

Form **990**  
Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No 1545-0047  
**2018**  
Open to Public Inspection

**A For the 2019 calendar year, or tax year beginning 10-01-2018, and ending 09-30-2019**

**B** Check if applicable  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization  
FIRSTHEALTH OF THE CAROLINAS INC

Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite  
155 MEMORIAL DRIVE

City or town, state or province, country, and ZIP or foreign postal code  
PINEHURST, NC 28374

**D** Employer identification number  
56-1936354

**E** Telephone number  
(910) 715-1000

**F** Name and address of principal officer  
MICKEY FOSTER  
155 MEMORIAL DRIVE  
PINEHURST, NC 28374

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
If "No," attach a list (see instructions)  
**H(c)** Group exemption number ▶

**I** Tax-exempt status  501(c)(3)  501(c) ( ) ◀(insert no )  4947(a)(1) or  527

**J** Website: ▶ WWW.FIRSTHEALTH.ORG

**K** Form of organization  Corporation  Trust  Association  Other ▶

**L** Year of formation 1995 **M** State of legal domicile NC

## Part I Summary

**1** Briefly describe the organization's mission or most significant activities  
TO SERVICE THE COMMUNITY'S TOTAL HEALTH CARE NEEDS

**2** Check this box  if the organization discontinued its operations or disposed of more than 25% of its net assets

<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	17
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	16
<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)	6,004
<b>6</b> Total number of volunteers (estimate if necessary)	796
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	1,534,615
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	0

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)	3,141,539	4,078,263
<b>9</b> Program service revenue (Part VIII, line 2g)	742,731,134	827,046,859
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	22,416,427	24,438,540
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,656,446	8,302,631
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	775,945,546	863,866,293
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	265,615	183,115
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0	0
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	313,309,203	332,032,571
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶0		
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	424,987,710	480,464,770
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	738,562,528	812,680,456
<b>19</b> Revenue less expenses Subtract line 18 from line 12	37,383,018	51,185,837
	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)	1,055,888,192	1,102,145,516
<b>21</b> Total liabilities (Part X, line 26)	274,007,103	280,416,204
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	781,881,089	821,729,312

## 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: \*\*\*\*\* Date: 2020-08-05

MICKEY FOSTER PRESIDENT & CEO  
Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name: Preparer's signature: Date: 2020-08-05 Check  if self-employed PTIN: P00445891

Firm's name: ▶ DIXON HUGHES GOODMAN LLP Firm's EIN: ▶ 56-0747981

Firm's address: ▶ 500 RIDGEFIELD COURT ASHEVILLE, NC 28806 Phone no: (828) 254-2254

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission

FIRSTHEALTH OF THE CAROLINAS, INC (FIRSTHEALTH) IS A COMPREHENSIVE HEALTH CARE CENTER ORGANIZED AND OPERATED TO SERVICE THE COMMUNITY'S TOTAL HEALTH CARE NEEDS FIRSTHEALTH PROVIDES NEEDED MEDICAL CARE TO THE COMMUNITY REGARDLESS OF A PERSON'S ABILITY TO PAY A VARIETY OF HEALTH CARE SERVICES ARE OFFERED IN SUPPORT OF THE ORGANIZATION'S CHARITABLE MISSION AS A COMMUNITY-BASED HEALTH CARE SYSTEM

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

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

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

If "Yes," describe these changes on Schedule O

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

**4a** (Code ) (Expenses \$ 645,112,391 including grants of \$ 183,115 ) (Revenue \$ 829,899,448 )  
See Additional Data

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
See Additional Data

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
See Additional Data

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

**4e Total program service expenses** ▶ 645,112,391

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, and Answer (Yes/No). Rows include questions 1 through 22 regarding organizational requirements and reporting.

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
<b>23</b>	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> . . . . .	Yes	
<b>24a</b>	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> . . . . .	Yes	
<b>24b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		No
<b>24c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		No
<b>24d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		No
<b>25a</b>	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .		No
<b>25b</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> . . . . .		No
<b>26</b>	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> . . . . .		No
<b>27</b>	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> . . . . .		No
<b>28</b>	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)		
<b>28a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		No
<b>28b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		No
<b>28c</b>	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> . . . . .		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .		No
<b>32</b>	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> . . . . .		No
<b>33</b>	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> . . . . .	Yes	
<b>34</b>	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> . . . . .	Yes	
<b>35a</b>	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	Yes	
<b>35b</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> . . . . .		No
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		No
<b>37</b>	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> . . . . .		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	Yes	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . .		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	Yes	

<b>2a</b> 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 . . . . .		<b>2a</b>	6,004		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		<b>2b</b>			No
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .		<b>3a</b>		Yes	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O . . . . .</i>		<b>3b</b>		Yes	
<b>4a</b> 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)? . . . . .		<b>4a</b>			No
<b>b</b> If "Yes," enter the name of the foreign country <b>▶</b> _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)					
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .		<b>5a</b>			No
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		<b>5b</b>			No
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T? . . . . .		<b>5c</b>			
<b>6a</b> 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? . . . . .		<b>6a</b>			No
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .		<b>6b</b>			
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>					
<b>a</b> 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? . . . . .		<b>7a</b>			No
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .		<b>7b</b>			
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .		<b>7c</b>			No
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year . . . . .		<b>7d</b>			
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<b>7e</b>			No
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .		<b>7f</b>			No
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .		<b>7g</b>			
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .		<b>7h</b>			
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . . . .		<b>8</b>			
<b>9a</b> Did the sponsoring organization make any taxable distributions under section 4966? . . . . .		<b>9a</b>			
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . . . .		<b>9b</b>			
<b>10 Section 501(c)(7) organizations.</b> Enter					
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12 . . . . .		<b>10a</b>			
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		<b>10b</b>			
<b>11 Section 501(c)(12) organizations.</b> Enter					
<b>a</b> Gross income from members or shareholders . . . . .		<b>11a</b>			
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them ) . . . . .		<b>11b</b>			
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		<b>12a</b>			
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year		<b>12b</b>			
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>					
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O		<b>13a</b>			
<b>b</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 . . . . .		<b>13b</b>			
<b>c</b> Enter the amount of reserves on hand . . . . .		<b>13c</b>			
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year? . . . . .		<b>14a</b>			No
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O . . . . .</i>		<b>14b</b>			
<b>15</b> Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N . . . . .		<b>15</b>			No
<b>16</b> Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O . . . . .		<b>16</b>			No

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions Check if Schedule O contains a response or note to any line in this Part VI



Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 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?; 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?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 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?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following; 8a The governing body?; 8b Each committee with authority to act on behalf of the governing body?; 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.

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 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?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed; 18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply; 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.







**Part VIII Statement of Revenue**

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>			
	<b>b</b> Membership dues . . . . .	<b>1b</b>			
	<b>c</b> Fundraising events . . . . .	<b>1c</b>			
	<b>d</b> Related organizations . . . . .	<b>1d</b>	2,980,306		
	<b>e</b> Government grants (contributions) . . . . .	<b>1e</b>	262,455		
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1f</b>	835,502		
	<b>g</b> Noncash contributions included in lines 1a - 1f \$ _____				
	<b>h Total.</b> Add lines 1a-1f . . . . .		4,078,263		

<b>Program Service Revenue</b>			Business Code				
	<b>2a</b> NET PATIENT SERVICE REVENUE		621110	800,280,157	800,280,157		
	<b>b</b> OTHER OPERATING REVENUE		621110	8,895,174	7,682,349	1,212,825	
	<b>c</b> HEALTH AND FITNESS		713940	6,486,204	6,117,074	369,130	
	<b>d</b> PHARMACY INCOME		621110	6,058,615	6,058,615		
	<b>e</b> EMS REVENUE		621110	5,326,709	5,326,709		
	<b>f</b> All other program service revenue						
	<b>g Total.</b> Add lines 2a-2f . . . . .			827,046,859			

<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			23,889,131		21,493	23,867,638	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .							
	<b>5</b> Royalties . . . . .							
	<b>6a</b> Gross rents	(i) Real	(ii) Personal					
			1,651,432					
		<b>b</b> Less rental expenses		1,879,371				
		<b>c</b> Rental income or (loss)		-227,939				
	<b>d</b> Net rental income or (loss) . . . . .				-227,939		-68,833	-159,106
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			1,248,298					
		<b>b</b> Less cost or other basis and sales expenses		0	698,889			
		<b>c</b> Gain or (loss)		1,248,298	-698,889			
	<b>d</b> Net gain or (loss) . . . . .				549,409			549,409
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>						
	<b>b</b> Less direct expenses . . . . .	<b>b</b>						
	<b>c</b> Net income or (loss) from fundraising events . . . . .							
	<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>						
	<b>b</b> Less direct expenses . . . . .	<b>b</b>						
	<b>c</b> Net income or (loss) from gaming activities . . . . .							
	<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>						
		642,092						
<b>b</b> Less cost of goods sold . . . . .		<b>b</b>		646,912				
<b>c</b> Net income or (loss) from sales of inventory . . . . .				-4,820		-4,820		
Miscellaneous Revenue		Business Code						
<b>11a</b> FOOD SERVICE		722210	3,511,783				3,511,783	
<b>b</b> DISCOUNTS AND REBATES		900099	2,870,847				2,870,847	
<b>c</b> LAUNDRY		812300	2,152,760				2,152,760	
<b>d</b> All other revenue . . . . .								
<b>e Total.</b> Add lines 11a-11d . . . . .			8,535,390					
<b>12 Total revenue.</b> See Instructions . . . . .			863,866,293	825,460,084	1,534,615		32,793,331	

