

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ 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.

A For the 2015 calendar year, or tax year beginning **JUL 1, 2015** and ending **JUN 30, 2016**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization GRANT MEMORIAL HOSPITAL Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 117 HOSPITAL DRIVE City or town, state or province, country, and ZIP or foreign postal code PETERSBURG, WV 26847 F Name and address of principal officer: MARY BETH BARR SAME AS C ABOVE	D Employer identification number 55-0562976 E Telephone number 304-257-5802 G Gross receipts \$ 36,301,243. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.GRANTMEMORIAL.COM		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 1957		M State of legal domicile: WV

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TAX-EXEMPT HOSPITAL DEDICATED TO SERVICING THE COUNTIES OF GRANT, HARDY, & PENDLETON IN WEST 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 13 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 10 5 Total number of individuals employed in calendar year 2015 (Part V, line 2a) 5 455 6 Total number of volunteers (estimate if necessary) 6 16 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. 7b Net unrelated business taxable income from Form 990-T, line 34 7b 0.																									
Revenue		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Prior Year</th> <th style="text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">31,895.</td> <td style="text-align: right;">1,494.</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">33,070,413.</td> <td style="text-align: right;">35,623,220.</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">74,286.</td> <td style="text-align: right;">168,276.</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">504,107.</td> <td style="text-align: right;">437,056.</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">33,680,701.</td> <td style="text-align: right;">36,230,046.</td> </tr> </tbody> </table>		Prior Year	Current Year	8 Contributions and grants (Part VIII, line 1h)	31,895.	1,494.	9 Program service revenue (Part VIII, line 2g)	33,070,413.	35,623,220.	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	74,286.	168,276.	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	504,107.	437,056.	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	33,680,701.	36,230,046.						
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Part II Signature Block

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

Sign Here	Signature of officer MARY BETH BARR, CHIEF EXECUTIVE OFFICER Type or print name and title	Date _____		
Paid Preparer Use Only	Print/Type preparer's name JEFFREY J. PETRELL, CPA	Preparer's signature _____	Date 04/21/17	Check <input type="checkbox"/> if self-employed PTIN P00138808
	Firm's name ▶ ARNETT CARBIS TOOTHMAN LLP	Firm's EIN ▶ 55-0486667		
	Firm's address ▶ 5700 CORPORATE DRIVE, STE 650 PITTSBURGH, PA 15237	Phone no. 412-635-6270		

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: GRANT MEMORIAL HOSPITAL IS A REGIONAL PROVIDER OF QUALITY, COST EFFECTIVE HEALTH CARE SERVICE RESPONSIVE TO THE COMMUNITY NEEDS AND SUPPORTED BY INNOVATIVE EFFORTS WITH OTHERS. THE VISION OF GRANT MEMORIAL HOSPITAL, BASED UPON DEFINED OBJECTIVES OF PATIENT AND

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 [X] 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 [X] 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 \$ 30,456,593. including grants of \$) (Revenue \$ 36,002,326.) THE HOSPITAL PROVIDES A FULL COMPLIMENT OF HEALTH SERVICES INCLUDING INPATIENT ACUTE, OBSTETRICS, INTENSIVE CARE, SWING-BED SERVICES, NURSING FACILITY SERVICES (BOTH SKILLED AND INTERMEDIATE), TRADITIONAL OUTPATIENT SERVICES AND PHYSICIAN SERVICES TO THE RESIDENTS OF GRANT, HARDY, AND PENDLETON COUNTIES OF WEST VIRGINIA. THE HOSPITAL IS LOCATED IN THE EASTERN PANHANDLE OF WEST VIRGINIA WITH THE CLOSEST HOSPITALS BEING APPROXIMATELY 1.25 TO 1.5 HOURS AWAY. SINCE THE HOSPITAL IS LOCATED IN THE MOUNTAINS, DRIVING TIMES CAN BE MUCH LONGER DURING THE WINTER MONTHS. DURING THE YEAR, THE HOSPITAL HAD 10,300 ADULT AND PEDIATRIC DAYS, 982 SWING-BED DAYS, 448 INTENSIVE CARE DAYS, 494 NURSERY DAYS AND 4,256 NURSING FACILITY DAYS.

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

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

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

4e Total program service expenses 30,456,593.

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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
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? <i>If "Yes," complete Schedule C, Part II</i>	X	
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? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
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? <i>If "Yes," complete Schedule D, Part VI</i>	X	
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? <i>If "Yes," complete Schedule D, Part VII</i>		X
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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
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? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	X	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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 100		
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 455		
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)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
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		
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)?		X
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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
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?		X
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?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
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?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
	7g		
	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?		X
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		X
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		X
	9a		
	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	X
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 line 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 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.		
	1a 13		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 10		
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?	X	
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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
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?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
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		X

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?		X
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?	X	
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	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c		X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?		X
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	X	
b	Other officers or key employees of the organization	X	
	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?		X
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			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **WV**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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: **ACCOUNTING DEPARTMENT - 304-257-5802**
117 HOSPITAL DRIVE, PETERSBURG, WV 26847

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, and 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 line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARY BETH BARR CHIEF EXECUTIVE OFFICER, SECRETARY	40.00 1.00	X		X				145,987.	0.	4,856.
(2) JOE A. BARNES CHIEF FINANCIAL OFFICER, TREASURER	40.00 1.00	X		X				121,719.	0.	11,602.
(3) MARK WRIGHT CHAIRMAN	1.00	X		X				0.	0.	0.
(4) MATT HARPER VICE CHAIR	1.00	X		X				0.	0.	0.
(5) ROBERT CHEHI TRUSTEE	1.00	X						0.	0.	0.
(6) DR. ANIL MAKANI TRUSTEE	57.00	X						0.	0.	0.
(7) TOM KIMBLE TRUSTEE	1.00	X						0.	0.	0.
(8) RALPH SITES TRUSTEE	1.00	X						0.	0.	0.
(9) JASON SITES TRUSTEE	1.00	X						0.	0.	0.
(10) JANET FRYE TRUSTEE	1.00	X						0.	0.	0.
(11) ALAN KILE, SR. TRUSTEE	1.00	X						0.	0.	0.
(12) JENNIFER GARTIN TRUSTEE	1.00	X						0.	0.	0.
(13) TAMMY KESNER TRUSTEE	1.00	X						0.	0.	0.
(14) DR. BRUCE LESLIE TRUSTEE	1.00	X						0.	0.	0.
(15) JOHN L. HAHN, M.D. PHYSICIAN	70.00					X		937,044.	0.	8,588.
(16) ANIL MAKANI, M.D. PHYSICIAN	70.00					X		546,169.	0.	8,588.
(17) SCOTT C. ROBERTS, M.D. PHYSICIAN	40.00					X		284,072.	0.	535.

Part VIII Statement of Revenue

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

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d						
	e Government grants (contributions)	1e						
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,494.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f			1,494.				
Program Service Revenue	2 a NET PATIENT SERVICE REVENUE	Business Code	621400	35,623,220.	35,623,220.			
	b							
	c							
	d							
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f			35,623,220.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			239,473.			239,473.	
	4 Income from investment of tax-exempt bond proceeds							
	5 Royalties							
	6 a Gross rents	(i) Real	57,950.					
		(ii) Personal						
		Less: rental expenses	0.					
	c Rental income or (loss)		57,950.					
	d Net rental income or (loss)			57,950.			57,950.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities						
		(ii) Other						
		Less: cost or other basis and sales expenses		71,197.				
		c Gain or (loss)		-71,197.				
	d Net gain or (loss)			-71,197.			-71,197.	
	8 a 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								
9 a Gross income from gaming activities. See Part IV, line 19	a							
	b Less: direct expenses	b						
	c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a							
	b Less: cost of goods sold	b						
	c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a CAFETERIA		722210	192,489.	192,489.				
b OTHER OPERATING REVENUE		900099	65,445.	65,445.				
c								
d All other revenue		900099	121,172.	121,172.				
e Total. Add lines 11a-11d			379,106.					
12 Total revenue. See instructions.			36,230,046.	36,002,326.	0.	226,226.		

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	284,164.		284,164.	
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	13,968,818.	11,671,102.	2,297,716.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	404,980.	332,003.	72,977.	
9 Other employee benefits	1,827,387.	1,511,584.	315,803.	
10 Payroll taxes	1,000,656.	820,338.	180,318.	
11 Fees for services (non-employees):				
a Management				
b Legal	184,698.		184,698.	
c Accounting	4,630.		4,630.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	7,374,280.	6,045,435.	1,328,845.	
12 Advertising and promotion	100,087.	82,051.	18,036.	
13 Office expenses	541,990.	444,323.	97,667.	
14 Information technology	42,462.	34,810.	7,652.	
15 Royalties				
16 Occupancy	573,253.	469,953.	103,300.	
17 Travel	10,463.	8,578.	1,885.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	123,576.	101,308.	22,268.	
20 Interest	71,091.	58,280.	12,811.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,069,972.	1,696,963.	373,009.	
23 Insurance	475,863.	475,863.		
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 SUPPLIES	4,295,845.	3,521,734.	774,111.	
b BAD DEBT EXPENSE	1,401,250.	1,401,250.		
c REPAIRS & MAINTENANCE	978,781.	802,405.	176,376.	
d LICENSES AND TAXES	435,447.	435,447.		
e All other expenses	662,559.	543,166.	119,393.	
25 Total functional expenses. Add lines 1 through 24e	36,832,252.	30,456,593.	6,375,659.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash - non-interest-bearing	27,171.	1	36,669.	
	2 Savings and temporary cash investments	2,727,915.	2	2,219,696.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	4,863,904.	4	5,072,560.	
	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 instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use	1,190,130.	8	1,170,122.	
	9 Prepaid expenses and deferred charges	255,031.	9	207,200.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 32,341,378.			
	b Less: accumulated depreciation	10b 24,531,691.	8,544,862.	10c	7,809,687.
	11 Investments - publicly traded securities	4,546,435.	11	4,767,997.	
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11	822,242.	13	822,242.	
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	824,943.	15	1,164,547.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	23,802,633.	16	23,270,720.		
Liabilities	17 Accounts payable and accrued expenses	3,069,224.	17	2,980,024.	
	18 Grants payable		18		
	19 Deferred revenue	229.	19	229.	
	20 Tax-exempt bond liabilities		20		
	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	892,603.	23	1,674,359.	
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	3,000,953.	25	2,378,690.	
	26 Total liabilities. Add lines 17 through 25	6,963,009.	26	7,033,302.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	16,839,624.	27	16,237,418.	
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
33 Total net assets or fund balances	16,839,624.	33	16,237,418.		
34 Total liabilities and net assets/fund balances	23,802,633.	34	23,270,720.		

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	36,230,046.
2	Total expenses (must equal Part IX, column (A), line 25)	2	36,832,252.
3	Revenue less expenses. Subtract line 2 from line 1	3	-602,206.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	16,839,624.
5	Net unrealized gains (losses) on investments	5	
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	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	16,237,418.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis			
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?	X	
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?		X
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		

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						<input type="checkbox"/>

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 from 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		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>

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 in line 11 on 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? <i>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.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
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)? <i>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.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
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?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
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))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
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?		
b A family member of a person described in (a) above?		
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 .		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
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.	Yes	No
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 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 .		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

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

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

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

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
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		(A) Prior Year	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	<input type="checkbox"/> 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 Excess from 2014			
e Excess from 2015			

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

- ▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
- ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

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

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

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

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of organization GRANT MEMORIAL HOSPITAL	Employer identification number 55-0562976
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ _____
- 3 Volunteer hours _____

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2015

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		7,769.
j Total. Add lines 1c through 1i			7,769.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE HOSPITAL PAYS DUES TO THE AMERICAN HOSPITAL ASSOCIATION, THE WV HOSPITAL ASSOCIATION AND THE AMERICAN HEALTH CARE ASSOCIATION. A PORTION OF THESE DUES ARE USED FOR LOBBYING ACTIVITES BY THESE ASSOCIATIONS.

