	0	0	0	0	0
	(II)	484,466	147,839	110,170	15,900	- 18,954	777,329	0
6FRANK DITRAGLIA ED PHYSICIAN	(I)	375,345	23,664	146,558	5,300	9,545	560,412	0
	(II)	0	0	0	0	- 0	0	0
7R SCOTT RANKIN ED PHYSICIAN	(I)	401,747	50,603	106,317	15,900	21,737	596,304	0
	(II)	0	0	0	0	- 0	0	0
8MARK BARABAS SR VICE PRESIDENT OPERATIO	(I)	482,844	62,545	0	13,250	14,603	573,242	0
	(II)	0	0	0	0	- 0	0	0
9EDWARD HILDREW ED PHYSICIAN	(I)	325,323	48,175	83,165	15,900	21,749	494,312	0
	(II)	0	0	0	0	- 0	0	0
10CHRISTIAN CAICEDO MD VP, OPERATIONS/MED DIR W SHORE	(I)	331,983	87,585	50,385	15,900	18,478	504,331	0
	(II)	0	0	0	0	- 0	0	0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

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

2015

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	23825EDB7	08-07-2012	135,249,990	CAPITAL PROJECTS		X		X		X
C	DAUPHIN COUNTY GENERAL AUTHORITY	23-2336949	23825EDD5	06-22-2016	105,195,000	REFUNDING OF THE 2009 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	133,013,449			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	187,538,449	135,249,990	105,195,000	
4	Gross proceeds in reserve funds	6,104,436			
5	Capitalized interest from proceeds		10,851,923		
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	2,962,259	1,512,711	1,125,296	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	6,775,515	122,255,668		
11	Other spent proceeds	168,307,000		104,069,704	
12	Other unspent proceeds				
13	Year of substantial completion	2009	2014	2016	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X	X			
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 ▶	0 740 %		0 %		0 %			
6	Total of lines 4 and 5	0 740 %		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 09/30/2014

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

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

2015

Open to Public Inspection

Name of the organization
PINNACLE HEALTH HOSPITALS

Employer identification number
25-1778644

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 SYSTEM 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 PINNACLE

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 4,585,359 MANAGEMENT AND GENERAL EXPENSES 3,232,577 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 7,817,936 OUTSOURCING PROGRAM SERVICE EXPENSES 28,835,864 MANAGEMENT AND GENERAL EXPENSES 6,763,968 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 35,599,832 CLEANING SERVICES PROGRAM SERVICE EXPENSES 8,408,375 MANAGEMENT AND GENERAL EXPENSES 1,845,741 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 10,254,116 LAB FEES PROGRAM SERVICE EXPENSES 1,835,450 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,835,450 RESIDENT ROTATION PROGRAM SERVICE EXPENSES 1,035,443 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,035,443 OTHER PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 19,907,183 MANAGEMENT AND GENERAL EXPENSES 4,050,306 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 23,957,489 CONSULTING FEES PROGRAM SERVICE EXPENSES 1,634,887 MANAGEMENT AND GENERAL EXPENSES 181,654 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,816,541

Return Reference	Explanation
FORM 990, PART XI, LINE 9	PENSION SETTLEMENT LOSS -1,359,586 FINANCING FRAMEWORK TRANSFERS -80,981,215 INTERCOMPANY TRANFERS - NET ASSETS RELEASED 2,429,825 CHANGES IN TEMPORARY AND PERMANENTLY RESTRICTED NET ASSETS - 5,300,752 INTERCOMPANY TRANSFERS LOSS ON BOND SETTLEMENT -21,723,400

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132043367

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

2015

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	-7,181,533	1,898,087	PINNACLE HEALTH HOSPITALS
(2) PINNACLE HEALTH HOSPITALISTS SERVICES LLC 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 17105	HOSPITALISTS SERVICES	PA	-5,476,018	1,124,340	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	-1,371,341	97,733	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	(g) 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 11B, II	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 III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) 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	11,113,477	1,298,544		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	322,442	1,419,233		No			No	50 000 %
(4) WALNUT BOTTOM RADIOLOGY 880 WALNUT BOTTOM ROAD CARLISLE, PA 17013 25-1675580	RADIOLOGY	PA	N/A	RELATED	16,227			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	(i) 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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	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	532,191	COST
(2) WEST SHORE SURGERY CENTER LTD	R	879,897	COST

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

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