**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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.	183,115	183,115		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22.				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.				
<b>4</b> Benefits paid to or for members.				
<b>5</b> Compensation of current officers, directors, trustees, and key employees.	6,103,578		6,103,578	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
<b>7</b> Other salaries and wages.	261,420,810	202,523,154	58,897,656	
<b>8</b> Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	12,424,183	9,405,441	3,018,742	
<b>9</b> Other employee benefits.	33,030,399	25,004,900	8,025,499	
<b>10</b> Payroll taxes.	19,053,601	14,424,088	4,629,513	
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management.	2,817,062	1,052,868	1,764,194	
<b>b</b> Legal.	558,843		558,843	
<b>c</b> Accounting.	202,750		202,750	
<b>d</b> Lobbying.				
<b>e</b> Professional fundraising services. See Part IV, line 17.				
<b>f</b> Investment management fees.	136,906		136,906	
<b>g</b> Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	112,982,821	86,825,335	26,157,486	
<b>12</b> Advertising and promotion.	383,858	45,913	337,945	
<b>13</b> Office expenses.	23,812,527	15,488,468	8,324,059	
<b>14</b> Information technology.	140,781	139,921	860	
<b>15</b> Royalties.				
<b>16</b> Occupancy.	11,515,907	3,926,036	7,589,871	
<b>17</b> Travel.	1,954,763	1,273,979	680,784	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials.				
<b>19</b> Conferences, conventions, and meetings.	169,416	98,001	71,415	
<b>20</b> Interest.	4,332,404	4,332,404		
<b>21</b> Payments to affiliates.				
<b>22</b> Depreciation, depletion, and amortization.	36,438,995	3,285,554	33,153,441	
<b>23</b> Insurance.	4,395,192	364,293	4,030,899	
<b>24</b> 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):				
<b>a</b> MEDICAL SUPPLIES	140,322,832	140,322,832		
<b>b</b> BAD DEBT	120,152,230	120,152,230		
<b>c</b> GAP ASSESSMENT	14,996,176	14,996,176		
<b>d</b> DIETARY EXPENSE	3,992,410	510,766	3,481,644	
<b>e</b> All other expenses	1,158,897	756,917	401,980	
<b>25</b> Total functional expenses. Add lines 1 through 24e.	812,680,456	645,112,391	167,568,065	0
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	36,488,790	<b>1</b>	30,921,098
	<b>2</b> Savings and temporary cash investments . . . . .		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	87,298,984	<b>4</b>	92,132,121
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	13,419,872	<b>8</b>	13,120,833
	<b>9</b> Prepaid expenses and deferred charges . . . . .	8,246,307	<b>9</b>	6,726,007
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	<b>10a</b> 979,096,220		
	<b>b</b> Less accumulated depreciation	<b>10b</b> 591,442,646	395,647,230	<b>10c</b> 387,653,574
	<b>11</b> Investments—publicly traded securities . . . . .	478,408,909	<b>11</b>	545,078,485
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	99,000	<b>13</b>	99,000
	<b>14</b> Intangible assets . . . . .	11,017,255	<b>14</b>	12,712,661
	<b>15</b> Other assets See Part IV, line 11 . . . . .	25,261,845	<b>15</b>	13,701,737
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	1,055,888,192	<b>16</b>	1,102,145,516	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	61,710,738	<b>17</b>	75,528,832
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	4,416	<b>19</b>	0
	<b>20</b> Tax-exempt bond liabilities . . . . .	201,112,370	<b>20</b>	195,140,000
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> 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 . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	446,856	<b>23</b>	318,453
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24) Complete Part X of Schedule D . . . . .	10,732,723	<b>25</b>	9,428,919
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	274,007,103	<b>26</b>	280,416,204
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	780,574,253	<b>27</b>	819,928,449
	<b>28</b> Temporarily restricted net assets . . . . .	1,306,836	<b>28</b>	1,800,863
	<b>29</b> Permanently restricted net assets		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	781,881,089	<b>33</b>	821,729,312	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	1,055,888,192	<b>34</b>	1,102,145,516	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	863,866,293
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	812,680,456
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	51,185,837
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	781,881,089
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-8,924,817
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	-2,412,797
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	821,729,312

**Part XII Financial Statements and Reporting**

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

- 1** Accounting method used to prepare the Form 990  Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?  
 If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?  
 If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- 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?  
 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?
- 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

	Yes	No
<b>2a</b>		No
<b>2b</b>	Yes	
<b>2c</b>	Yes	
<b>3a</b>		No
<b>3b</b>		

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 56-1936354

**Name:** FIRSTHEALTH OF THE CAROLINAS INC

Form 990 (2018)

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**Form 990, Part III, Line 4a:**

SEE SCHEDULE O

**Form 990, Part III, Line 4b:**

SEE SCHEDULE O

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**Form 990, Part III, Line 4c:**

SEE SCHEDULE O

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CAROLYN HELMS CHAIR	2 00	X		X				0	0	0
SHERWOOD BLACKWOOD VICE CHAIR/SECRETARY	2 00	X		X				0	0	0
JIMMY PRESLAR TREASURER	2 00	X						0	0	0
HEW FULTON BOARD MEMBER	1 00	X						0	0	0
BEN JONES BOARD MEMBER	1 00	X						0	0	0
NANCY KAESER BOARD MEMBER	1 00	X						0	0	0
JEFFERSON KILPATRICK MD BOARD MEMBER	1 00	X						0	0	0
TRACY LEINBACH BOARD MEMBER	1 00	X						0	0	0
BOB LOVELL BOARD MEMBER	1 00	X						0	0	0
BRIAN MCMURRAY BOARD MEMBER	1 00	X						0	0	0



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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
TOM PASHLEY ..... BOARD MEMBER	1 00 .....	X						0	0	0
JOHN SHEPHERD MD ..... BOARD MEMBER	1 00 .....	X						0	0	0
JIM TART MD ..... BOARD MEMBER	1 00 .....	X						0	0	0
GARY VONCANNON ..... BOARD MEMBER	1 00 .....	X						0	0	0
RAY WASHINGTON MD ..... BOARD MEMBER	1 00 .....	X						0	0	0
RUSTI WELCH ..... BOARD MEMBER	1 00 .....	X						0	0	0
DAVID KILARSKI ..... PRESIDENT/CEO (THRU 7/31)	50 00 .....	X		X				1,217,313	0	82,149
MICKEY FOSTER ..... PRESIDENT/CEO (BEGAN 7/8)	50 00 .....	X		X				0	0	0
DANIEL BARNES DO ..... PRESIDENT, PHYSICIANS GROUP	50 00 .....			X				476,410	0	25,004
SUSAN BEATY ..... PRESIDENT, MRH HOKE CAMPUS	50 00 .....			X				204,007	0	20,040

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DANIEL BIEDIGER ..... V P , HUMAN RESOURCES	50 00 .....			X				303,230	0	28,554
BRIAN CANFIELD ..... COO - MOORE REGIONAL	50 00 .....			X				378,888	0	11,158
JEFFREY CASEY ..... V P , FINANCE	50 00 .....			X				380,784	0	27,245
LYNN DEJACO ..... SR V P , CORPORATE CFO	50 00 .....			X				558,468	0	28,364
DAVID DILLEHUNT ..... V P , CORPORATE CIO	50 00 .....			X				370,009	0	20,931
AMY GRAHAM ..... V P , STRATEGY & INNOVATION	50 00 .....			X				282,136	0	28,364
JOHN JACKSON ..... PRESIDENT, MRH RICHMOND CAMPUS	50 00 .....			X				275,001	0	21,954
JOHN KRAHNERT MD ..... SR V P , CORPORATE CMO	50 00 .....			X				542,453	0	25,194
CINDY MCNEILL-MCDONALD ..... V P , QUALITY	50 00 .....			X				257,156	0	24,523
KAREN ROBEANO ..... V P , CNO	50 00 .....			X				255,170	0	11,158

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ELIZABETH WALKER ..... PRESIDENT, MMH	50 00 .....			X				224,744	0	23,171
MARK LANDERS MD ..... PHYSICIAN	50 00 .....				X			972,813	0	23,884
STEVEN FILBY MD ..... PHYSICIAN	50 00 .....				X			771,465	0	1,252
PETER ELLMAN MD ..... PHYSICIAN	50 00 .....				X			742,081	0	18,984
WILLIAM HARRIS MD ..... PHYSICIAN	50 00 .....				X			736,847	0	21,358
WILLIAM KITCHENS MD ..... PHYSICIAN	50 00 .....				X			724,446	0	22,764

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.  
 Attach to Form 990 or Form 990-EZ.  
 Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

**2018**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization

FIRSTHEALTH OF THE CAROLINAS INC

Employer identification number

56-1936354

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

The organization is not a private foundation because it is (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ) )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9  An agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university \_\_\_\_\_
- 10  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 11  An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
  - f Enter the number of supported organizations \_\_\_\_\_
  - g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)**

(Complete only if you checked the box on line 5, 7, 8, or 9 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b>	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant")						
<b>2</b>	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b>	The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4</b>	<b>Total.</b> Add lines 1 through 3						
<b>5</b>	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)						
<b>6</b>	<b>Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>7</b>	Amounts from line 4						
<b>8</b>	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b>	Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b>	Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI )						
<b>11</b>	<b>Total support.</b> Add lines 7 through 10						
<b>12</b>	Gross receipts from related activities, etc (see instructions)					<b>12</b>	

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . .