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 GRANT MEMORIAL HOSPITAL **Employer identification number** 55-0562976

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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 a 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 Tax 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?

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)?

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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 on Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages 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 line 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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		70,684.		70,684.
b Buildings		16,633,170.	13,392,308.	3,240,862.
c Leasehold improvements				
d Equipment		15,583,213.	11,139,383.	4,443,830.
e Other		54,311.		54,311.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				7,809,687.

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		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (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
(1) ESTIMATED THIRD PARTY SETTLEMENTS	1,164,547.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	1,164,547.

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
(1) Federal income taxes	
(2) ESTIMATED MEDICAL MALPRACTICE	
(3) CLAIMS LIABILITY	250,000.
(4) ESTIMATED THIRD-PARTY PAYOR	
(5) SETTLEMENTS	2,128,690.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	2,378,690.

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	34,828,796.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	-1,401,250.	
e	Add lines 2a through 2d	2e		-1,401,250.
3	Subtract line 2e from line 1	3		36,230,046.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5		36,230,046.

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	35,431,002.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1	3		35,431,002.
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	1,401,250.	
c	Add lines 4a and 4b	4c		1,401,250.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5		36,832,252.

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.

PART X, LINE 2:

THE HOSPITAL FOLLOWS THE GUIDANCE FOR ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN A COMPANY'S FINANCIAL STATEMENTS THAT PRESCRIBES A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET. THE GUIDANCE ALSO ADDRESSES DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, AND DISCLOSURE. MANAGEMENT HAS DETERMINED THAT THIS GUIDANCE HAD NO MATERIAL EFFECT ON THE FINANCIAL STATEMENTS. THE HOSPITAL'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN PROFESSIONAL FEES AND MISCELLANEOUS EXPENSES. THERE WERE NO INTEREST OR PENALTIES RECOGNIZED ON

Part XIII Supplemental Information (continued)

THE STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) AS A RESULT OF THIS GUIDANCE. GENERALLY, TAX RETURNS FOR THE YEARS ENDED JUNE 30, 2013, AND THEREAFTER REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE -1,401,250.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE 1,401,250.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2015

Department of the Treasury
Internal Revenue Service

- ▶ **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.**

**Open to Public
Inspection**

Name of the organization <p style="text-align: center;">GRANT MEMORIAL HOSPITAL</p>	Employer identification number <p style="text-align: center;">55-0562976</p>
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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	X	
b If "Yes," was it a written policy?	1b	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	3a	X	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>140</u> %			
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	3b	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a Did the organization prepare a community benefit report during the tax year?	6a	X	
b If "Yes," did the organization make it available to the public?	6b	X	

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			1072237.	1072237.		
b Medicaid (from Worksheet 3, column a)			606,417.	593,375.	13,042.	.04%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			1678654.	1665612.	13,042.	.04%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j			1678654.	1665612.	13,042.	.04%

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 GRANT MEMORIAL HOSPITAL

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	X
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	X
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	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u>		
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	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X
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	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.GRANTMEMORIAL.COM/INDEX.PHP/RESOURCES</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> 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	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>WWW.GRANTMEMORIAL.COM/INDEX.PHP/RESOURCES/COMMUNITY-</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	X
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	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group GRANT MEMORIAL HOSPITAL

	Yes	No
<p>Did the hospital facility have in place during the tax year a written financial assistance policy that:</p> <p>13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?</p> <p>If "Yes," indicate the eligibility criteria explained in the FAP:</p> <p>a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>140</u> % and FPG family income limit for eligibility for discounted care of <u>300</u> %</p> <p>b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Asset level</p> <p>d <input checked="" type="checkbox"/> Medical indigency</p> <p>e <input checked="" type="checkbox"/> Insurance status</p> <p>f <input checked="" type="checkbox"/> Underinsurance status</p> <p>g <input type="checkbox"/> Residency</p> <p>h <input type="checkbox"/> Other (describe in Section C)</p>	X	
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
<p>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):</p> <p>a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</p> <p>b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</p> <p>c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process</p> <p>d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p>		
16 Included measures to publicize the policy within the community served by the hospital facility?	X	
<p>If "Yes," indicate how the hospital facility publicized the policy (check all that apply):</p> <p>a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>g <input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</p> <p>h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p>i <input checked="" type="checkbox"/> Other (describe in Section C)</p>		

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?	X	
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 <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Actions that require a legal or judicial process		
d <input type="checkbox"/> Other similar actions (describe in Section C)		
e <input type="checkbox"/> None of these actions or other similar actions were permitted		

Part V Facility Information (continued)

Name of hospital facility or letter of facility reporting group GRANT MEMORIAL HOSPITAL

	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?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Actions that require a legal or judicial process		
d <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission		
b <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge		
c <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills		
d <input checked="" type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> 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	X	
If "No," indicate why:			
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility's policy was not in writing			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d <input checked="" type="checkbox"/> 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		X
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		X
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.

GRANT MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 5: THE HOSPITAL PERFORMED TELEPHONE SURVEYS TO RESIDENTS OF THE SERVICE AREAS. THE DATA FROM THE TELEPHONE SURVEYS WAS USED DURING THE COMMUNITY SUMMIT WITH COMMUNITY LEADERS AND OTHER CITIZENS THROUGHOUT THE COMMUNITY. THE COMMUNITY LEADERS INCLUDED PHYSICIANS, A SCHOOL PRINCIPAL, A COUNTY COMMISSIONER, A BANKER, A TEACHER, THE CEO OF THE LOCAL COMMUNITY HEALTH CENTER, BOARD MEMBERS AND HOSPITAL LEADERSHIP. THE DATA THAT RESULTED FROM THE COMMUNITY SUMMIT WAS THEN REVIEWED BY HOSPITAL LEADERSHIP TO DETERMINE THE NEEDS TO BE ADDRESSED.

GRANT MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 7D: THE HOSPITAL CONDUCTED A FORUM THAT PROVIDED THE RESULTS OF THE COMMUNITY HEALTH NEEDS ASSESSMENT. PERSONS WHO PARTICIPATED IN THE ASSESSMENTS WERE INVITED, AND THE FORUM WAS ALSO OPEN TO THE PUBLIC.

GRANT MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 11: IT IS UNDERSTOOD THAT IN ORDER TO BE THE MOST EFFECTIVE AND MAKE THE GREATEST IMPACT, THAT NOT ALL COMMUNITY NEEDS CAN BE ADDRESSED AT ONCE IN AN IMPLEMENTATION PLAN. IT IS IMPORTANT TO NOTE THAT WHILE THREE NEEDS WERE PRIORITIZED AND ADOPTED BY THE HOSPITAL FOR ITS IMPLEMENTATION PLAN, FOR THOSE NEEDS THAT THE HOSPITAL DID NOT MAKE A PRIORITY, WE CONTINUE TO WORK WITH THE COMMUNITY ORGANIZATIONS TO HELP ADDRESS THOSE NEEDS. THE NEEDS THAT ARE BEING ADDRESSED ARE AROUND

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.

INCREASING THE LIFESTYLE, WELLNESS, NUTRITION AND ACTIVITIES OF THE POPULATION, DRUG AND ALCOHOL ABUSE, AND DECREASING CHRONIC DISEASE.

GRANT MEMORIAL HOSPITAL

PART V, LINE 16A, FAP WEBSITE:

WWW.GRANTMEMORIAL.COM/INDEX.PHP/RESOURCES/CHARITY-CARE-GUIDELINES

GRANT MEMORIAL HOSPITAL

PART V, LINE 16B, FAP APPLICATION WEBSITE:

WWW.GRANTMEMORIAL.COM/INDEX.PHP/RESOURCES/CHARITY-CARE-GUIDELINES

GRANT MEMORIAL HOSPITAL

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

WWW.GRANTMEMORIAL.COM/INDEX.PHP/RESOURCES/CHARITY-CARE-GUIDELINES

GRANT MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 16I: UNINSURED PATIENTS ARE PROVIDED A PLAIN LANGUAGE SUMMARY AND FAP APPLICATION FORM. BILLING STATEMENTS INCLUDE A NOTICE ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE AND HOW TO OBTAIN INFORMATION.

THE FINANCIAL ASSISTANCE POLICY IS ALSO PUBLISHED IN THE LOCAL NEWSPAPERS ON AN ANNUAL BASIS.

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.

GRANT MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 22D: GRANT MEMORIAL HOSPITAL USES THE PROSPECTIVE METHOD TO CALCULATE AMOUNTS GENERALLY BILLED.

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.

PART I, LINE 6A:

THE COMMUNITY BENEFIT REPORT IS PREPARED BY GRANT MEMORIAL HOSPITAL.

PART I, LINE 7:

A COST-TO-CHARGE RATIO WAS DETERMINED BASED UPON MEDICARE PRINCIPLES OF REIMBURSEMENT. FOR MEDICAID INPATIENT AND OUTPATIENT REIMBURSEMENT, THE ACTUAL COSTS WERE DETERMINED BASED UPON THE MEDICAID COST REPORT. THE COST FOR FINANCIAL ASSISTANCE WAS ALSO COMPUTED BASED UPON ACTUAL COST-TO-CHARGE RATIOS FOR THE FINANCIAL ASSISTANCE PAYER CLASSIFICATION. ALL OTHER ESTIMATES WERE COMPUTED BASED UPON DIRECT COSTS AND ALLOCATED OVERHEAD COSTS DERIVED FROM THE MEDICARE COST REPORT.

PART I, LN 7 COL(F):

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$1,401,250.

PART II, COMMUNITY BUILDING ACTIVITIES:

Part VI Supplemental Information (Continuation)

TO ASSIST IN BUILDING THE COMMUNITY, THE HOSPITAL PROVIDES STAFFING TO TRAIN STUDENTS AT THE LOCAL COMMUNITY COLLEGE FOR STUDENTS ENTERING VARIOUS HEALTHCARE CAREERS. THE HOSPITAL ALSO PROVIDES EMS TRAINING TO AMBULANCE SQUADS AND OTHER HEALTHCARE PROFESSIONALS IN THE AREA.

PART III, LINE 4:

PATIENT ACCOUNTS RECEIVABLE ARE REPORTED AT NET REALIZABLE VALUE. ACCOUNTS ARE WRITTEN OFF WHEN THEY ARE DETERMINED TO BE UNCOLLECTIBLE BASED UPON MANAGEMENT'S ASSESSMENT OF INDIVIDUAL ACCOUNTS. IN EVALUATING THE COLLECTABILITY OF PATIENT ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE BILLED RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

PART III, LINE 8:

THE COSTING METHODOLOGY WAS OBTAINED FROM THE MEDICARE COST REPORT WHICH

Part VI Supplemental Information (Continuation)

IS BASED ON COST-TO-CHARGE RATIOS.

AS WITH ANY BUSINESS, A HOSPITAL MUST GENERATE A PROFIT TO CONTINUE TO PROVIDE SERVICES TO THE RESIDENTS OF THE AREA IN WHICH THE HOSPITAL SERVES. THESE DISCOUNTS ARE DICTATED BY THE MEDICAID PROGRAM, AND DUE TO BUDGET CONSTRAINTS, THE MEDICARE PROGRAM HISTORICALLY HAS PROVIDED MOST OF THE PAYMENT REDUCTIONS ON HOSPITALS. THE HOSPITAL HAS NO CONTROL OVER REDUCTIONS, AND THE LARGEST CONSUMER OF HEALTH SERVICES ARE MEDICARE BENEFICIARIES. PRIOR TO 1966 WHEN THE MEDICARE PROGRAM WAS IMPLEMENTED, MANY ELDERLY PEOPLE WERE GOING WITHOUT CARE OR WERE RECEIVING A SUB-STANDARD OF CARE. IN ADDITION, THESE PATIENTS, DUE TO THEIR AGE, UTILIZE THE HIGHEST LEVEL OF RESOURCES THAT ARE PROVIDED TO THE HOSPITAL'S PATIENTS. THE HOSPITAL IS DESIGNATED BY THE MEDICARE/MEDICAID PROGRAMS AS A CRITICAL ACCESS HOSPITAL (CAH). WHEN THIS DESIGNATION WAS ESTABLISHED BY THE MEDICARE PROGRAMS IN THE 1990S, THIS PROGRAM WAS DESIGNED TO PROVIDE SAFETY NET HOSPITALS THAT ARE LOCATED IN RURAL, ISOLATED AREAS THE ADDITIONAL REIMBURSEMENT THAT WILL ALLOW THEM TO REMAIN OPEN. HOWEVER, AGAIN DUE TO BUDGET CONSTRAINTS, THE MEDICARE PROGRAM HAS SIGNIFICANTLY REDUCED REIMBURSEMENT TO THESE SAFETY NET HOSPITALS. THE HOSPITAL MUST TAKE THE LEAD IN ENSURING THAT QUALITY HEALTHCARE SERVICES ARE BEING PROVIDED. THE HOSPITAL PARTICIPATES IN A PHYSICIAN RESIDENCY PROGRAM WHERE PHYSICIANS FROM VARIOUS MEDICAL SCHOOLS WILL DO RURAL ROTATIONS AT THE HOSPITAL. THE HOSPITAL ALSO SUPPORTS RN EDUCATION AT THE LOCAL COMMUNITY COLLEGE TO PROVIDE QUALIFIED RNS FOR THE AREA. THE HOSPITAL ENCOURAGES EMPLOYEES TO OBTAIN FACULTY POSITIONS FOR OTHER PROGRAMS AT THE LOCAL COMMUNITY COLLEGE, AND THE HOSPITAL IS WILLING TO ACCOMMODATE WORK SCHEDULES FOR EMPLOYEES THAT DO TEACH. OTHER TRAINING PROGRAMS THAT THE HOSPITAL PROVIDES ARE FOR RADIOLOGY STUDENTS. ALSO, DUE TO THE LIMITED

Part VI Supplemental Information (Continuation)

RESOURCES IN THE COMMUNITY, THE HOSPITAL MUST ALSO TAKE THE LEAD IN RECRUITING PHYSICIANS TO THE AREA. DURING THE TAX YEAR 2013, THE HOSPITAL INCURRED APPROXIMATELY \$50,000 IN RECRUITING NEW PHYSICIANS. WHILE THE HOSPITAL HAS BEEN SUCCESSFUL IN RECRUITING NEW PHYSICIANS FOR THE TAX YEAR 2014, THE HOSPITAL WAS NOT SUCCESSFUL FOR THE 2013 TAX YEAR. IN ADDITION, THESE COSTS ARE NOT REIMBURSABLE BY THE MEDICARE/MEDICAID PROGRAMS ON THEIR RESPECTIVE COST REPORTS.

PART III, LINE 9B:

IF IT IS DETERMINED THAT A PATIENT MAY QUALIFY FOR FINANCIAL ASSISTANCE, THE PATIENT IS ADVISED TO APPLY FOR MEDICAL ASSISTANCE. IF APPROVED FOR MEDICAL ASSISTANCE, THE PATIENT'S BILL WOULD BE PAID BY MEDICAL ASSISTANCE. IF THE PATIENT CANNOT QUALIFY FOR MEDICAL ASSISTANCE, HE OR SHE MUST COMPLETE THE HOSPITAL'S FINANCIAL ASSISTANCE APPLICATION. INCOME IS PRIMARILY USED TO DETERMINE ELIGIBILITY, BUT THE PATIENT'S ASSETS ARE ALSO CONSIDERED. THE PATIENT MUST PROVIDE DOCUMENTATION OF INCOME SUCH AS INCOME TAX RETURNS, W-2'S, ETC. THE POVERTY INCOME GUIDELINES AS DEVELOPED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) ARE USED TO DETERMINE ELIGIBILITY. IF A PERSON'S INCOME IS AT 140% OF THESE GUIDELINES, THE PATIENT WILL RECEIVE A 75% FINANCIAL ASSISTANCE WRITE-OFF, FROM 201% - 300% OF THE INCOME GUIDELINE WILL EARN A FINANCIAL ASSISTANCE WRITE-OFF, THE INCOME GUIDELINE WILL RECEIVE A 25% FINANCIAL ASSISTANCE DISCOUNT. IT IS POLICY THAT IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THERE IS NO COLLECTION AGAINST THAT AMOUNT THAT THEY QUALIFY FOR.

IN SPITE OF THE HOSPITAL'S COLLECTION POLICIES, PATIENTS ARE NOT DENIED TREATMENT. IN FACT, FOR PATIENTS WHO PRESENT THEMSELVES TO THE EMERGENCY

Part VI Supplemental Information (Continuation)

ROOM FOR SERVICES, NO FINANCIAL INFORMATION IS REQUESTED UNTIL AFTER THE PATIENT HAS RECEIVED AN INITIAL MEDICAL EVALUATION FROM A TRIAGE NURSE. IF THE PATIENT DOES NOT HAVE INSURANCE OR MAKE PAYMENT, SERVICES ARE STILL PROVIDED TO THE PATIENT. THE SAME IS TRUE FOR PATIENTS THAT ARE ADMITTED TO THE HOSPITAL.

PART VI, LINE 2:

THE NEEDS ASSESSMENT MADE DURING THE 2015 TAX YEAR OBTAINED THE NEEDS OF THE COMMUNITY THROUGH TELEPHONE SURVEYS AND A COMMUNITY SUMMIT. THE COMMUNITY SUMMIT INCLUDED SPECIFIC COMMUNITY LEADERSHIP AS NOTED ABOVE, AS WELL AS OTHER CITIZENS. THE DATA GATHERED WAS REVIEWED BY THE BOARD OF DIRECTORS AND HOSPITAL LEADERSHIP TO DEVELOP THE IMPLEMENTATION PLAN TO ADDRESS NEEDS IDENTIFIED.

IT IS ALSO BASED UPON WHAT RNS, SOCIAL WORKERS AND OTHER CLINICAL PERSONNEL SEE ON A DAILY BASIS IN THE PROVISION OF MEDICAL CARE.

PART VI, LINE 3:

WHENEVER A PATIENT PRESENTS THEMSELVES FOR SERVICE AND DOES NOT HAVE INSURANCE COVERAGE, THE HOSPITAL REQUESTS THAT A CHARITY CARE APPLICATION BE COMPLETED AND RETURNED TO THE HOSPITAL ALONG WITH ALL DOCUMENTATION NEEDED TO SUPPORT INCOME AMOUNTS THAT WILL BE USED TO DETERMINE IF AND HOW MUCH CHARITY ASSISTANCE THE PATIENT MAY QUALIFY. THE HOSPITAL USES THE CURRENT FEDERAL POVERTY GUIDELINES TO MAKE THIS DETERMINATION. IF THE PATIENT IS RESPONSIBLE FOR A PORTION OF THE BALANCE, THE HOSPITAL DOES HAVE PAYMENT SCHEDULES TO ASSIST THE PATIENT IN MEETING HIS/HER FINANCIAL OBLIGATIONS. AT THE TIME THE CHARITY APPLICATION IS BEING PREPARED, THE HOSPITAL REQUIRES THAT THE PATIENT APPLY FOR MEDICAID COVERAGE AT THE

Part VI Supplemental Information (Continuation)

LOCAL WELFARE OFFICE.

IN CONNECTION WITH SERVICES PROVIDED IN THE HOSPITAL'S EMERGENCY ROOM, NO FINANCIAL INFORMATION IS OBTAINED UNTIL AFTER THE PATIENT HAS BEEN TRIAGED BY AN RN AND SEEN BY A PHYSICIAN. ACCORDING TO EMTALA, A FEDERAL LAW REGARDING TREATMENT IN EMERGENCY ROOMS, FINANCIAL INFORMATION COULD BE OBTAINED AFTER BEING TRIAGED BY AN RN. CONSEQUENTLY, THE HOSPITAL'S POLICY FOLLOWS A LESS RESTRICTIVE POLICY THAN IS MANDATED BY EMTALA. IN A TRUE EMERGENCY SITUATION, NO FINANCIAL INFORMATION IS REQUESTED UNTIL AFTER THE PATIENT HAS BEEN STABILIZED.

THE HOSPITAL ALSO HAS AN ENROLLMENT SPECIALIST, WHO ON A DAILY BASIS, REVIEWS ADMISSIONS AND OUTPATIENT REGISTRATIONS FROM THE PRIOR DAY TO DETERMINE IF THEY CAN QUALIFY FOR FINANCIAL ASSISTANCE. AS PART OF THIS PROCESS, THE HOSPITAL ALSO MAKES THE DETERMINATION AS TO WHETHER THE PATIENT MAY QUALIFY FOR MEDICAID. BASED UPON THE INFORMATION THAT THE ENROLLMENT SPECIALIST OBTAINS, THE HOSPITAL CAN PRESUMPTIVELY APPROVE A PATIENT FOR MEDICAID COVERAGE THAT AT LEAST WILL COVER THAT STAY.

REGISTRATION CLERKS DURING THE ADMISSION PROCESS WILL ALSO ADVISE THE PATIENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE. ON AN ANNUAL BASIS, INFORMATION REGARDING THE HOSPITAL FINANCIAL ASSISTANCE POLICY AND THE PRELIMINARY COLLECTION POLICIES ARE ALSO PUBLISHED IN LOCAL NEWSPAPERS. TO FURTHER EDUCATE PATIENTS ABOUT FINANCIAL ASSISTANCE, THERE ARE SIGNS POSTED THROUGHOUT THE FACILITY; THE FINANCIAL ASSISTANCE POLICY IS ON THE HOSPITAL'S WEBSITE, AND A FINANCIAL COUNSELOR IS MADE AVAILABLE UPON REQUEST AND THROUGHOUT NORMAL BUSINESS HOURS.

PART VI, LINE 4:

Part VI Supplemental Information (Continuation)

THE HOSPITAL IS LOCATED IN THE POTOMAC HIGHLANDS IN THE MOUNTAINS OF THE EASTERN PANHANDLE OF WEST VIRGINIA. THE CLOSEST HOSPITALS ARE LOCATED APPROXIMATELY 1 1/2 HOURS AWAY DURING GOOD WEATHER. DURING THE WINTER, IT TYPICALLY WILL TAKE MUCH LONGER DEPENDING ON WEATHER CONDITIONS. THE HOSPITAL'S PRIMARY SERVICE AREA IS COMPOSED OF THE WEST VIRGINIA COUNTIES OF GRANT, HARDY AND PENDLETON. THE TOTAL POPULATION OF THE THREE COUNTIES COMBINED IS APPROXIMATELY 30,000. DUE TO THE DISTANCE FROM OTHER AREA HOSPITALS, THE HOSPITAL DOES PROVIDE OB SERVICES. DURING THIS TAX YEAR, THE HOSPITAL HAD APPROXIMATELY 240 DELIVERIES WITH THE VAST MAJORITY OF THESE PATIENTS BEING COVERED UNDER THE MEDICAID PROGRAM OR UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. THIS SERVICE DOES OPERATE AT A LOSS, BUT THE HOSPITAL BOARD BELIEVES THAT THIS SERVICE MUST BE PROVIDED EVEN AT A LOSS.