**Section C. Computation of Public Support Percentage**

<b>14</b>	Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	
<b>15</b>	Public support percentage for 2017 Schedule A, Part II, line 14	<b>15</b>	

- 16a 33 1/3% support test—2018.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ►
- b 33 1/3% support test—2017.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ►
- 17a 10%-facts-and-circumstances test—2018.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ►
- b 10%-facts-and-circumstances test—2017.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ►
- 18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ►

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b>	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b>	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						
<b>3</b>	Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b>	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b>	The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6</b>	<b>Total.</b> Add lines 1 through 5						
<b>7a</b>	Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b>	Add lines 7a and 7b						
<b>8</b>	<b>Public support.</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>9</b>	Amounts from line 6						
<b>10a</b>	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b>	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b>	Add lines 10a and 10b						
<b>11</b>	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b>	Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13</b>	<b>Total support.</b> (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**

<b>15</b>	Public support percentage for 2018 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b>	Public support percentage from 2017 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b>	Investment income percentage for <b>2018</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b>	Investment income percentage from <b>2017</b> Schedule A, Part III, line 17	<b>18</b>	

**19a 33 1/3% support tests—2018.** 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—2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

**Part IV Supporting Organizations**

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

		Yes	No
<b>1</b>	Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
	<b>1</b>		
<b>2</b>	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
	<b>2</b>		
<b>3a</b>	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
	<b>3a</b>		
<b>b</b>	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.		
	<b>3b</b>		
<b>c</b>	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.		
	<b>3c</b>		
<b>4a</b>	Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
	<b>4a</b>		
<b>b</b>	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
	<b>4b</b>		
<b>c</b>	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> 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.		
	<b>4c</b>		
<b>5a</b>	Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in <b>Part VI</b> , 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).		
	<b>5a</b>		
<b>b</b>	<b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
	<b>5b</b>		
<b>c</b>	<b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
	<b>5c</b>		
<b>6</b>	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? If "Yes," provide detail in <b>Part VI</b> .		
	<b>6</b>		
<b>7</b>	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? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
	<b>7</b>		
<b>8</b>	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
	<b>8</b>		
<b>9a</b>	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in <b>Part VI</b> .		
	<b>9a</b>		
<b>b</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? If "Yes," provide detail in <b>Part VI</b> .		
	<b>9b</b>		
<b>c</b>	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? If "Yes," provide detail in <b>Part VI</b> .		
	<b>9c</b>		
<b>10a</b>	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)? If "Yes," answer line 10b below.		
	<b>10a</b>		
<b>b</b>	Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		
	<b>10b</b>		

**Part IV Supporting Organizations** (continued)

		Yes	No
<b>11</b>	Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b>	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>b</b>	A family member of a person described in (a) above?		
<b>c</b>	A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		

**Section B. Type I Supporting Organizations**

		Yes	No
<b>1</b>	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? <i>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.</i>		
<b>2</b>	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? <i>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.</i>		

**Section C. Type II Supporting Organizations**

		Yes	No
<b>1</b>	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)? <i>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).</i>		

**Section D. All Type III Supporting Organizations**

		Yes	No
<b>1</b>	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?		
<b>2</b>	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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b>	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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b>	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year ( <b>see instructions</b> )		
<b>a</b>	<input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.		
<b>b</b>	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.		
<b>c</b>	<input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).		
<b>2</b>	Activities Test <b>Answer (a) and (b) below.</b>		
<b>a</b>	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? <i>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.</i>	Yes	No
<b>b</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? <i>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.</i>		
<b>3</b>	Parent of Supported Organizations <b>Answer (a) and (b) below.</b>		
<b>a</b>	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? <i>Provide details in Part VI.</i>		
<b>b</b>	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		



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

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

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b>	Net short-term capital gain	<b>1</b>	
<b>2</b>	Recoveries of prior-year distributions	<b>2</b>	
<b>3</b>	Other gross income (see instructions)	<b>3</b>	
<b>4</b>	Add lines 1 through 3	<b>4</b>	
<b>5</b>	Depreciation and depletion	<b>5</b>	
<b>6</b>	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)	<b>6</b>	
<b>7</b>	Other expenses (see instructions)	<b>7</b>	
<b>8</b>	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	<b>8</b>	
<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b>	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	<b>1</b>	
<b>a</b>	Average monthly value of securities	<b>1a</b>	
<b>b</b>	Average monthly cash balances	<b>1b</b>	
<b>c</b>	Fair market value of other non-exempt-use assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, 1b, and 1c)	<b>1d</b>	
<b>e</b>	<b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI)		
<b>2</b>	Acquisition indebtedness applicable to non-exempt use assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	
<b>4</b>	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	
<b>5</b>	Net value of non-exempt-use assets (subtract line 4 from line 3)	<b>5</b>	
<b>6</b>	Multiply line 5 by .035	<b>6</b>	
<b>7</b>	Recoveries of prior-year distributions	<b>7</b>	
<b>8</b>	<b>Minimum Asset Amount</b> (add line 7 to line 6)	<b>8</b>	
<b>Section C - Distributable Amount</b>			Current Year
<b>1</b>	Adjusted net income for prior year (from Section A, line 8, Column A)	<b>1</b>	
<b>2</b>	Enter 85% of line 1	<b>2</b>	
<b>3</b>	Minimum asset amount for prior year (from Section B, line 8, Column A)	<b>3</b>	
<b>4</b>	Enter greater of line 2 or line 3	<b>4</b>	
<b>5</b>	Income tax imposed in prior year	<b>5</b>	
<b>6</b>	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	<b>6</b>	
<b>7</b>	<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)**

<b>Section D - Distributions</b>	<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ) See instructions	
<b>7 Total annual distributions.</b> Add lines 1 through 6	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ) See instructions	
<b>9</b> Distributable amount for 2018 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

<b>Section E - Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2018</b>	<b>(iii) Distributable Amount for 2018</b>
<b>1</b> Distributable amount for 2018 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2018 (reasonable cause required-- explain in Part VI) See instructions			
<b>3</b> Excess distributions carryover, if any, to 2018			
<b>a</b> From 2013. . . . .			
<b>b</b> From 2014. . . . .			
<b>c</b> From 2015. . . . .			
<b>d</b> From 2016. . . . .			
<b>e</b> From 2017. . . . .			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2018 distributable amount			
<b>i</b> Carryover from 2013 not applied (see instructions)			
<b>j</b> Remainder Subtract lines 3g, 3h, and 3i from 3f			
<b>4</b> Distributions for 2018 from Section D, line 7 \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2018 distributable amount			
<b>c</b> Remainder Subtract lines 4a and 4b from 4			
<b>5</b> Remaining underdistributions for years prior to 2018, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
<b>6</b> Remaining underdistributions for 2018 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
<b>7 Excess distributions carryover to 2019.</b> Add lines 3j and 4c			
<b>8</b> Breakdown of line 7			
<b>a</b> Excess from 2014. . . . .			
<b>b</b> Excess from 2015. . . . .			
<b>c</b> Excess from 2016. . . . .			
<b>d</b> Excess from 2017. . . . .			
<b>e</b> Excess from 2018. . . . .			

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 56-1936354

**Name:** FIRSTHEALTH OF THE CAROLINAS INC

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

**Facts And Circumstances Test**

**SCHEDULE C**  
(Form 990 or 990-EZ)  
  
Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**  
For Organizations Exempt From Income Tax Under section 501(c) and section 527  
  
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.  
▶Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No 1545-0047  
  
**2018**  
  
**Open to Public Inspection**

**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 the organization FIRSTHEALTH OF THE CAROLINAS INC	Employer identification number 56-1936354
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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 (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities (see instructions) \_\_\_\_\_

**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-
1				
2				
3				
4				
5				
6				

**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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)		
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)		
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)		
<b>d</b> Other exempt purpose expenditures		
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)		
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns		
<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>	
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	
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)		
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-		
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-		
<b>j</b> 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.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) Total
<b>2a</b> Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
<b>c</b> Total lobbying expenditures	38,193	45,213	51,680	52,984	188,070
<b>d</b> Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
<b>f</b> Grassroots lobbying expenditures	49,792	54,504	54,504	65,256	224,056

**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
<b>1</b> 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			
<b>a</b> Volunteers?			
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
<b>c</b> Media advertisements?			
<b>d</b> Mailings to members, legislators, or the public?			
<b>e</b> Publications, or published or broadcast statements?			
<b>f</b> Grants to other organizations for lobbying purposes?			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
<b>i</b> Other activities?			
<b>j</b> Total Add lines 1c through 1i			
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	<b>1</b>	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>2</b>	
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?	<b>3</b>	

**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."**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	
<b>a</b> Current year	<b>2a</b>
<b>b</b> Carryover from last year	<b>2b</b>
<b>c</b> Total	<b>2c</b>
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>
<b>4</b> 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?	<b>4</b>
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>

**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

Return Reference	Explanation
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**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.**  
**► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No 1545-0047  
**2018**  
**Open to Public Inspection**

**Name of the organization**  
FIRSTHEALTH OF THE CAROLINAS INC

**Employer identification number**  
56-1936354

**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
<b>1</b> Total number at end of year		
<b>2</b> Aggregate value of contributions to (during year)		
<b>3</b> Aggregate value of grants from (during year)		
<b>4</b> Aggregate value at end of year		
<b>5</b> 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	
<b>6</b> 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 an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year	
<b>a</b> Total number of conservation easements	<b>2a</b>	
<b>b</b> Total acreage restricted by conservation easements	<b>2b</b>	
<b>c</b> Number of conservation easements on a certified historic structure included in (a)	<b>2c</b>	
<b>d</b> Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	<b>2d</b>	

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

**4** Number of states where property subject to conservation easement is located ► \_\_\_\_\_

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

**6** Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \_\_\_\_\_

**7** Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

**8** Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

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

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

**1a** If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

**(i)** Revenue included on Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

**(ii)** Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

**a** Revenue included on Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

**b** Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a**  Public exhibition
  - b**  Scholarly research
  - c**  Preservation for future generations
  - d**  Loan or exchange programs
  - e**  Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table
- |  | Amount |
|--|--------|
| <b>c</b> Beginning balance             |        |
| <b>d</b> Additions during the year     |        |
| <b>e</b> Distributions during the year |        |
| <b>f</b> Ending balance                |        |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . .  Yes  No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . .

**Part V Endowment Funds.** Complete if the organization answered "Yes" 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
<b>1a</b> Beginning of year balance . . . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> 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
- |  |     |    |
|--|-----|----|
| <b>(i)</b> unrelated organizations . . . . .   | Yes | No |
| <b>(ii)</b> related organizations . . . . .  |     |    |
| <b>b</b> If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? . . . . . |     |    |
- 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
<b>1a</b> Land . . . . .		16,501,713		16,501,713
<b>b</b> Buildings . . . . .		494,413,469	239,588,776	254,824,693
<b>c</b> Leasehold improvements		1,327,667	53,896	1,273,771
<b>d</b> Equipment . . . . .		446,744,336	338,752,452	107,991,884
<b>e</b> Other . . . . .		20,109,035	13,047,522	7,061,513
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				387,653,574



**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)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12 )		

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 13 )		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15 )	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
PROFESSIONAL LIABILITY RESERVE	9,008,589
THIRD PARTY PAYABLES	420,330
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25 )	9,428,919

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.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .		<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
<b>a</b>	Net unrealized gains (losses) on investments . . . . .	<b>2a</b>		
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .		<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .		<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>	
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .		<b>5</b>	

**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.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .		<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25			
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>		
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>		
<b>c</b>	Other losses . . . . .	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .		<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .		<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>	
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .		<b>5</b>	

**Part XIII Supplemental Information**

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
See Additional Data Table	

**Part XIII** Supplemental Information *(continued)*

Return Reference	Explanation

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 56-1936354

**Name:** FIRSTHEALTH OF THE CAROLINAS INC

## Supplemental Information

Return Reference	Explanation
PART X, LINE 2	FIRSTHEALTH OF THE CAROLINA, INC IS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(A) AS ORGANIZATIONS DESCRIBED IN SECTION 501(C)(3) RELATED INCOME IS GENERALLY NOT SUBJECT TO FEDERAL OR STATE TAXES FIRSTHEALTH ADOPTED THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS, WHICH CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ORGANIZATION'S FINANCIAL STATEMENTS AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT PRINCIPLES FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE NOT CERTAIN TO BE REALIZED THIS STANDARD HAS HAD NO SIGNIFICANT IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULE H (Form 990)**  
 Department of the Treasury  
 Internal Revenue Service

**Hospitals**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**  
 ▶ **Attach to Form 990.**  
 ▶ **Go to [www.irs.gov/Form990EZ](http://www.irs.gov/Form990EZ) for instructions and the latest information.**

**Name of the organization**  
 FIRSTHEALTH OF THE CAROLINAS INC

**Employer identification number**  
 56-1936354

OMB No 1545-0047  
**2018**  
 Open to Public Inspection

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

		Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<b>1a</b>	Yes	
<b>b</b> If "Yes," was it a written policy?	<b>1b</b>	Yes	
<b>2</b> 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			
<b>3</b> 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			
<b>a</b> 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 <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<b>3a</b>	Yes	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____ 36000 0000000000 %	<b>3b</b>	Yes	
<b>c</b> 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			
<b>4</b> 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"?	<b>4</b>	Yes	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<b>5a</b>	Yes	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<b>5b</b>	Yes	
<b>c</b> 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?	<b>5c</b>		No
<b>6a</b> Did the organization prepare a community benefit report during the tax year?	<b>6a</b>	Yes	
<b>b</b> If "Yes," did the organization make it available to the public?	<b>6b</b>	Yes	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			9,429,953	1,080,371	8,349,582	1 210 %
<b>b</b> Medicaid (from Worksheet 3, column a)			59,546,077	33,567,597	25,978,480	3 750 %
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs			68,976,030	34,647,968	34,328,062	4 960 %
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			2,143,807	330,360	1,813,447	0 260 %
<b>f</b> Health professions education (from Worksheet 5)						
<b>g</b> Subsidized health services (from Worksheet 6)			2,312,458		2,312,458	0 330 %
<b>h</b> Research (from Worksheet 7)			500,066		500,066	0 070 %
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			405,915	766	405,149	0 060 %
<b>j Total.</b> Other Benefits			5,362,246	331,126	5,031,120	0 720 %
<b>k Total.</b> Add lines 7d and 7j			74,338,276	34,979,094	39,359,182	5 680 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			129,934		129,934	0.020 %
9 Other						
<b>10 Total</b>			129,934		129,934	0.020 %

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	<b>1</b>	Yes	No
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	<b>2</b>	23,978,493	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	<b>3</b>		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

**Section B. Medicare**

5	Enter total revenue received from Medicare (including DSH and IME).	<b>5</b>	170,200,828
6	Enter Medicare allowable costs of care relating to payments on line 5.	<b>6</b>	178,269,821
7	Subtract line 6 from line 5. This is the surplus (or shortfall).	<b>7</b>	-8,068,993
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

9a	Did the organization have a written debt collection policy during the tax year?	<b>9a</b>	Yes	No
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	<b>9b</b>	Yes	No

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 FIRST IMAGING OF THE CAROLINAS LLC	MOBILE IMAGING SERVICES	50.000 %		50.000 %
2 2 SURGERY CENTER OF PINEHURST LLC	AMBULATORY SURGERY CENTER	40.000 %		40.000 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Part V Facility Information****Section A. Hospital Facilities**

(list in order of size from largest to smallest—see instructions)

How many hospital facilities did the organization operate during the tax year?

5

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

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER—24 hours	ER—other	Other (describe)	Facility reporting group
See Additional Data Table										

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of hospital facility or letter of facility reporting group \_\_\_\_\_

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

Community Health Needs Assessment		Yes	No
<b>1</b>	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? . . . . .		No
<b>2</b>	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 . . . . .		No
<b>3</b>	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b>	<input checked="" type="checkbox"/> Demographics of the community		
<b>c</b>	<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		
<b>d</b>	<input checked="" type="checkbox"/> How data was obtained		
<b>e</b>	<input checked="" type="checkbox"/> The significant health needs of the community		
<b>f</b>	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b>	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b>	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b>	<input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
<b>j</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		
<b>4</b>	Indicate the tax year the hospital facility last conducted a CHNA <u>20 18</u>		
<b>5</b>	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 . . . . .	Yes	
<b>6 a</b>	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .		No
<b>b</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 . . . . .		No
<b>7</b>	Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>SEE DISCLOSURE</u>		
<b>b</b>	<input type="checkbox"/> Other website (list url) _____		
<b>c</b>	<input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
<b>d</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>8</b>	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 . . . . .	Yes	
<b>9</b>	Indicate the tax year the hospital facility last adopted an implementation strategy <u>20 18</u>		
<b>10</b>	Is the hospital facility's most recently adopted implementation strategy posted on a website? . . . . . If "Yes" (list url) <u>SEE DISCLOSURE</u>	Yes	
<b>a</b>			
<b>b</b>	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? . . . . .		
<b>11</b>	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		
<b>12a</b>	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)? . . . . .		No
<b>12b</b>	If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .		
<b>c</b>	If "Yes" on line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		



**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

FACILITY REPORTING GROUP - A

Name of hospital facility or letter of facility reporting group \_\_\_\_\_

		Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that		
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	Yes	
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200 000000000000</u> % and FPG family income limit for eligibility for discounted care of <u>360 000000000000</u> %		
<b>b</b>	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input checked="" type="checkbox"/> Insurance status		
<b>f</b>	<input type="checkbox"/> Underinsurance discount		
<b>g</b>	<input type="checkbox"/> Residency		
<b>h</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? . . . . .	Yes	
<b>15</b>	Explained the method for applying for financial assistance? . . . . . 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)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</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		
<b>c</b>	<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		
<b>d</b>	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url) <u>SEE DISCLOSURE</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) <u>SEE DISCLOSURE</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) <u>SEE DISCLOSURE</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<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)		
<b>f</b>	<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)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
<b>j</b>	<input type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)**Billing and Collections**

## FACILITY REPORTING GROUP - A

**Name of hospital facility or letter of facility reporting group** \_\_\_\_\_

		Yes	No	
<b>17</b>	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? . . . . .	17	Yes	
<b>18</b>	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
<b>a</b>	<input type="checkbox"/> Reporting to credit agency(ies)			
<b>b</b>	<input type="checkbox"/> Selling an individual's debt to another party			
<b>c</b>	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
<b>d</b>	<input type="checkbox"/> Actions that require a legal or judicial process			
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Section C)			
<b>f</b>	<input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
<b>19</b>	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? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged	19		No
<b>a</b>	<input type="checkbox"/> Reporting to credit agency(ies)			
<b>b</b>	<input type="checkbox"/> Selling an individual's debt to another party			
<b>c</b>	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
<b>d</b>	<input type="checkbox"/> Actions that require a legal or judicial process			
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Section C)			
<b>20</b>	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)			
<b>a</b>	<input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs			
<b>b</b>	<input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process			
<b>c</b>	<input checked="" type="checkbox"/> Processed incomplete and complete FAP applications			
<b>d</b>	<input checked="" type="checkbox"/> Made presumptive eligibility determinations			
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)			
<b>f</b>	<input type="checkbox"/> None of these efforts were made			

**Policy Relating to Emergency Medical Care**

<b>21</b>	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . . If "No," indicate why	21	Yes	
<b>a</b>	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
<b>b</b>	<input type="checkbox"/> The hospital facility's policy was not in writing			
<b>c</b>	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
<b>d</b>	<input type="checkbox"/> Other (describe in Section C)			

**Part V Facility Information** *(continued)*

**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

FACILITY REPORTING GROUP - A

Name of hospital facility or letter of facility reporting group \_\_\_\_\_

**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a  The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b  The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c  The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d  The hospital facility used a prospective Medicare or Medicaid method

**23** During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

If "Yes," explain in Section C

**24** During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .

If "Yes," explain in Section C

	Yes	No
<b>23</b>		No
<b>24</b>		No



**Part V** Facility Information *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? \_\_\_\_\_

Name and address	Type of Facility (describe)
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	

**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

**990 Schedule H, Supplemental Information**

Form and Line Reference	Explanation
PART I, LINE 7	THE ORGANIZATION USED WORKSHEET 2 OF THE 2018 SCHEDULE H INSTRUCTIONS TO COMPUTE A COST-TO-CHARGES RATIO USED TO CALCULATE CHARITY CARE AND UNREIMBURSED MEDICAID AT COST
PART I, LN 7 COL(F)	TOTAL EXPENSES REPORTED ON FORM 990, PART IX, LINE 25 CONTAINS A BAD DEBT EXPENSE OF \$120,152,230 THAT HAS BEEN REMOVED FOR PURPOSES OF COMPUTING PERCENTAGE OF TOTAL EXPENSE ON COLUMN (F)

**990 Schedule H, Supplemental Information**

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	FIRSTHEALTH OF THE CAROLINAS WORKS WITH THE COMMUNITIES WE SERVE TO CREATE OPPORTUNITIES TO IMPROVE THE PHYSICAL ENVIRONMENT FOR BETTER HEALTH FIRSTHEALTH PERSONNEL WORK IN COLLABORATION WITH VARIOUS COMMUNITY GROUPS AND CIVIC ORGANIZATIONS TO PROMOTE THE HEALTH AND WELLNESS OF OUR REGION AND THE LOCAL COMMUNITIES WE SERVE FIRSTHEALTH ACCOMPLISHES THESE GOALS BY OBTAINING PUBLIC AND PRIVATE GRANTS TO INCREASE ACCESS TO WALKING TRAILS AND SIDEWALKS, BUILDING COMMUNITY GARDENS, PROMOTING HEALTH AND WELLNESS THROUGH LOCAL BUSINESSES, SCHOOLS, AND THE CHAMBER OF COMMERCE, AND FACILITATING OF AND PARTICIPATING ON COMMUNITY-BASED COMMITTEES CONSISTING OF KEY LEADERS IN THE HEALTH FIELD TO HELP CREATE A HEALTHIER COMMUNITY AND REGION
PART III, LINE 4	THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT INCLUDE FOOTNOTE ON BAD DEBT EXPENSE WORKSHEET 2 OF THE 2018 SCHEDULE H INSTRUCTIONS WAS USED TO COMPUTE A COST-TO-CHARGES RATIO USED TO CALCULATE BAD DEBT EXPENSE AT COST FOR PURPOSES OF LINE PART III, LINE 2

**990 Schedule H, Supplemental Information**

Form and Line Reference	Explanation
PART III, LINE 8	THE MEDICARE COST REPORT WAS USED TO CALCULATE THE OVERALL SHORTFALL THE ORGANIZATION BELIEVES THE ENTIRE SHORTFALL SHOULD BE CONSIDERED COMMUNITY BENEFIT
PART VI, LINE 2	FIRSTHEALTH OF THE CAROLINAS CONDUCTS A PERIODIC COMMUNITY TELEPHONE SURVEY (EVERY 3 -4 YEARS) TO ASSESS THE HEALTH CONDITION OF THE POPULATION OF OUR PRIMARY SERVICE AREA (MOORE, MONTGOMERY, RICHMOND, AND HOKE COUNTIES) AS WELL AS SCOTLAND AND ROBESON COUNTIES, AND TRACKS THIS INFORMATION OVER TIME THE FIRST SURVEY WAS CONDUCTED IN 1999 AND THE MOST RECENT SURVEY WAS CONDUCTED IN 2019 THE SURVEY AND ANALYSIS OF DATA IS CONDUCTED BY PRC ASSOCIATES ADDITIONALLY, FIRSTHEALTH OF THE CAROLINAS CONVENES COMMUNITY VISION GROUPS THROUGHOUT OUR PRIMARY SERVICE AREA TO OBTAIN AN "ON THE GROUND PERSPECTIVE" OF THE POPULATION'S HEALTH STATUS AND DEVELOP ACTION PLAN TO ADDRESS IDENTIFIED HEALTH ISSUES THE GROUPS CONSIST OF KEY COMMUNITY HEALTH LEADERS IN EACH COUNTY



**990 Schedule H, Supplemental Information**

Form and Line Reference	Explanation
PART VI, LINE 3	ANYONE WHO VISITS A FIRSTHEALTH HOSPITAL FOR MEDICAL CARE IS TREATED REGARDLESS OF HIS/HER ABILITY TO PAY ALTHOUGH AN EFFORT IS MADE TO COLLECT A PORTION OF THE BILL ON ADMISSION OR AT DISCHARGE, THE FIRSTHEALTH STAFF IS TRAINED TO IDENTIFY THOSE WHO MAY NEED FINANCIAL ASSISTANCE FOR SOME, THIS COULD SIMPLY INVOLVE ESTABLISHING A PAYMENT PLAN THAT FITS WITH THE FAMILY BUDGET FOR OTHERS, THE HELP IS MORE COMPLEX WHEN PATIENTS ARE UNABLE TO HELP WITH MEDICAL EXPENSES, FINANCIAL COUNSELORS MEET WITH THEM ONE ON ONE TO IDENTIFY ANY PROGRAM FOR WHICH THEY MIGHT QUALIFY THESE INCLUDE MEDICAID, VOCATIONAL REHABILITATION AND NORTH CAROLINA PURCHASE OF CASE SERVICES WHEN NECESSARY, THE HOSPITAL ITSELF ABSORBS SOME OR ALL OF THE COST OF CASE FOR THOSE THAT MEET DESIGNATED CRITERIA THE AMOUNT OF ASSISTANCE DEPENDS ON FAMILY INCOME PATIENTS AT OR BELOW 200% OF THE FEDERAL POVERTY GUIDELINES QUALIFY FOR 100% FINANCIAL ASSISTANCE FOR THE FIRSTHEALTH FINANCIAL ASSISTANCE PROGRAM PATIENTS WHOSE INCOME EXCEEDS 200% MAY STILL QUALIFY FOR ASSISTANCE DEPENDING ON THEIR INDIVIDUAL FINANCIAL CIRCUMSTANCES INFORMATION ABOUT FEDERAL, STATE, AND LOCAL PROGRAMS, AS WELL AS FIRSTHEALTH'S FINANCIAL AID PROGRAM IS OFFERED TO ALL PATIENTS IN THE FIRSTHEALTH OF THE CAROLINAS PATIENT HANDBOOK AND CAN BE FOUND ON OUR CORPORATE WEBSITE, WWW.FIRSTHEALTH.ORG
PART VI, LINE 4	FIRSTHEALTH OF THE CAROLINAS OWNS AND OPERATES A HEALTH CARE DELIVERY SYSTEM THAT PROVIDES HEALTH CARE SERVICES TO PATIENTS THROUGHOUT A 15-COUNTY SERVICE AREA IN SOUTH-CENTRAL NORTH CAROLINA AND NORTHWEST SOUTH CAROLINA FIRSTHEALTH OF THE CAROLINAS OPERATES FIVE ACUTE CARE HOSPITALS IN THIS SERVICE AREA FIRSTHEALTH DRAWS APPROXIMATELY 64.1% OF ITS PATIENTS FROM MOORE, MONTGOMERY AND RICHMOND COUNTIES IN NORTH CAROLINA AND APPROXIMATELY 17.2% OF ITS PATIENTS FROM THE THREE SURROUNDING COUNTIES OF HOKE, LEE AND SCOTLAND THESE SIX COUNTIES COLLECTIVELY COMPRISE FIRSTHEALTH'S PRIMARY SERVICE AREA FIRSTHEALTH'S PRIMARY SERVICE AREA REFLECTS A POPULATION BASE OF APPROXIMATELY 329,576 THE POPULATION BASE OF FIRSTHEALTH'S TOTAL SERVICE AREA IS APPROXIMATELY 1,298,520

**990 Schedule H, Supplemental Information**

Form and Line Reference	Explanation
PART VI, LINE 5	FIRSTHEALTH OF THE CAROLINAS ALSO FURTHERS ITS EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUNITY BY EXTENDING MEDICAL STAFF PRIVILEGES TO QUALIFIED PHYSICIANS OF THE COMMUNITY IN ADDITION, A MAJORITY OF FIRSTHEALTH'S GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN FIRSTHEALTH'S PRIMARY SERVICE AREA WHO ARE INDEPENDENT MEMBERS OF THE COMMUNITY
PART VI, LINE 7, REPORTS FILED WITH STATES	NC



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

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

Form and Line Reference	Explanation
PART V, SECTION B	FACILITY REPORTING GROUP A
FACILITY REPORTING GROUP A CONSISTS OF	- FACILITY 1 FIRSTHEALTH MOORE REGIONAL HOSPITAL - PINEHURS, - FACILITY 2 FIRSTHEALTH MONTGOMERY MEMORIAL HOSPITAL, - FACILITY 3 FIRSTHEALTH MOORE REGIONAL HOSPITAL RICHMOND C, - FACILITY 4 FIRSTHEALTH MOORE REGIONAL HOSPITAL HOKE, - FACILITY 5 FIRSTHEALTH MOORE REGIONAL HOSPITAL - SANDHILL