IN ADDITION, DUE TO THE LACK OF MOBILITY OF THE ELDERLY AND THE FACT THAT FAMILY MEMBERS NO LONGER RESIDE IN THE COMMUNITY, THE ELDERLY POPULATION IS DEPENDENT UPON THE HOSPITAL FOR THE PROVISION OF HEALTHCARE SERVICES. THE HOSPITAL ALSO HAS TO COORDINATE CARE FOR ITS PATIENTS AS THEY MOVE THROUGH THE CONTINUUM OF CARE AS NURSING HOMES, PHYSICIANS, HOME HEALTH AND HOSPICE SERVICES.

THE ECONOMY IS PRIMARILY AGRICULTURAL, HARDWOOD MANUFACTURING AND POULTRY PROCESSING. THE MAJOR EMPLOYERS ARE (POULTRY PROCESSING PLANTS) AND TWO HARDWOOD COMPANIES, THE VARIOUS BOARDS OF EDUCATION AND THE HOSPITAL. DURING THE LAST COUPLE OF YEARS THERE HAVE BEEN SIGNIFICANT REDUCTIONS IN STAFF AT BOTH HARDWOOD COMPANIES.

SINCE THE HOSPITAL IS A POLITICAL SUB-DIVISION OF GRANT COUNTY, THE BOARD

Part VI Supplemental Information (Continuation)

MEMBERS ARE APPOINTED BY THE GRANT COUNTY COMMISSION FOR ALL THREE COUNTIES. EACH OF THE BOARD MEMBERS LIVE IN EACH OF THE MAGISTERIAL DISTRICTS FOR EACH OF THE THREE COUNTIES. A FEW YEARS AGO, IT WAS DECIDED THAT BOARD REPRESENTATION SHOULD INCLUDE HARDY AND PENDLETON COUNTIES AS WELL AS GRANT COUNTY. UNDER WEST VIRGINIA LAW, THE COMPOSITION OF THE BOARD MUST REPRESENT A BROAD SECTION OF THE HOSPITAL'S SERVICE AREA. AS A RESULT, OCCUPATIONS OF THE BOARD MEMBERS ARE BANKERS, LAWYERS, EDUCATORS, SMALL BUSINESS AND UNION MEMBERS.

PART VI, LINE 5:

MEMBERSHIP TO THE MEDICAL STAFF IS OPEN TO ANY PROVIDER WHO POSSESSES THE APPROPRIATE QUALIFICATIONS TO PROVIDE HEALTHCARE SERVICES TO THE COMMUNITY. THE HOSPITAL PERFORMS BACKGROUND CHECKS ON EDUCATION, STATE LICENSES, EXPERIENCE, ANY ACTIONS WHERE THE PHYSICIAN MAY HAVE BEEN REPORTED TO THE NATIONAL DATA BANK, POTENTIAL LITIGATION AND CRIMINAL ISSUES. IF THESE COME BACK FAVORABLE TO THE PHYSICIAN, THE PROSPECTIVE MEMBER IS INTERVIEWED BY THE CHIEF OF STAFF. BASED UPON THIS PROCESS, THE CHIEF OF STAFF WILL MAKE A RECOMMENDATION TO EITHER ACCEPT OR REJECT THE PROSPECTIVE MEMBER TO THE MEDICAL STAFF. IF THE RECOMMENDATION IS TO ACCEPT THE PROSPECTIVE MEMBER, THE MEDICAL STAFF WILL HOLD A FORMAL VOTE ON WHETHER TO ACCEPT OR REJECT THE PHYSICIAN. IF THE MEDICAL STAFF APPROVES THE PHYSICIAN FOR MEMBERSHIP TO THE MEDICAL STAFF, THIS IS THEN TAKEN TO THE BOARD OF TRUSTEES FOR A VOTE. THE CURRENT MEDICAL STAFF HAS A VERY DIVERSE BACKGROUND IN THAT THERE ARE BOTH MEN AND WOMEN ON THE MEDICAL STAFF AS WELL AS MEMBERS WHO WERE BORN IN FOREIGN COUNTRIES SUCH AS INDIA, SOUTH KOREA, THE DOMINICAN REPUBLIC AS WELL AS THE UNITED STATES. THE HOSPITAL HAS RECRUITED NEW PHYSICIANS DURING THE LAST COUPLE OF YEARS, AND THIS TREND HAS CONTINUED. SINCE THE HOSPITAL IS A POLITICAL

Part VI Supplemental Information (Continuation)

SUB-DIVISION OF GRANT COUNTY, THE GRANT COUNTY COMMISSION APPOINTS MEMBERS TO THE BOARD. A FEW YEARS AGO, IT WAS DECIDED THAT THERE SHOULD BE BOARD REPRESENTATION FROM HARDY AND PENDLETON COUNTIES AS WELL AS GRANT COUNTY. UNDER WEST VIRGINIA LAW, THE COMPOSITION OF THE BOARD MUST REPRESENT A BROAD SECTION OF THE HOSPITAL'S SERVICE AREA. CONSEQUENTLY, OCCUPATIONS OF THE BOARD MEMBERS ARE BANKERS, LAWYERS, EDUCATORS, OWNERS OF SMALL BUSINESS, RETIRED CITIZENS AND UNION MEMBERS.

PART VI, LINE 6:

ALTHOUGH NOT ACTUALLY OWNED BY VALLEY HEALTH SYSTEM LOCATED IN WINCHESTER, VIRGINIA, AS PART OF BECOMING CERTIFIED AS A CAH, THERE IS A FORMAL NETWORK BETWEEN THE TWO HOSPITALS. THE VAST MAJORITY OF THE MEDICAL SERVICES THAT CANNOT BE PROVIDED BY THE HOSPITAL ARE TRANSFERRED TO VALLEY HEALTH SYSTEM. OTHER HOSPITALS IN WHICH PATIENTS ARE TRANSFERRED TO ARE WEST VIRGINIA UNIVERSITY LOCATED IN MORGANTOWN, WEST VIRGINIA; SENTARA MEDICAL CENTER LOCATED IN HARRISONBURG, VIRGINIA; AND THE UNIVERSITY OF VIRGINIA MEDICAL CENTER LOCATED IN CHARLOTTESVILLE, VIRGINIA.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

WV

**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

GRANT MEMORIAL HOSPITAL

Employer identification number

55-0562976

Part I Questions Regarding Compensation

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.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on 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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

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.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 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?
- b** Any related organization?
- If "Yes" to 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?
- b** Any related organization?
- 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 on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a	X	
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2015

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				
(1) MARY BETH BARR CHIEF EXECUTIVE OFFICER, SECRETARY	(i)	145,987.	0.	0.	4,200.	656.	150,843.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) JOHN L. HAHN, M.D. PHYSICIAN	(i)	312,044.	625,000.	0.	0.	8,588.	945,632.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) ANIL MAKANI, M.D. PHYSICIAN	(i)	496,169.	50,000.	0.	0.	8,588.	554,757.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) SCOTT C. ROBERTS, M.D. PHYSICIAN	(i)	262,415.	21,657.	0.	0.	535.	284,607.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) AMANDA M. BORROR, D.O. PHYSICIAN	(i)	211,135.	0.	0.	0.	8,533.	219,668.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ULUNNA K. MACBEAN, M.D. PHYSICIAN	(i)	134,502.	20,000.	0.	0.	2,626.	157,128.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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.

PART I, LINE 6:

COMPENSATION FOR DR. HAHN (OB/GYN) IS BASED ON NET EARNINGS. DR. HAHN IS AN INNOVATOR IN THE PROFESSION OF OB, NORMAL DELIVERIES. HE DEVELOPED THE CATHETER, FOR WHICH HE HAS A PATENT THAT IS USED IN ADMINISTERING EPIDURALS. CONSEQUENTLY, GRANT MEMORIAL HOSPITAL WAS PROVIDING EPIDURALS TO WOMEN WHO WERE IN LABOR PRIOR TO WHEN IT BECAME A STANDARD PRACTICE THROUGHOUT THE UNITED STATES. DUE TO HIS REPUTATION, A BOOK AND DOCUMENTARY ARE BEING PRODUCED ABOUT HIS CLINICAL ACHIEVEMENTS IN PROVIDING OB/GYN PHYSICIAN SERVICES. HE HAS BEEN IN PRACTICE AT GRANT MEMORIAL HOSPITAL FOR OVER 25 YEARS. WITH THE EXCEPTION OF ONE WEEK DURING THE YEAR, HE IS ALWAYS ON CALL. IN A SUBURBAN AREA, THE AVERAGE NUMBER OF DELIVERIES PER YEAR BY AN OBSTETRICIAN IS BETWEEN 250-300. DR. HAHN AVERAGES BETWEEN 225-250 DELIVERIES WITH THE VAST MAJORITY OF THESE BEING MEDICAID OR UNINSURED PATIENTS. ALSO THE HOSPITAL SEES ABOUT 49 TEEN BIRTH RATES PER 1,000, WHILE THE NATIONAL AVERAGE IS 21. THE HOSPITAL COMPENSATES DR. HAHN FOR THE SERVICES HE PROVIDES FOR THE HOSPITAL AND TO THE COMMUNITY. OVERALL, HIS COMPENSATION COMPARES TO NATIONAL AVERAGES TAKING INTO CONSIDERATION THAT IT IS DIFFICULT TO RECRUIT OB/GYN PHYSICIANS TO A RURAL AREA, YEARS OF

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.

EXPERIENCE, PATENTS THAT HAVE BEEN RECEIVED IN IMPROVING PATIENT CARE AND THE AMOUNT OF CALL PROVIDED BY THE PHYSICIAN. HIS COMPENSATION IS APPROVED BY THE EXECUTIVE COMMITTEE.

PART I, LINE 7:

THE CHIEF FINANCIAL OFFICER'S BONUS IS DETERMINED BY THE CHIEF EXECUTIVE OFFICER AND THE AMOUNT OF THE BONUS MAY VARY EACH YEAR. THE BONUS IS NOT BASED ON THE HOSPITAL'S PROFITABILITY.

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
AMY KILE	ALAN KILE (BOARD ME	35,605.			X
STACEY SITES	JASON SITES (BOARD	72,152.			X
REVA KILE	ALAN KILE (BOARD ME	21,629.			X

Part V Supplemental Information

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: AMY KILE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

ALAN KILE (BOARD MEMBER) IS RELATED TO AMY KILE

(A) NAME OF PERSON: STACEY SITES

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

JASON SITES (BOARD MEMBER) IS RELATED TO STACEY SITES

(A) NAME OF PERSON: REVA KILE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

ALAN KILE (BOARD MEMBER) IS RELATED TO REVA KILE

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

GRANT MEMORIAL HOSPITAL

Employer identification number

55-0562976

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

VIRGINIA.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

COMMUNITY SERVICE, IS TO BE THE LEADER IN PROVIDING THE HIGHEST QUALITY
SERVICE AS EFFICIENTLY AS POSSIBLE BASED ON ASSESSED NEEDS.

FORM 990, PART VI, SECTION A, LINE 1:

THE EXECUTIVE COMMITTEE CONSISTS OF THE CHAIRPERSON, VICE-CHAIRPERSON, TWO
OTHER MEMBERS OF THE BOARD, THE CEO, CFO AND CHIEF OF STAFF. DURING
INTERVALS BETWEEN BOARD MEETINGS, THE EXECUTIVE COMMITTEE MAY ACT IN THE
NAME, AND WITH THE FULL POWER, OF THE BOARD PROVIDED THAT ANY SUCH ACTION
SHALL NOT CONFLICT WITH THE POLICIES OF THE BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION A, LINE 2:

TOM KIMBLE (BOARD MEMBER) AND MARK WRIGHT (BOARD MEMBER) HAVE A BUSINESS
RELATIONSHIP.