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

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

Form and Line Reference	Explanation
GROUP A-FACILITY 1 -- FIRSTHEALTH MOORE REGIONAL HOSPITAL PART V, SECTION B, LINE 5	FIRSTHEALTH OF THE CAROLINAS HAS CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT SURVEYS THESE SURVEYS ARE CONDUCTED VIA RANDOM-DIGIT DIAL PHONE CALLS WITH QUESTIONS THAT MIRROR THE BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY AT THE STATE AND NATIONAL LEVELS FIRSTHEALTH CONTRACTS WITH PROFESSIONAL RESEARCH CONSULTANTS FOR THIS SURVEY IN ADDITION, TO THE COMMUNITY HEALTH DATA COLLECTION, FIRSTHEALTH REALIZED THE NEED TO FORMALLY MEASURE COMMUNITY HEALTH INDICATOR GOALS AS PART OF THE FIRST-IN-HEALTH 2020 VISION AS SUCH, THE SYSTEM IN PARTNERSHIP WITH WAKE FOREST UNIVERSITY DEVELOPED A PROCESS FOR TRACKING AND MONITORING THE FIRST-IN-HEALTH GOALS THROUGH THE DESIGNATION OF NINE HEALTH CATEGORIES AND 58 HEALTH INDICATORS
GROUP A-FACILITY 2 -- FIRSTHEALTH MONTGOMERY MEMORIAL HOSPITAL PART V, SECTION B, LINE 5	FIRSTHEALTH OF THE CAROLINAS HAS CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT SURVEYS THESE SURVEYS ARE CONDUCTED VIA RANDOM-DIGIT DIAL PHONE CALLS WITH QUESTIONS THAT MIRROR THE BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY AT THE STATE AND NATIONAL LEVELS FIRSTHEALTH CONTRACTS WITH PROFESSIONAL RESEARCH CONSULTANTS FOR THIS SURVEY IN ADDITION, TO THE COMMUNITY HEALTH DATA COLLECTION, FIRSTHEALTH REALIZED THE NEED TO FORMALLY MEASURE COMMUNITY HEALTH INDICATOR GOALS AS PART OF THE FIRST-IN-HEALTH 2020 VISION AS SUCH, THE SYSTEM IN PARTNERSHIP WITH WAKE FOREST UNIVERSITY DEVELOPED A PROCESS FOR TRACKING AND MONITORING THE FIRST-IN-HEALTH GOALS THROUGH THE DESIGNATION OF NINE HEALTH CATEGORIES AND 58 HEALTH INDICATORS

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

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

Form and Line Reference	Explanation
GROUP A-FACILITY 3 -- FIRSTHEALTH MOORE REGIONAL HOSPITAL RICH PART V, SECTION B, LINE 5	FIRSTHEALTH OF THE CAROLINAS HAS CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT SURVEYS THESE SURVEYS ARE CONDUCTED VIA RANDOM-DIGIT DIAL PHONE CALLS WITH QUESTIONS THAT MIRROR THE BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY AT THE STATE AND NATIONAL LEVELS FIRSTHEALTH CONTRACTS WITH PROFESSIONAL RESEARCH CONSULTANTS FOR THIS SURVEY IN ADDITION, TO THE COMMUNITY HEALTH DATA COLLECTION, FIRSTHEALTH REALIZED THE NEED TO FORMALLY MEASURE COMMUNITY HEALTH INDICATOR GOALS AS PART OF THE FIRST-IN-HEALTH 2020 VISION AS SUCH, THE SYSTEM IN PARTNERSHIP WITH WAKE FOREST UNIVERSITY DEVELOPED A PROCESS FOR TRACKING AND MONITORING THE FIRST-IN-HEALTH GOALS THROUGH THE DESIGNATION OF NINE HEALTH CATEGORIES AND 58 HEALTH INDICATORS
GROUP A-FACILITY 4 -- FIRSTHEALTH MOORE REGIONAL HOSPITAL HOKE PART V, SECTION B, LINE 5	FIRSTHEALTH OF THE CAROLINAS HAS CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT SURVEYS THESE SURVEYS ARE CONDUCTED VIA RANDOM-DIGIT DIAL PHONE CALLS WITH QUESTIONS THAT MIRROR THE BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY AT THE STATE AND NATIONAL LEVELS FIRSTHEALTH CONTRACTS WITH PROFESSIONAL RESEARCH CONSULTANTS FOR THIS SURVEY IN ADDITION, TO THE COMMUNITY HEALTH DATA COLLECTION, FIRSTHEALTH REALIZED THE NEED TO FORMALLY MEASURE COMMUNITY HEALTH INDICATOR GOALS AS PART OF THE FIRST-IN-HEALTH 2020 VISION AS SUCH, THE SYSTEM IN PARTNERSHIP WITH WAKE FOREST UNIVERSITY DEVELOPED A PROCESS FOR TRACKING AND MONITORING THE FIRST-IN-HEALTH GOALS THROUGH THE DESIGNATION OF NINE HEALTH CATEGORIES AND 58 HEALTH INDICATORS

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

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 7A	- <a href="https://www.firsthealth.org/media/4456/MMHCHNA2017FINAL.PDF">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/4456/MMHCHNA2017FINAL PDF-</a> <a href="https://www.firsthealth.org/media/4457/RMHCHNA2017FINAL.PDF">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/4457/RMHCHNA2017FINAL PDF-</a> <a href="https://www.firsthealth.org/media/4454/MRHCHNA2016FINAL.PDF">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/4454/MRHCHNA2016FINAL PDF</a>
PART V, SECTION B, LINE 10A	- <a href="https://www.firsthealth.org/media/4459/FIRSTHEALTH-MONTGOMERY-MEMORIAL-HOSPITAL-IMPLEMENTATION-PLAN-FINAL.PDF">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/4459/FIRSTHEALTH-MONTGOMERY-MEMORIAL- HOSPITAL-IMPLEMENTATION-PLAN-FINAL PDF-</a> <a href="https://www.firsthealth.org/media/4460/FIRSTHEALTH-RICHMOND-MEMORIAL-HOSPITAL-IMPLEMENTATION-PLAN-2016-FINAL.PDF">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/4460/FIRSTHEALTH-RICHMOND-MEMORIAL-H OSPITAL-IMPLEMENTATION-PLAN-2016-FINAL PDF-</a> <a href="https://www.firsthealth.org/media/4458/FIRSTHEALTH-MOORE-REGIONAL-HOSPITAL-IMPLEMENTATION-PLAN-FINAL.PDF">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/4458/FIRSTHEALTH-MOORE-REGIONAL-HOSPITAL-IMPLEMENTATION-PLAN-FINAL PDF</a>

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

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 16A	<a href="https://www.firsthealth.org/policies-and-terms/financial-assistance#5">HTTPS //WWW FIRSTHEALTH ORG/POLICIES-AND-TERMS/FINANCIAL-ASSISTANCE#5</a>
PART V, SECTION B, LINE 16B	<a href="https://www.firsthealth.org/media/2974/application-for-financial-assistance.pdf">HTTPS //WWW FIRSTHEALTH ORG/MEDIA/2974/APPLICATION-FOR-FINANCIAL-ASSISTANCE PDF</a>



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

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 16C	HTTPS //WWW FIRSTHEALTH ORG/POLICIES-AND-TERMS/FINANCIAL-ASSISTANCE
PART V, SECTION B, LINE 22	IF A PATIENT IS UNABLE TO PAY, FINANCIAL COUNSELORS ARE AVAILABLE TO HELP IDENTIFY PROGRAMS THEY MAY QUALIFY FOR, INCLUDING MEDICAID, VOCATIONAL REHABILITATION AND NORTH CAROLINA PURCHASE OF CARE SERVICES CRITERIA TO QUALIFY FOR FEDERAL OR STATE PROGRAMS ARE BASED ON SPECIFIC GUIDELINES FOR THE PROGRAM IN THE EVENT A PATIENT DOES NOT QUALIFY FOR ANY TYPE OF GOVERNMENT ASSISTANCE PROGRAM, THEY MAY QUALIFY FOR AID THROUGH FIRSTHEALTH'S FINANCIAL ASSISTANCE PROGRAM THE AMOUNT OF ASSISTANCE IS BASED ON A PERCENTAGE OF THE MOST RECENT FEDERAL POVERTY GUIDELINES PUBLISHED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AVAILABLE ON-LINE AT HTTPS //ASPE HHS GOV/POVERTY-GUIDELINES, AS WELL AS THE GUIDELINES ESTABLISHED BY FIRSTHEALTH OF THE CAROLINAS, INC THE FINANCIAL AID PERCENTAGE DISCOUNT CONSIDERS THE "AMOUNT GENERALLY BILLED" BY FIRSTHEALTH OF THE CAROLINAS, INC THE AMOUNT IS CALCULATED ON AN ANNUAL BASIS BY THE VICE PRESIDENT OF FINANCE AND SUPPORT SERVICES, AND IS UPDATED IN CONJUNCTION WITH CHANGES TO THE FEDERAL POVERTY GUIDELINES THE "AMOUNT GENERALLY BILLED" IS AN ESTIMATE BASED ON A HISTORICAL REVIEW OF FIRSTHEALTH'S OVERALL ESTIMATE OF NET REVENUE DIVIDED BY TOTAL CHARGES THIS AMOUNT WILL ALSO BE THE FINANCIAL AID PERCENTAGE USED IN THE THIRD TIER OF THE FEDERAL POVERTY GUIDELINES TO ENSURE ANY PATIENT THAT QUALIFIES FOR FINANCIAL ASSISTANCE UNDER FIRSTHEALTH'S FINANCIAL ASSISTANCE PROGRAM WILL ONLY BE RESPONSIBLE FOR THE AMOUNT GENERALLY BILLED TO THE ENTIRE PATIENT POPULATION

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I (Form 990)

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

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Go to www.irs.gov/Form990 for the latest information.

Name of the organization FIRSTHEALTH OF THE CAROLINAS INC

Employer identification number 56-1936354

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section (if applicable), (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of noncash assistance, (h) Purpose of grant or assistance. Rows 1-12.

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

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

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

Return Reference	Explanation
PART I, LINE 2	FIRSTHEALTH OF THE CAROLINAS, INC ("FIRSTHEALTH") SUPPORTS VARIOUS COMMUNITY-BASED TAX-EXEMPT ORGANIZATIONS AND LOCAL GOVERNMENTAL UNITS THROUGH CASH DONATIONS FIRSTHEALTH DOES NOT RESTRICT THE USE OF THESE DONATIONS AND SUPPORT PAYMENTS THE RECEIVING EXEMPT ORGANIZATIONS OR GOVERNMENTAL UNITS MAY USE THE DONATION/SUPPORT PAYMENT AT WILL TO FURTHER THEIR EXEMPT PURPOSES

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 56-1936354  
**Name:** FIRSTHEALTH OF THE CAROLINAS INC

**Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
MOORE COUNTY FREE CLINIC 211 TRIMBLE PLANT ROAD SOUTHERN PINES, NC 28387	01-0781234	501(C)(3)	100,000		FMV		GENERAL SUPPORT
COUNTY OF MOORE PO BOX 905 CARTHAGE, NC 28374	56-6000322	501(C)(3)	45,635		FMV		SUPPORT HEALTH & WELLNESS PROGRAMS

**Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
VILLAGE OF PINEHURST 395 MAGNOLIA ROAD PINEHURST, NC 28374	56-1211319	501(C)(3)	27,480		FMV		SUPPORT HEALTH & WELLNESS PROGRAMS
UNITED WAY OF MOORE COUNTY 780 NW BROAD ST STE 110 SOUTHERN PINES, NC 28387	23-7016427	501(C)(3)	10,000		FMV		GENERAL SUPPORT

**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.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No 1545-0047

# 2018

**Open to Public Inspection**

Name of the organization  
FIRSTHEALTH OF THE CAROLINAS INC

Employer identification number  
56-1936354

**Part I Questions Regarding Compensation**

		Yes	No		
<p><b>1a</b> 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.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel  <input type="checkbox"/> Travel for companions  <input type="checkbox"/> Tax indemnification and gross-up payments  <input type="checkbox"/> Discretionary spending account                 </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use  <input type="checkbox"/> Payments for business use of personal residence  <input type="checkbox"/> Health or social club dues or initiation fees  <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)                 </td> </tr> </table>	<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)				
<p><b>b</b> If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	<b>1b</b>				
<p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p>	<b>2</b>	Yes			
<p><b>3</b> 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.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Compensation committee  <input checked="" type="checkbox"/> Independent compensation consultant  <input type="checkbox"/> Form 990 of other organizations                 </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Written employment contract  <input checked="" type="checkbox"/> Compensation survey or study  <input checked="" type="checkbox"/> Approval by the board or compensation committee                 </td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee			
<input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee				
<p><b>4</b> 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:</p> <p><b>a</b> Receive a severance payment or change-of-control payment?</p> <p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	<b>4a</b>		No		
	<b>4b</b>	Yes			
	<b>4c</b>		No		
<p><b>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b></p>					
<p><b>5</b> 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:</p> <p><b>a</b> The organization?</p> <p><b>b</b> Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p>	<b>5a</b>	Yes			
	<b>5b</b>		No		
<p><b>6</b> 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:</p> <p><b>a</b> The organization?</p> <p><b>b</b> Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p>	<b>6a</b>		No		
	<b>6b</b>		No		
<p><b>7</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</p>	<b>7</b>		No		
<p><b>8</b> 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.</p>	<b>8</b>		No		
<p><b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	<b>9</b>				



**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
PART I, LINE 4B	THE ORGANIZATION'S CEO PARTICIPATED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP). THE AMOUNT OF DEFERRED COMPENSATION ACCRUED DURING THE FISCAL YEAR FOR THE PLAN WAS \$73,617.



<b>Return Reference</b>	<b>Explanation</b>
PART I, LINE 5	PHYSICIANS ARE PAID UNDER A PRODUCTIVITY-BASED COMPENSATION MODEL, WHICH TIES TOTAL COMPENSATION TO A RELATIVE VALUE UNIT (RVU) AN RVU IS A DOLLAR AMOUNT ASSIGNED TO EACH PATIENT ENCOUNTER OR MEDICAL TEST/PROCEDURE PERFORMED





Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

**Schedule K (Form 990)**

**Supplemental Information on Tax-Exempt Bonds**

OMB No 1545-0047

**2018**

**Open to Public Inspection**

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

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FIRSTHEALTH OF THE CAROLINAS INC

Employer identification number

56-1936354

**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
<b>A</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65821DDT5	12-09-2008	54,500,000	SERIES 2009C - REFUND VARIOUS ISSUES		X		X		X
<b>B</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402		10-11-2017	45,225,000	SERIES 2017C - REFUND 04/24/2012 ISSUE		X		X		X
<b>C</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65821DBZ3	12-09-2008	75,015,000	SERIES 2008A - REFUND ISSUE DATED 2/20/98		X		X		X
<b>D</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402		07-01-2014	18,160,000	SERIES 2014A - REFUND PORTION OF ISSUE DATES 12/9/09		X		X		X

**Part II Proceeds**

		<b>A</b>		<b>B</b>		<b>C</b>		<b>D</b>	
<b>1</b>	Amount of bonds retired . . . . .	36,125,000		120,000		10,895,000			
<b>2</b>	Amount of bonds legally defeased . . . . .	17,530,000		45,080,000		72,725,000			17,530,000
<b>3</b>	Total proceeds of issue . . . . .	54,747,355		45,225,000		75,015,002			18,160,000
<b>4</b>	Gross proceeds in reserve funds . . . . .								
<b>5</b>	Capitalized interest from proceeds . . . . .								
<b>6</b>	Proceeds in refunding escrows . . . . .								
<b>7</b>	Issuance costs from proceeds . . . . .	780,327		136,219		482,291			193,083
<b>8</b>	Credit enhancement from proceeds . . . . .								
<b>9</b>	Working capital expenditures from proceeds . . . . .								
<b>10</b>	Capital expenditures from proceeds . . . . .	3,089,578							
<b>11</b>	Other spent proceeds . . . . .	950,609							
<b>12</b>	Other unspent proceeds . . . . .								
<b>13</b>	Year of substantial completion . . . . .								
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a current refunding issue? . . . . .	X		X		X		X	
<b>15</b>	Were the bonds issued as part of an advance refunding issue? . . . . .		X		X		X		X
<b>16</b>	Has the final allocation of proceeds been made? . . . . .	X		X		X		X	
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	X		X		X		X	

**Part III Private Business Use**

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

**Part III Private Business Use** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .		X		X		X		X
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		X		X		X		X
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . . ▶	10 000 %				2 100 %		0 %	
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . . ▶	0 100 %							
<b>6</b> Total of lines 4 and 5 . . . . .	10 100 %				2 100 %		0 %	
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .	X		X		X		X	
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		X		X		X		X
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .								
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .	X		X		X		X	

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		X		X		X		X
<b>2</b> If "No" to line 1, did the following apply? . . . . .								
<b>a</b> Rebate not due yet? . . . . .		X		X		X		X
<b>b</b> Exception to rebate? . . . . .		X		X		X		X
<b>c</b> No rebate due? . . . . .	X			X	X			X
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .		X	X			X		X
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X	X			X
<b>b</b> Name of provider . . . . .					CITIGROUP FINANCIAL			
<b>c</b> Term of hedge . . . . .					1400 0000000000 %			
<b>d</b> Was the hedge superintegrated? . . . . .						X		
<b>e</b> Was the hedge terminated? . . . . .						X		

**Part IV Arbitrage** (Continued)

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

**Part V Procedures To Undertake Corrective Action**

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

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

Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	PART I, BOND B, COLUMN F REISSUANCE OF 29,400,000 OF BOND PROCEEDS ORIGINALLY ISSUED ON 2/27/2002, AND ISSUANCE OF 20,600,000 OF NEW MONEY FOR VARIOUS CAPITAL PROJECTS, PART II, LINE 14, COLUMN B THE REISSUANCE OF THE 2/27/2002 ISSUE WAS DEEMED A CURRENT REFUNDING FOR TAX PURPOSES PART II, LINE 1, COLUMN A 29,400,000 OF THE 2008A ORIGINAL PRINCIPAL AMOUNT WAS REFUNDED BY ISSUE DATED 1/6/2010 ONLY THE A PORTION OF THE ISSUE REMAINS OUTSTANDING AS OF FISCAL YEAR 2013

<b>Return Reference</b>	<b>Explanation</b>
SCHEDULE K, PART I, BOND ISSUES	SERIES 2009C BONDS - REBATE COMPUTATION COVERING PERIOD FROM 12/09/2009, THE DELIVERY DATE OF THE BONDS, TO 12/01/2014 NO REBATE WAS DUE SERIES 2008A BONDS - REBATE COMPUTATIONS COVERING PERIODS FROM 12/09/2008, THE DELIVERY DATE OF THE BONDS, TO 12/01/2013 AND 12/01/2018 NO REBATES WERE DUE

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

**Schedule K  
(Form 990)**

**Supplemental Information on Tax-Exempt Bonds**

▶ Complete if the organization answered "Yes" to Form 990, Part VI, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No 1545-0047

**2018**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FIRSTHEALTH OF THE CAROLINAS INC

Employer identification number

56-1936354

**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
<b>A</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402		08-03-2017	38,090,000	SERIES 2017A - REFUND PORTION OF ISSUE DATES 3/4/12		X		X		X
<b>B</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402		08-24-2017	29,630,000	SERIES 2017B - REFUND PORTION OF ISSUE DATES 1/6/10		X		X		X
<b>C</b>	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65821DVR9	09-13-2017	28,590,000	SERIES 2017D - REFUND PORTIO OF ISSUE DATE 10/3/12		X		X		X

**Part II Proceeds**

		A		B		C		D	
<b>1</b>	Amount of bonds retired . . . . .								
<b>2</b>	Amount of bonds legally defeased . . . . .		40,830,000		29,535,000		28,435,000		
<b>3</b>	Total proceeds of issue . . . . .		38,090,000		29,630,000		28,590,000		
<b>4</b>	Gross proceeds in reserve funds . . . . .								
<b>5</b>	Capitalized interest from proceeds . . . . .								
<b>6</b>	Proceeds in refunding escrows . . . . .								
<b>7</b>	Issuance costs from proceeds . . . . .		122,864		92,803		142,879		
<b>8</b>	Credit enhancement from proceeds . . . . .								
<b>9</b>	Working capital expenditures from proceeds . . . . .								
<b>10</b>	Capital expenditures from proceeds . . . . .								
<b>11</b>	Other spent proceeds . . . . .								
<b>12</b>	Other unspent proceeds . . . . .								
<b>13</b>	Year of substantial completion . . . . .								
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a current refunding issue? . . . . .	X		X		X			
<b>15</b>	Were the bonds issued as part of an advance refunding issue? . . . . .		X		X		X		
<b>16</b>	Has the final allocation of proceeds been made? . . . . .	X		X		X			
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	X		X		X			

**Part III Private Business Use**

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



**Part III Private Business Use** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .		X		X		X		
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		X		X		X		
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . . ▶	0 %		2 100 %		0 %			
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . . ▶					0 %			
<b>6</b> Total of lines 4 and 5 . . . . .	0 %		2 100 %		0 %			
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .	X		X		X			
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		X		X		X		
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .								
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .	X		X		X			

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		X		X		X		
<b>2</b> If "No" to line 1, did the following apply? . . . . .								
<b>a</b> Rebate not due yet? . . . . .		X		X		X		
<b>b</b> Exception to rebate? . . . . .		X		X		X		
<b>c</b> No rebate due? . . . . .		X		X		X		
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .	X		X		X			
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
<b>b</b> Name of provider . . . . .								
<b>c</b> Term of hedge . . . . .								
<b>d</b> Was the hedge superintegrated? . . . . .								
<b>e</b> Was the hedge terminated? . . . . .								