FORM 990, PART VI, SECTION A, LINE 6:

THE HOSPITAL HAS A DUAL CERTIFICATION IN THAT IT IS A POLITICAL
SUB-DIVISION OF GRANT COUNTY.

FORM 990, PART VI, SECTION A, LINE 7A:

THE GRANT COUNTY COMMISSION APPOINTS MEMBERS TO THE BOARD WHO RESIDE IN
GRANT, HARDY, AND PENDLETON COUNTIES. THE HOSPITAL IS A POLITICAL
SUB-DIVISION OR COMPONENT UNIT OF GRANT COUNTY (COUNTY HOSPITAL).

Name of the organization

GRANT MEMORIAL HOSPITAL

Employer identification number

55-0562976

FORM 990, PART VI, SECTION B, LINE 11:

THE TAX RETURN WILL BE REVIEWED BY MANAGEMENT AND IS GIVEN TO EVERY MEMBER OF THE BOARD PRIOR TO ISSUANCE.

FORM 990, PART VI, SECTION B, LINE 12C:

TRUSTEES AND ADMINISTRATION OFFICIALS SHALL BE REQUIRED TO COMPLETE A WRITTEN CONFLICT OF INTEREST STATEMENT ANNUALLY WHICH SHALL DISCLOSE THE EXTENT OF FINANCIAL DEALINGS WITH THE ORGANIZATION BY ALL BUSINESSES OR OTHER ORGANIZATIONS IN WHICH THEY, OR MEMBERS OF THEIR IMMEDIATE FAMILIES, HAVE A BENEFICIAL INTEREST. A BENEFICIAL INTEREST WITH AN ORGANIZATION WILL BE CONSIDERED TO EXIST WHEN A TRUSTEE OR ADMINISTRATION OFFICIAL OR A MEMBER OF HIS/HER IMMEDIATE FAMILY IS AN OFFICER, DIRECTOR, TRUSTEE, PARTNER, EMPLOYEE OR AGENT OF THE ORGANIZATION, OR OWNS FIVE PERCENT OF THE VOTING STOCK OR CONTROLLING INTEREST IN THAT ORGANIZATION, OR HAS ANY OTHER SUBSTANTIAL INTEREST OR DEALINGS WITH THE ORGANIZATION. AT SUCH TIME, IF ANY MATTER SHOULD COME BEFORE THE BOARD OF TRUSTEES IN SUCH A WAY AS TO GIVE RISE TO A CONFLICT OF INTEREST, THE AFFECTED MEMBER OF THE BOARD SHALL MAKE KNOWN THE POTENTIAL CONFLICT AND IF ADVISABLE, WITHDRAW FROM THE MEETING FOR SO LONG AS THE MATTER SHALL CONTINUE UNDER DISCUSSION. SHOULD THE MATTER BE BROUGHT TO VOTE, THE AFFECTED MEMBER SHALL NOT VOTE, NOR BE COUNTED IN ESTABLISHING A QUORUM FOR THE VOTE ON THAT MATTER. PROCEEDINGS RELATED TO THE CONFLICT OF INTEREST MATTERS BEFORE THE BOARD OF TRUSTEES SHALL BE DOCUMENTED IN THE MINUTES OF THAT MEETING. EVERY JANUARY, THE CEO AND CHAIRMAN ENSURE THE CONFLICT OF INTEREST FORMS ARE COMPLETED. THEY REVIEW THE FORMS TO IDENTIFY ANY INSTANCES THEY CAN FORESEE AND DISCUSS THEM WITH THE BOARD.

Name of the organization

GRANT MEMORIAL HOSPITAL

Employer identification number

55-0562976

FORM 990, PART VI, SECTION B, LINE 15:

EVERY YEAR A SURVEY IS CONDUCTED THROUGH THE STATE ON AVERAGE SALARIES FOR OFFICERS OF THE ORGANIZATION. THIS ENSURES THE HOSPITAL IS PAYING NO MORE THAN FAIR MARKET VALUE FOR OFFICER COMPENSATION. AFTERWARDS, THE COMPENSATION AVERAGES ARE GIVEN TO THE EXECUTIVE COMMITTEE AND THE COMMITTEE HAS FINAL SAY ON THE ACTUAL COMPENSATION FOR EACH OFFICER OF THE HOSPITAL. THE COMPENSATION PROCESS IS DOCUMENTED IN THE COMMITTEE MINUTES.

FORM 990, PART VI, SECTION C, LINE 18:

THE TAX RETURN IS SUBMITTED TO THE WEST VIRGINIA HEALTHCARE AUTHORITY UNDER THE STATE OF WEST VIRGINIA'S FINANCIAL DISCLOSURE STATUTE.

FORM 990, PART VI, SECTION C, LINE 19:

IT IS REQUIRED BY WEST VIRGINIA LAW THAT ALL HOSPITALS FILE FINANCIAL STATEMENTS, MEDICARE/MEDICAID COST REPORTS, TAX RETURNS AND OTHER FINANCIAL INFORMATION TO THE WEST VIRGINIA HEALTH CARE AUTHORITY. IN ADDITION, FINANCIAL STATEMENTS ARE ALSO REQUIRED TO BE PUBLISHED IN LOCAL NEWSPAPERS. INFORMATION SUBMITTED TO THE WEST VIRGINIA HEALTH CARE AUTHORITY MAY BE OBTAINED UNDER THE FREEDOM OF INFORMATION ACT.

THE GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY WILL BE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XII, LINE 2C:

THE ORGANIZATION'S BOARD OF DIRECTORS ASSUME RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT. THE PROCESS IS CONSISTENT WITH PRIOR YEARS AND HAS NOT CHANGED.

**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 **GRANT MEMORIAL HOSPITAL** Employer identification number **55-0562976**

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
GRANT MEMORIAL HOSPITAL TRUST FOUNDATION INCORPORATED - 55-0491787, P.O. BOX 1019, PETERSBURG, WV 26847	SUPPORT GRANT MEMORIAL HOSPITAL	WEST VIRGINIA	501(C)(3)	LINE 11C, III-FI			X

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

Schedule R (Form 990) 2015

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

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)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

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

Lined area for supplemental information.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization or other filer, see instructions. GRANT MEMORIAL HOSPITAL	Employer identification number (EIN) or 55-0562976
	Number, street, and room or suite no. If a P.O. box, see instructions. 117 HOSPITAL DRIVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PETERSBURG, WV 26847	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

ACCOUNTING DEPARTMENT

• The books are in the care of **▶ 117 HOSPITAL DRIVE - PETERSBURG, WV 26847**
Telephone No. **▶ 304-257-5802** Fax No. **▶**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 15, 2017**.

5 For calendar year _____, or other tax year beginning **JUL 1, 2015**, and ending **JUN 30, 2016**.

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO ACCUMULATE THE INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

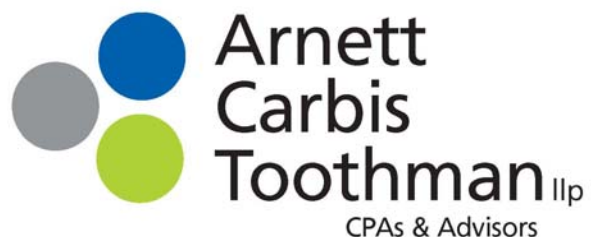
Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶** _____ Title **▶ CPA** Date **▶** _____

Electronic Filing PDF Attachment

GRANT MEMORIAL HOSPITAL (A Component Unit of Grant County, West Virginia)

**Financial Report
June 30, 2016**



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Grant Memorial Hospital
Petersburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Grant Memorial Hospital (a component unit of Grant County, West Virginia) (Hospital) which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of revenue and expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grant Memorial Hospital as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 - 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Arnett Carbis Toothman LLP

Pittsburgh, Pennsylvania
October 24, 2016

**GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

This discussion and analysis of the financial performance of Grant Memorial Hospital (Hospital) provides an overview of the Hospital's financial activities for the years ended June 30, 2016 and 2015. This narrative should be read in conjunction with the audited financial statements and the accompanying notes to those financial statements.

Financial Statements

The key to understanding the financial health of any organization is to understand the relationship between the basic financial statements and how each statement affects the other. The statement of financial position represents the assets, liabilities, and net position of an organization as of a specific date. The statement of revenue and expenses and changes in net position reports those key elements over a year that will determine those items reported on the statement of financial position.

A summary of the Hospital's statements of financial position as of June 30, 2016 and 2015, is presented below:

Cash and cash equivalents decreased by approximately \$499,000. Patient receivables increased by approximately \$467,000 during FY 2016 while net days in accounts receivable increased from 43.8 to 46.4 days. This compares favorably with similar hospitals.

Another issue that affects the change in cash and cash equivalents during FY 2016 was the purchase of approximately \$1.4 million of equipment during the year. The Hospital prepares a three year capital budget every year to prioritize what the equipment needs will be for the next three years. The Hospital has established a goal of purchasing between \$1.0 - \$1.5 million of capital assets each year.

During FY 2016, the Hospital executed a \$1.5 million five year equipment financing lease for the purchase of multiple equipment items including hospital beds, IV pumps, telephone system, and mammography unit. All of the existing long-term debt will be paid off by 2020, and the Hospital's present debt to equity ratio is less than 1.

The Hospital has approximately \$4,768,000 in assets whose use is limited. These funds are managed externally under a Board approved Investment Policy and are available for future capital programs, including the construction of a new hospital, or other uses designated by the Board. The portfolio's market value increased by \$221,000 during FY 2016. The portfolio is subject to future market volatility.

The estimated third-party settlements asset and liability combined balances decreased by approximately \$962,000 in FY 2016. These amounts represent the unknowns that exist with outstanding cost report settlements. Currently, Medicare cost reports for 2012 and forward are still open and Medicaid cost reports for 2010 and forward are still open. Settlements related to Medicaid Disproportionate Share are still open going back to 2012. Even though there have been a couple of years settled for Medicare where a portion of the Medicaid provider tax was disallowed, this issue is still being debated, and it is difficult to determine what the final outcome will be. There are similar issues pertaining to the Medicaid program.

A summary of the Hospital's statements of revenue and expenses and changes in net position for the years ended June 30, 2016 and 2015, is presented below:

**GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

During FY 2016, total operating revenue increased by approximately \$1.76 million primarily due to increases in outpatient revenue and professional services fees (to be discussed under "Recruitment"). Total operating expenses increased by approximately \$3.1 million, or 9.5%. The major components of this expense increase are professional fees and purchased services of approximately \$1.65 million and salaries and wages and employee benefits of approximately \$1.1 million. A portion of the increase in salaries and wages relates to the employed physicians discussed under "Recruitment."

Challenges Facing the Hospital

During FY 2016, the county received a donation from the Grant Memorial Trust Foundation of four parcels of land (approximately fifty-nine acres), with a value of \$625,000, to be used for the construction of a new hospital facility. The Hospital has seven years from February 2016 to begin construction of the project or the funds must be repaid to the Grant Memorial Trust Foundation.

Investment bankers were contacted and a preliminary debt capacity study was completed. Timelines have been established to ensure that the project is completed as quickly as possible and at the lowest cost.

The Hospital realized an approximate \$701,000 operating loss in FY 2016. Expected future changes in governmental payor reimbursement programs, such as decreases in Disproportionate Share payments, will impact operational margins. The Hospital is currently focusing its efforts on adding/eliminating select clinical programs and services; staffing levels; and outside purchased services to offset payor payment reductions.

Although the Hospital has benefited from the Medicaid expansion, there is concern regarding the state's ability to continue to fund this program. In addition, the risk of increased bad debts due to insured patients with higher deductibles and co-pays is a concern and the Hospital has made changes in the revenue cycle process to address these issues.

Changing Health Care Environment

There are major initiatives at both the federal and state level to switch payment from volume based to a value based system. Under this system, payments will be determined based upon the number of lives in a geographic area, and hospitals will be at risk to provide care in the most appropriate and least expensive setting as possible.

This population health model will mandate that hospitals collaborate with each other so that patients can be treated in the most appropriate setting. An important part of this will be the education of patients to take better care of themselves through wellness programs and to seek care initially through "coaches" and primary care providers. On the other end of the spectrum, patients will be encouraged to better utilize "medical homes" and similar models to ensure that the end of life care is as appropriate and inexpensive as possible. The Hospital has taken a proactive approach in joining the national rural accountable care organization in order to be prepared to meet the objectives of population health management and to be in alignment with the mandated changes in reimbursement from volume to value.

Due to these changes, the Hospital/physician relationship will change in that more physicians will seek employment by the Hospital. This is also predicated upon the mandates of meaningful use, reporting of quality measures, payment based upon quality and implementation of IT systems to meet the demands of the changing health care environment.

**GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Recruitment

For the last several years, the Hospital has placed an emphasis on physician recruitment and has concentrated primarily on specialists and internists. Consistent with national and regional trends, most new physicians are hired as hospital employees. During FY 2016, the Hospital added two primary care physicians and one specialist to the Hospital's employed physician group. As was discussed above under "Changing Health Care Environment," the key to the future population health model will be primary care physicians. There is a shortage of primary care physicians not only in the tri-county area but throughout the entire country.

A small, rural hospital always struggles to find qualified Registered Nurses (RNs). At various times, the Hospital has had difficulty finding and employing RNs. When openings do occur, the Hospital has been forced to fill these vacancies with Agency Nurses.

ICD-10 Classification System

On October 1, 2015, a new clinical coding system was implemented in the United States where the number of codes increased from approximately 6,000 to 140,000 codes. The Hospital incurred significant costs in training coders and other personnel involved in the management of care of patients. The transition was successful for the Hospital and had minimal cash flow impacts.

Request for Information

This financial report is designed to provide a general overview of Grant Memorial Hospital's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to CFO, Grant Memorial Hospital, P.O. Box 1019, Petersburg, West Virginia 26847.

GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)

STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,256,360	\$ 2,755,086
Accounts receivable:		
Patients (net of allowance for doubtful accounts 2016 \$1,780,536; 2015 \$2,028,836)	4,354,950	3,887,839
Other	717,610	976,065
Estimated third-party payor settlements	1,164,547	824,943
Inventories of supplies	1,170,122	1,190,130
Prepaid expenses and other current assets	207,200	255,031
Total current assets	9,870,789	9,889,094
ASSETS WHOSE USE IS LIMITED	4,767,997	4,546,435
CAPITAL ASSETS, NET	7,809,687	8,544,862
OTHER ASSETS, NET	822,242	822,242
Total assets	\$ 23,270,715	\$ 23,802,633
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 604,849	\$ 305,998
Accounts payable and accrued expenses	1,387,353	1,695,933
Accrued salaries and benefits	1,592,895	1,284,770
Estimated third-party payor settlements	2,128,690	2,750,953
Total current liabilities	5,713,787	6,037,654
ACCOUNTS PAYABLE, long-term	-	88,750
LONG-TERM DEBT, net of current portion	1,069,510	586,605
ESTIMATED MEDICAL MALPRACTICE CLAIMS LIABILITY	250,000	250,000
Total liabilities	7,033,297	6,963,009
NET POSITION		
Invested in capital assets, net of related debt	6,135,328	7,652,259
Unrestricted	10,102,090	9,187,365
Total net position	16,237,418	16,839,624
Total liabilities and net position	\$ 23,270,715	\$ 23,802,633

See Notes to Financial Statements.

GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)

STATEMENTS OF REVENUE AND EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2016 and 2015

	2016	2015
Operating revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 35,623,220	\$ 34,415,011
Provision for bad debts	(1,401,250)	(2,022,046)
Net patient service revenue	34,221,970	32,392,965
Other revenue	437,056	505,107
Total operating revenue	34,659,026	32,898,072
Operating expenses:		
Salaries and wages	14,236,524	12,741,466
Professional fees and purchased services	7,606,070	5,954,083
Supplies	5,061,728	4,726,986
Employee benefits	3,249,481	3,606,747
Depreciation	2,069,972	1,964,340
Repairs and maintenance	978,781	887,322
Utilities	563,773	631,905
Insurance	475,863	377,204
Licenses and taxes	435,447	715,764
Miscellaneous expenses	682,272	674,252
Total operating expenses	35,359,911	32,280,069
Operating income (loss)	(700,885)	618,003
Non-operating income (expenses):		
Investment income	239,473	118,767
Noncapital grants and contributions	1,494	30,895
(Loss) on disposal of capital assets	(71,197)	(44,481)
Interest expense	(71,091)	(53,650)
Total non-operating income	98,679	51,531
Excess (deficiency) of revenue and non-operating income over expenses	(602,206)	669,534
Net position, beginning	16,839,624	16,170,090
Net position, ending	\$ 16,237,418	\$ 16,839,624

See Notes to Financial Statements.

GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 32,792,992	\$ 33,733,109
Payments to employees	(17,177,880)	(16,257,450)
Payments to suppliers and contractors	(16,133,425)	(14,343,335)
Other receipts and payments, net	695,511	(260,458)
Net cash provided by operating activities	177,198	2,871,866
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Noncapital grants and contributions	1,494	30,895
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(1,405,994)	(2,068,298)
Interest paid	(71,091)	(53,650)
Proceeds from long-term debt	1,275,028	-
Principal paid on long-term debt	(493,272)	(290,895)
Net cash (used in) capital and related financing activities	(695,329)	(2,412,843)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	239,473	118,767
Investment in physician practice	-	(266,250)
Purchase of investments	(221,562)	(1,033,099)
Net cash provided by (used in) investing activities	17,911	(1,180,582)
(Decrease) in cash and cash equivalents	(498,726)	(690,664)
Cash and cash equivalents:		
Beginning	2,755,492	3,446,156
Ending	\$ 2,256,766	\$ 2,755,492
Reconciliation of Cash and Cash Equivalents to the Statements of Financial Position:		
Cash and cash equivalents	\$ 2,256,360	\$ 2,755,086
Assets limited as to use	406	406
Total cash and cash equivalents	\$ 2,256,766	\$ 2,755,492

See Notes to Financial Statements.

	2016	2015
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Operating income (loss)	\$ (700,885)	\$ 618,003
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,069,972	1,964,340
Provision for bad debts	1,401,250	2,022,046
Changes in assets and liabilities:		
Increase in patient accounts receivable	(1,868,361)	(752,082)
(Increase) decrease in accounts receivable, other	258,455	(765,565)
Increase (decrease) in estimated third-party payor settlements	(961,867)	70,180
(Increase) decrease in inventories of supplies	20,008	(192,813)
(Increase) decrease in prepaid expenses and other current assets	47,831	(134,180)
(Increase) in other assets	-	(443,750)
Increase (decrease) in accounts payable and accrued expenses and accrued salaries and benefits	(89,205)	485,687
Net cash provided by operating activities	\$ 177,198	\$ 2,871,866

**GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)**

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Reporting Entity and Summary of Significant Accounting Policies

Nature of operations and reporting entity: Grant Memorial Hospital (Hospital) is a Critical Access Hospital operating under the authority of the Grant County Commission (County Commission). The Hospital provides acute, emergency, long-term nursing care, and physician clinic medical services to Grant, Hardy, and Pendleton counties in West Virginia and the surrounding communities. The Hospital, a discretely-presented component unit of the Grant County Commission, is governed by a Board of Trustees (Board) approved by the Commission.

A summary of significant accounting policies is as follows:

Enterprise fund accounting: The Hospital uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting* guidance contained in Pre-November 30, 1989, Financial Accounting Standards Board (FASB) and AICPA Pronouncements, the Hospital has elected to apply the provision of all relevant pronouncements of the FASB and AICPA Pronouncements into the GASB authoritative literature, including those issued after November 30, 1989, that does not conflict with or contradict GASB pronouncements.

Net position:

Net position of the Hospital is classified in three components as follows:

- **Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows or resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- **Restricted net position** – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted net position** – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Hospital has no assets in a restricted net position.

Industry risks: The U.S. health care industry continues to experience significant change. Today, the primary force for change is being created by a competitive marketplace resulting in rapid change in health care delivery and financing as well as significant regulatory change.

An increasing number of the Hospital's third-party payors are adopting prospective payment systems similar to those used by the federal government's Medicare program which shift financial risk from the payor/insurer to the health care provider. The Hospital has signed provider contracts with several managed care organizations, which emphasize utilization control and cost containment. Managed care organizations either directly transfer risk to health care providers through capitation payment arrangements or pay for units of service on a steeply discounted basis.

**GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

Laws and regulations: The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers.

Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

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

Cash and cash equivalents: Cash and cash equivalents include investments in highly liquid debt instruments purchased with an original maturity of three months or less, excluding assets whose use is limited. The fair value of cash and cash equivalents approximates cost.

Patient accounts receivable: Patient accounts receivable are reported at estimated net realizable value after deduction of allowances for doubtful accounts. The allowance for doubtful accounts is based on historical losses and an analysis of currently outstanding amounts for each of its major payor sources. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Accounts are written off when they are determined to be uncollectable. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectable deductibles and copayments on accounts for which the third-party payor has not yet paid). For receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. It is reasonably possible that the Hospital's estimate of the allowance for doubtful accounts will change.

Other accounts receivable: Other accounts receivable include advances to physicians, scholarships, and receivables related to the Hospital provider tax.

Inventories of supplies: Inventories of supplies are stated at the lower of cost (first-in, first-out), determined using the average cost method, or market.

Assets whose use is limited: Assets whose use is limited include assets designated by the Board for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes.

**GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

Investments: The Hospital has investments in marketable equity securities that are traded or listed on the national exchanges. Management must determine the appropriate classification of securities at the date individual investment securities are acquired and the appropriateness of such classification is reassessed at each statement of financial position date.

Investments included in assets whose use is limited are reported at fair value based on quoted market prices. The Hospital invests in mutual funds that are in accordance with the Hospital's investment policy. Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is included in non-operating income when earned.

Dividend and interest income is accrued as earned. The cost of marketable securities sold is determined by the average cost method.

Other assets, net: Other assets, net include an investment in a home health agency recorded at cost in addition to goodwill associated with the purchase price of a physician practice. Management has evaluated each investment to determine applicability of the appropriate method of accounting. The Hospital records as goodwill the excess of purchase price over the fair value of identifiable net assets acquired. Authoritative guidance related to goodwill and other intangible assets prescribes the application of a two-step process for impairment testing of goodwill if adverse qualitative factors exist indicating that it is more likely than not that goodwill is impaired. This is performed annually, as well as when an event triggering impairment may have occurred. Upon determination that goodwill is more than likely to be impaired, the two-step process would be applied. The first step tests for impairment while the second step, if necessary, measures impairment. The Hospital has selected June 30 in which to perform its annual evaluation of goodwill for impairment. No indicators of impairment were identified for the 2016 period in which goodwill was present.

Capital assets, net: Capital assets, net are carried at cost for purchased assets or fair market value at the date of donation for donated assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 to 40 years
Fixed equipment	10 to 20 years
Movable equipment	5 to 15 years
Land improvements	10 to 20 years

When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred. Renewals and betterments are capitalized, and a deduction is made for the retirements resulting from the renewals or betterments.

Impairment losses are recognized on the statements of revenue and expenses and changes in net position as a component of operating revenue and expenses as they are determined. Capital assets, net are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the asset. There were no impairment losses recognized in 2016 or 2015.

Compensated absences: The Hospital's employees earn vacation days at varying rates depending on years of service and employment status. Paid time off and sick leave benefits are accumulated based on varying rates depending on years of service. Employees may accumulate paid time off and sick leave benefits up to a specified maximum. Employees are not paid for accumulated sick leave if their employment with the Hospital is terminated.

**GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

Net patient service revenue and patient accounts receivables: The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Charity care and community service benefits: The Hospital accepts all patients regardless of their ability to pay. Policies established by the Hospital are used to determine if a patient should be classified as a charity patient. These policies define charity services as those services for which no payment is anticipated. These estimated charges are not included in net patient service revenue.

The Hospital's gross patient service revenue is comprised of approximately 45% and 7% of Medicare program revenue, and approximately 33% and 34% of Medicaid program revenue, for the years ended June 30, 2016 and 2015, respectively.

Provider tax: The State of West Virginia assesses a health care provider tax based on net patient service revenue at rates ranging from 2.5% to 5.5% of such revenue. Provider taxes of approximately \$615,000 and \$697,000 were incurred by the Hospital for the years ended June 30, 2016 and 2015, respectively.

Operating revenue and expenses: The Hospital's statements of revenue and expenses and changes in net position distinguish between operating revenue and non-operating income (expenses). Operating revenue results from exchange transactions associated with providing health care services, the Hospital's principal activity. Non-exchange transactions, including grants and contributions received for purposes other than capital asset acquisition, invest income and expense, and gains / losses on disposal of capital assets are reported as non-operating income (expenses). Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Risk management: The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption, errors, and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Medical malpractice: The provision and related liability for estimated general and professional liability claims includes estimates of the ultimate cost for both reported claims and claims incurred but not reported and, in management's opinion, provides an adequate reserve for loss contingencies.

Income tax status: The Hospital is a not-for-profit corporation and is exempt from income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided. The Hospital follows the guidance for accounting for uncertainty in income taxes recognized in a company's financial statements that prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The guidance also addresses derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

Management has determined that this guidance had no material effect on the financial statements. The Hospital's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. There were no interest or penalties recognized on the statements of revenue and expenses and changes in net position as a result of this guidance. Generally, tax returns for the years ended June 30, 2013, and thereafter remain subject to examination by federal and state taxing authorities.

**GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

Advertising costs: Advertising costs are expensed as incurred. Advertising costs were approximately \$100,000 and \$76,000 for the years ended June 30, 2016 and 2015, respectively.

Grants and contributions: From time to time, the Hospital receives grants from federal and state agencies as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating income. Amounts restricted to capital acquisitions would be reported as a change in restricted net position. There were no amounts restricted for capital acquisitions in 2016 or 2015.

Restricted resources: When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

Reclassifications: Certain reclassifications have been made to the 2015 financial statements in order to conform to the 2016 presentation.

Subsequent events: In preparing these financial statements, the Hospital evaluated events that occurred through October 24, 2016, the date the financial statements were available to be issued, for potential recognition or disclosure.

Recent accounting pronouncement: GASB No. 72, *Fair Value Measurement and Application*, issued February 2015, relates to fair value measurements, applicable primarily to investments made by state and local governments and defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under the new guidance, more extensive note disclosures are required to categorize fair values according to their relative reliability and to describe positions held in many alternative investments. The new standard is effective for financial statements for periods beginning after June 15, 2015. The Hospital adopted this guidance during the year ended June 30, 2016, and the adoption of this guidance did not have a material effect on the financial statements.

Note 2. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of a financial institution failure, the Hospital's deposits may not be returned to it. The Hospital's deposit policy for custodial credit risk, as a governmental not-for-profit entity, is to require all deposits with financial institutions to be entirely insured or collateralized by securities held by financial institutions. Approximately \$1,497,000 as of June 30, 2016, and \$2,150,000 as of June 30, 2015, of the Hospital's financial institution deposits were exposed to custodial credit risk as these deposits were not covered by depository insurance. However, these deposits were collateralized with securities held by the pledging financial institution in the Hospital's name.

**GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

Note 3. Patient Accounts Receivable

Patient accounts receivable reported as current assets by the Hospital as of June 30 consist of the following:

	2016	2015
Receivables from patients and their insurance carriers	\$ 7,670,078	\$ 6,481,707
Receivables from Medicare	1,830,932	1,842,202
Receivables from Medicaid	510,408	1,245,739
Total patient accounts receivable	<u>10,011,418</u>	<u>9,569,648</u>
Less reserve for contractual allowances	3,875,932	3,652,973
Less allowance for doubtful accounts	<u>1,780,536</u>	<u>2,028,836</u>
Patient accounts receivable, net	<u>\$ 4,354,950</u>	<u>\$ 3,887,839</u>

Note 4. Assets Whose Use is Limited and Investment Risk

The composition of assets whose use is limited as of June 30 is as follows:

	2016	2015
Internally designated for capital improvements:		
Cash and cash equivalents	\$ 406	\$ 406
Mutual funds, equity	<u>4,767,591</u>	<u>4,546,029</u>
Total	<u>\$ 4,767,997</u>	<u>\$ 4,546,435</u>

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Board's investment policy authorizes a strategic asset allocation that is designed to provide an optimal return over the Board's investment horizon within the Board's risk tolerance and cash requirements.

Custodial credit risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Hospital will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Hospital's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Hospital, or are held by either the counterparty or the counterparty's trust department or agent but not in the Hospital's name. As of June 30, 2016 and 2015, the Hospital's investments were not exposed to custodial credit risk since the full amount was insured or registered or consisted of securities held by the Hospital or its agent in the Hospital's name.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board's investment policy provides guidelines for its fund managers and lists specific allowable investments. The policy provides for the utilization of varying styles of managers so that portfolio diversification is maximized and total portfolio efficiency is enhanced.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Hospital's investment in a single issuer. Disclosure is required for investments in any one issuer that represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As of June 30, 2016 and 2015, the Hospital had no concentrations in excess of 5%.

GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets, Net

Capital asset activity for the years ended June 30 is as follows:

	July 1, 2015	Additions	Transfers	Disposals	June 30, 2016
Capital assets not being depreciated:					
Land	\$ 70,684	\$ -	\$ -	\$ -	\$ 70,684
Construction in progress	3,400	50,911	-	-	54,311
Total capital assets not being depreciated	\$ 74,084	\$ 50,911	\$ -	\$ -	\$ 124,995
Other capital assets:					
Land/land improvements	\$ 438,134	\$ -	\$ -	\$ -	\$ 438,134
Buildings and improvements	15,994,336	-	335,622	(134,922)	16,195,036
Equipment	14,579,281	1,355,083	(335,622)	(15,529)	15,583,213
Total other capital assets	\$ 31,011,751	\$ 1,355,083	\$ -	\$ (150,451)	\$ 32,216,383
Accumulated depreciation:					
Land improvements	\$ (437,311)	\$ (822)	\$ -	\$ -	\$ (438,133)
Buildings and improvements	(12,468,656)	(553,428)	-	67,909	(12,954,175)
Equipment	(9,635,006)	(1,515,722)	-	11,345	(11,139,383)
Total accumulated depreciation	\$ (22,540,973)	\$ (2,069,972)	\$ -	\$ 79,254	\$ (24,531,691)
Other capital assets, net	\$ 8,470,778	\$ (714,889)	\$ -	\$ (71,197)	\$ 7,684,692
Capital assets summary:					
Capital assets not being depreciated	\$ 74,084	\$ 50,911	\$ -	\$ -	\$ 124,995
Other capital assets	31,011,751	1,355,083	-	(150,451)	32,216,383
Total cost of capital assets	31,085,835	1,405,994	-	(150,451)	32,341,378
Less accumulated depreciation	(22,540,973)	(2,069,972)	-	79,254	(24,531,691)
Capital assets, net	\$ 8,544,862	\$ (663,978)	\$ -	\$ (71,197)	\$ 7,809,687

GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

	July 1, 2014	Additions	Transfers	Disposals	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 70,684	\$ -	\$ -	\$ -	\$ 70,684
Construction in progress	43,609	3,400	-	(43,609)	3,400
Total capital assets not being depreciated	\$ 114,293	\$ 3,400	\$ -	\$ (43,609)	\$ 74,084
Other capital assets:					
Land/land improvements	\$ 438,134	\$ -	\$ -	\$ -	\$ 438,134
Buildings and improvements	15,691,108	-	303,228	-	15,994,336
Equipment	13,040,498	2,064,898	(303,228)	(222,887)	14,579,281
Total other capital assets	\$ 29,169,740	\$ 2,064,898	\$ -	\$ (222,887)	\$ 31,011,751
Accumulated depreciation:					
Land improvements	\$ (425,637)	\$ (11,674)	\$ -	\$ -	\$ (437,311)
Buildings and improvements	(11,912,301)	(556,355)	-	-	(12,468,656)
Equipment	(8,460,710)	(1,396,311)	-	222,015	(9,635,006)
Total accumulated depreciation	\$ (20,798,648)	\$ (1,964,340)	\$ -	\$ 222,015	\$ (22,540,973)
Other capital assets, net	\$ 8,371,092	\$ 100,558	\$ -	\$ (872)	\$ 8,470,778
Capital assets summary:					
Capital assets not being depreciated	\$ 114,293	\$ 3,400	\$ -	\$ (43,609)	\$ 74,084
Other capital assets	29,169,740	2,064,898	-	(222,887)	31,011,751
Total cost of capital assets	29,284,033	2,068,298	-	(266,496)	31,085,835
Less accumulated depreciation	(20,798,648)	(1,964,340)	-	222,015	(22,540,973)
Capital assets, net	\$ 8,485,385	\$ 103,958	\$ -	\$ (44,481)	\$ 8,544,862

Note 6. Accrued Salaries and Benefits

The components of accrued salaries and benefits as of June 30 are as follows:

	2016	2015
Accrued retirement costs	\$ 250,000	\$ 120,000
Accrued vacation and sick leave	763,980	683,691
Accrued payroll and withholding and other	578,915	481,079
	\$ 1,592,895	\$ 1,284,770

**GRANT MEMORIAL HOSPITAL
(A Component Unit of Grant County, West Virginia)**

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt

Long-term debt activity for the years ended June 30 is as follows:

	July 1, 2015	Proceeds	Repayments	June 30, 2016	Amounts Due Within One Year
Long-term debt:					
Notes payable	\$ 872,492	\$ 1,275,028	(481,434)	\$ 1,666,086	\$ 308,489
Capital lease payable	20,111	-	(11,838)	8,273	296,360
Total long-term debt	\$ 892,603	\$ 1,275,028	\$ (493,272)	\$ 1,674,359	\$ 604,849

	July 1, 2014	Proceeds	Repayments	June 30, 2015	Amounts Due Within One Year
Long-term debt:					
Notes payable	\$ 1,152,201	\$ -	\$ (279,709)	\$ 872,492	\$ 294,160
Capital lease payable	31,297	-	(11,186)	20,111	11,838
Total long-term debt	\$ 1,183,498	\$ -	\$ (290,895)	\$ 892,603	\$ 305,998

Long-term debt consists of the following as of June 30:

	2016	2015
Note payable, due in monthly installments of \$26,942 including interest at 2.94%, matures October 2020, remaining available draws \$224,972, secured by equipment.	\$ 1,087,754	\$ -
Series 2011 Note, due in monthly installments of \$20,911 including interest at 4.52%, matures December 2018.	453,686	678,205
Note payable, due in monthly installments of \$6,527 including interest at 5.25%, matures February 2018, secured by a deed of trust.	124,646	194,287
Capital lease payable, due in monthly installments of \$1,419 including interest at 5.7%, through February 2017, secured by equipment.	8,273	20,111
	1,674,359	892,603
Less current maturities	604,849	305,998
Long-term debt	\$ 1,069,510	\$ 586,605

GRANT MEMORIAL HOSPITAL
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NOTES TO FINANCIAL STATEMENTS

The scheduled principal and interest repayments for long-term debt are as follows as of June 30, 2016:

Years Ending June 30:	Notes and Capital Lease Payable	
	Principal	Interest
2017	\$ 604,849	\$ 56,168
2018	566,634	32,488
2019	305,760	17,559
2020	197,116	5,211
Total	\$ 1,674,359	\$ 111,426

In December 2011, the Grant County Development Authority issued a \$1,500,000 Series 2011 Note on behalf of the Hospital to refund all of the outstanding Series 1998C Hospital Revenue Refunding Bonds. On the date of issuance, \$100,000 of the proceeds from the Series 2011 Note was applied as a prepayment of principal. The Series 2011 Note is secured by an assignment of leases and rentals of the Hospital, security interest in the Hospital's accounts receivable, a deed of trust lien on the Hospital facility, and a lien on and security interest in the equipment of the Hospital.

The terms of the Series 2011 Note include certain financial covenants, including a requirement that the Hospital maintain a minimum fixed charge coverage ratio. The covenants also restrict the Hospital from exceeding \$3,000,000 in long-term indebtedness. The Hospital was in compliance with their covenants as of June 30, 2016 and 2015.

Note 8. Net Patient Service Revenue

Net patient service revenue is presented net of contractual allowances and discounts. The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. As a Critical Access Hospital, the Hospital receives payment, on a reasonable cost basis, for inpatient and most outpatient services provided to eligible Medicare and Medicaid patients. A summary of the payment arrangements with major third-party payors follows:

Medicare: Inpatient services and most outpatient services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology at 101 percent of allowable cost. Other outpatient services are paid based on fee schedules, or prospectively paid. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and review thereof by the Medicare fiscal intermediary. The appropriateness of the admission of Medicare program beneficiaries is subject to an independent review by a peer review organization.

Medicaid: Inpatient services and most outpatient services rendered to Medicaid program beneficiaries are paid based on cost reimbursement methodology at 100 percent of allowable cost. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and review thereof by the Medicaid fiscal intermediary. Other outpatient services are reimbursed based upon the lesser of the Hospital's charge or predetermined fee schedule amounts.

Commercial insurance: The Hospital also entered into payment agreements with certain commercial insurance carriers. The basis for payment to the Hospital under these agreements includes various discounts from established charges.

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NOTES TO FINANCIAL STATEMENTS

Disproportionate Share Payments

The State of West Virginia Disproportionate Share Hospital (DSH) State Plan provides for a settlement process among participating hospitals. The amounts received by the Hospital for this program have been audited through 2011. For future years, settlements could result. The laws and regulations governing the DSH settlement process are complex, involving statistical data from all participating hospitals, and subject to interpretation. Accordingly, the Hospital is not able to estimate the possible loss that could arise upon completion of the DSH settlement process. An unfavorable settlement could materially impact the Hospital's future results of operations or cash flows in a particular period.

Included in net patient service revenue is Medicaid disproportionate share revenue of approximately \$1,260,000 and \$1,190,000, for the years ended June 30, 2016 and 2015, respectively. Future receipt of these funds will be strictly dependent upon the continuation of applicable federal and state laws and regulations.

Medicaid Provider Tax Disallowance

The Centers for Medicare and Medicaid Services (CMS) has recently directed some local intermediaries to disallow the cost of provider taxes claimed in cost reports. Hospitals claimed the tax assessment as an allowable cost under the applicable regulations and the Provider Reimbursement Manual (PRM) sections. Hospitals have relied upon the fact that CMS approved applicable State Plan Amendments relating to the Provider Tax Assessments. The Hospital paid the provider tax and included it as an allowable expense. The disallowance may be applied retroactively for several years and the impact could be significant, depending upon various factors. The Hospital has reserved 100% of the provider tax based on prior year cost report settlements. Management and various associations representing affected hospitals plan to appeal the disallowance. The ultimate outcome of the issue is unknown at this time.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is a reasonable possibility that recorded estimates could change by a material amount in the near term.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies. The Hospital maintains allowances for potential credit losses and such losses have historically been within management's expectations.

The mix of receivables as of June 30 from patients and third-party payors is as follows:

	2016	2015
Other third-party payors	37 %	26 %
Self-pay (including self pay after insurance)	23	28
Medicare	22	24
Blue Cross	12	9
Medicaid	6	13
	100 %	100 %

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of discounted rates as provided by its policy. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

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Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows for the years ended June 30:

	2016			
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	Total
Patient service revenue (net of contractual allowances and discounts)	\$ 32,324,885	\$ 2,426,075	\$ 872,260	\$ 35,623,220
	2015			
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	Total
Patient service revenue (net of contractual allowances and discounts)	\$ 21,360,923	\$ 11,313,223	\$ 1,740,865	\$ 34,415,011

Note 9. Charity Care

The Hospital provides care to its patients who meet certain criteria under its patient financial assistance policy without charge or at amount less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized Federal Poverty Guidelines, but also includes certain cases where incurred charges are significant when compared to the patient's income. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. The costs of charity care provided by the Hospital amounted to approximately \$365,000 and \$398,000 for the years ended June 30, 2016 and 2015, respectively.

Note 10. Third-Party Payor Settlements

Third-party payor settlements consist of amounts due from (to) Medicare and Medicaid for settlement of current and prior year cost reports and payments due from (to) the State of West Virginia under its disproportionate share program. These estimated settlements by program are as follows as of June 30:

	2016	2015
Amounts due from:		
Medicaid including DSH	\$ 1,164,547	\$ 824,943
Amounts due to		
Medicare	\$ 1,089,596	\$ 1,012,330
Medicaid	1,039,094	1,738,623
Total	\$ 2,128,690	\$ 2,750,953

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Note 11. Meaningful Use of Electronic Health Records

The American Recovery and Reinvestment Act of 2009 established one-time incentive payments under the Medicare and Medicaid programs for hospitals that meaningfully use certified electronic health records (EHR) technology. In general, a hospital may receive an incentive payment for up to four years, provided it successfully demonstrates meaningful use of certified EHR technology for the EHR reporting period. The key component of receiving the EHR incentive payments is “demonstrating meaningful use,” which means meeting a series of objectives that make use of an EHR’s potential related to the improvement of quality, efficiency, and patient safety. Meaningful use will be assessed on a year-by-year basis.

Once the Hospital meets the requirements for an incentive payment, a preliminary payment is made by the Centers for Medicare and Medicaid Services. The incentive payment is the product of the reasonable costs for the purchase of a certified EHR system and the Hospital’s Medicare Share plus 20 percentage points. The final amount of the payment is determined at the time the cost report for the period beginning in the payment year is settled, based on Medicare Share data from that cost report.

The Hospital attested as a meaningful user for the years ended June 30, 2016 and 2015. As a result, the Hospital recognized \$21,250 and \$73,000 under the Medicaid program as income for the years ended June 30, 2016 and 2015, respectively, which is included in other operating revenue on the accompanying statements of revenue and expenses and changes in net position.

Income recognized is based on management’s estimate and it is reasonably possible that the estimates used could change materially in the near term. Any such changes would affect operations in the period in which they occur. The Hospital’s attestation as a meaningful user is subject to audit by the federal government or its designee.

Note 12. Pension Plan

The Hospital maintains a profit sharing plan. Eligible employees include those who have completed one year of service. There is no minimum employee contribution required by the plan. Each year the Hospital may contribute a discretionary amount to the plan.

The Hospital contributed \$248,354 in 2016 and \$236,110 in 2015 to the plan. The Hospital has no additional liability to the plan. Pension plan contributions are included with employee benefits expense on the accompanying statements of revenue and expenses and changes in net position.

Note 13. Medical Malpractice Claims Coverage

The Hospital maintains primary coverage under the terms of an insurance contract which covers losses, if any, which are reported during the period the contract is in force, “claims-incurred coverage,” subject to the per occurrence and aggregate limits of such contract. Additionally, the Hospital has an umbrella liability insurance contract that insures against losses in excess of the primary coverage reported during the period of policy coverage.

The Hospital believes it has adequate insurance coverages and accruals for all asserted claims and it has no knowledge of unasserted claims which would exceed its insurance coverages and accruals.

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Note 14. Functional Expenses

The Hospital provides health care and other related services to its patients. The classification of expenses related to providing these services approximates the following for the years ended June 30:

	2016	2015
Health care services	\$ 28,988,000	\$ 26,463,000
General and administrative	6,372,000	5,817,000
	<u>\$ 35,360,000</u>	<u>\$ 32,280,000</u>

Note 15. Commitments and Contingencies

Health care industry: The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance that have not been provided for in the accompanying financial statements; however, the possible future financial effects of such matters on the Hospital, if any, are not presently determinable.

Litigation and claims: The Hospital is a defendant in various lawsuits where various amounts are being claimed. In the opinion of management and legal counsel, the likelihood of an unfavorable outcome in excess of insurance coverage is remote and the judgments, if unfavorable, would not have a material and adverse effect on the Hospital's financial statements.

Note 16. Fair Value Measurements and Financial Instruments

Authoritative guidance regarding *Fair Value Measurements* establishes a framework for measuring fair value. This guidance defines fair value, establishes a framework and hierarchy for measuring fair value, and outlines the related disclosure requirements. The guidance indicates that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability based upon an exit price model. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

Financial assets recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level I Quoted prices in active markets for identical assets or liabilities. Level I assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

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Level II Observable inputs other than Level I prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level II assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments or derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level III Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair values of financial instruments listed below were determined using the following valuation hierarchy as of June 30:

	2016				
	Carrying Value	Fair Value	Level I	Level II	Level III
Assets whose use is limited:					
Cash and cash equivalents	\$ 406	\$ 406	\$ 406	\$ -	\$ -
Mutual funds, equity	4,767,591	4,767,591	4,767,591	-	-
Total	\$ 4,767,997	\$ 4,767,997	\$ 4,767,997	\$ -	\$ -
Cash and cash equivalents	\$ 2,256,360	\$ 2,256,360	\$ 2,256,360	\$ -	\$ -
	2015				
	Carrying Value	Fair Value	Level I	Level II	Level III
Assets whose use is limited:					
Cash and cash equivalents	\$ 406	\$ 406	\$ 406	\$ -	\$ -
Mutual funds, equity	4,546,029	4,546,029	4,546,029	-	-
Total	\$ 4,546,435	\$ 4,546,435	\$ 4,546,435	\$ -	\$ -
Cash and cash equivalents	\$ 2,755,086	\$ 2,755,086	\$ 2,755,086	\$ -	\$ -

The following methods were used by the Hospital in estimating fair value of its financial instruments. There have been no changes in methodologies used as of June 30, 2016 or 2015:

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of these financial instruments.

Mutual funds: Valued at the quoted net asset value of shares (basis for trade) held by the Hospital at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Note 17. Land Donation

The County received a donation from Grant Memorial Trust Foundation, Incorporated of 4 tracts of land with a total of approximately 59 acres with a cost of \$625,000 to be used for the construction of a new hospital by Grant Memorial Hospital. The Hospital has seven years from February 2016 to begin the construction of this project or they will owe these funds back to Grant Memorial Trust Foundation, Incorporated.

Note 18. Subsequent Event

Subsequent to year end, the Hospital signed an agreement to construct a maintenance facility for the boiler heat system upgrade with an estimated cost of \$450,000.