**Part IV Arbitrage** (Continued)

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

**Part V Procedures To Undertake Corrective Action**

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

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

**SCHEDULE O**  
(Form 990 or 990-EZ)**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

**2018****Open to Public  
Inspection**

Department of the Treasury

Name of the organization

FIRSTHEALTH OF THE CAROLINAS INC

Employer identification number

56-1936354

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PAGE 2, PART III	<p>FIRSTHEALTH OF THE CAROLINAS, INC ("FIRSTHEALTH") PROVIDES A COMPREHENSIVE COMMUNITY BENE FITS PROGRAM IN ITS PRIMARY AND SECONDARY SERVICE AREAS FIRSTHEALTH PLAYS A PIVOTAL ROLE IN DELIVERING HEALTH CARE IN THE MID-CAROLINAS AND IS BOTH THE INFRASTRUCTURE AND SAFETY NET FOR HEALTH CARE IN ITS COMMUNITIES FIRSTHEALTH OPERATES TWO HOSPITALS FIRSTHEALTH MOORE REGIONAL HOSPITAL AND FIRSTHEALTH MONTGOMERY MEMORIAL HOSPITAL FIRSTHEALTH MOORE REGIONAL HOSPITAL HAS LICENSED BEDS IN FOUR LOCATIONS THE MAIN CAMPUS IN PINEHURST, NORTH CAROLINA AND REMOTE LOCATIONS IN ROCKINGHAM, RAEFORD AND HAMLET, NORTH CAROLINA HAMLET IS A LICENSED ACUTE CARE FACILITY BUT CEASED OPERATIONS ON DECEMBER 1, 2017 HOSPITAL CARE IS THE CORNERSTONE OF HEALTH CARE IN MOST COMMUNITIES, BUT FIRSTHEALTH GOES BEYOND THE WALLS OF THESE FACILITIES TO ENHANCE THE HEALTH AND WELLNESS OF THE RESIDENTS OF ITS SERVICE AREAS FIRSTHEALTH PROVIDES LOW-COST AND, IN MANY CASES, FREE PROGRAMS TO OUR MOST VULNERABLE PATIENT POPULATIONS ONE OF FIRSTHEALTH'S MOST IMPORTANT FINANCIAL CONTRIBUTIONS IS BRIDGING THE GAP CREATED BY UNDERPAYMENTS FROM MEDICARE AND MEDICAID AND OTHER GOVERNMENT PROGRAMS, WHILE CONTINUING TO PROVIDE ACCESS TO FREE OR LOW-COST HEALTH SCREENINGS AND DIAGNOSTIC SERVICES, AS WELL AS HEALTH/WELLNESS EDUCATIONAL PROGRAMS IN THE COMMUNITIES FIRSTHEALTH SERVES FREE AND DISCOUNTED CHARITY CARE TO ELIGIBLE PATIENTS SERVED ANYONE WHO VISITS A FIRSTHEALTH HOSPITAL FOR MEDICAL CARE IS TREATED REGARDLESS OF HIS OR HER ABILITY TO PAY FOR THE TREATMENT PROVIDED WHEN PATIENTS ARE UNABLE TO HELP WITH THEIR MEDICAL EXPENSES, FIRSTHEALTH ABSORBS SOME OR ALL THE COST OF CARE FOR THOSE THAT MEET DESIGNATED FINANCIAL CRITERIA, DEPENDING ON FAMILY INCOME PATIENTS WITH FAMILY INCOMES AT OR BELOW 200 PERCENT OF THE FEDERAL POVERTY GUIDELINE QUALIFY FOR 100 PERCENT FINANCIAL ASSISTANCE UNDER FIRSTHEALTH'S FINANCIAL ASSISTANCE PROGRAM FIRSTHEALTH'S NET COSTS OF FREE CARE (TREATING PATIENTS THAT QUALIFIED FOR 100% FINANCIAL ASSISTANCE) WERE \$8,349,582 IN FISCAL 2019 THROUGH ITS FINANCIAL ASSISTANCE PROGRAM, FIRSTHEALTH ALSO OFFERS VARYING LEVELS OF DISCOUNTED CARE TO PATIENTS WHO ARE POOR AND/OR MEET CERTAIN INCOME GUIDELINES PATIENTS WITH FAMILY INCOMES BETWEEN 201 AND 360 PERCENT OF THE FEDERAL POVERTY GUIDELINE QUALIFY FOR DISCOUNTS AGAINST FIRSTHEALTH'S LIST PRICE FOR SERVICES RENDERED FIRSTHEALTH ALSO INCURS BAD DEBT EXPENSE EACH YEAR FOR PATIENTS WHO HAVE BEEN DETERMINED TO HAVE THE FINANCIAL CAPACITY TO PAY FOR HEALTHCARE SERVICES PROVIDED BUT ARE UNWILLING/FINANCIALY UNABLE TO SETTLE THE CLAIM FIRSTHEALTH CONTINUES TO PROVIDE ALL NECESSARY HEALTHCARE SERVICES TO THIS PATIENT POPULATION IN FISCAL 2019, THE COST TO FIRSTHEALTH FOR THESE SERVICES WAS \$23,978,493 FIRSTHEALTH'S FINANCIAL COUNSELORS WORK CLOSELY WITH PATIENTS AND FAMILIES TO HELP DETERMINE ELIGIBILITY FOR ASSISTANCE OR QUALIFICATION FOR PUBLIC PROGRAMS FIRSTHEALTH REQUESTS THAT PATIENTS PROVIDE APPROPRIATE DOCUMENTATION</p>

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PAGE 2, PART III	<p>ENTATION, SUCH AS TAX RETURNS, CURRENT PAY STUBS, OR OTHER RELEVANT INFORMATION, THAT IS USED TO DEMONSTRATE FINANCIAL NEED FIRSTHEALTH ALSO OFFERS INTEREST-FREE EXTENDED PAYMENT PLANS THAT WILL VARY IN LENGTH, DEPENDING ON THE BALANCE OF THE PATIENT'S ACCOUNT FIRSTHEALTH ASSISTS PATIENTS WITH FINDING AVAILABLE GOVERNMENTAL PROGRAMS THAT MATCH PATIENTS' NEEDS, SUCH AS MEDICAID, VOCATIONAL REHABILITATION, CRIME VICTIM ASSISTANCE, ETC FIRSTHEALTH ALSO POSTS DETAILED INFORMATION ABOUT ITS FINANCIAL ASSISTANCE PROGRAM ON ITS WEBSITE (WWW.FIRSTHEALTH.ORG) SO THE PUBLIC CAN BE AWARE OF ITS AVAILABILITY MEDICAID SHORTFALL FIRSTHEALTH PROVIDES MEDICAID SERVICES IN ITS TWO HOSPITALS, AS WELL AS THROUGH ITS HOME CARE, HOSPICE AND PALLIATIVE CARE, DENTAL CARE, AND OTHER HEALTH CARE SERVICES IN ITS PRIMARY AND SECONDARY SERVICE AREAS APPROXIMATELY 11.9% OF FIRSTHEALTH'S FISCAL 2019 NET PATIENT REVENUE FOR ACUTE CARE SERVICES CAME FROM THE MEDICAID PROGRAM THE MEDICAID PROGRAM, WHICH PROVIDES HEALTH CARE COVERAGE FOR LOW-INCOME FAMILIES AND INDIVIDUALS, IS FUNDED BY THE STATE AND FEDERAL GOVERNMENTS IN NORTH CAROLINA, AS IN MANY STATES, MEDICAID PAYMENTS ARE WELL BELOW THE PROVIDER'S ACTUAL COST OF TREATING MEDICAID PATIENTS AND THE REIMBURSEMENT LEVEL IS PREDICTED TO DECLINE AS FINANCIAL PRESSURES ON THE FEDERAL AND STATE GOVERNMENT OPERATING BUDGETS MOUNT IN FISCAL 2019, FIRSTHEALTH'S UNPAID COSTS FROM MEDICAID TOTALED \$25,978,480 MEDICARE SHORTFALL FIRSTHEALTH PROVIDES SERVICES TO MEDICARE BENEFICIARIES IN ITS TWO HOSPITALS IN ADDITION, MEDICARE BENEFICIARIES ARE SERVED BY FIRSTHEALTH'S HOME CARE, HOSPICE AND PALLIATIVE CARE AND OTHER HEALTH CARE PROGRAMS AND SERVICES THE MEDICARE SHORTFALL REPRESENTS THE DIFFERENCE BETWEEN THE ACTUAL COST OF CARE RENDERED AND THE REIMBURSEMENT RECEIVED FOR DELIVERING THAT CARE TO PATIENTS APPROXIMATELY 57.4% OF FIRSTHEALTH'S FISCAL 2019 NET PATIENT REVENUE FOR ACUTE CARE SERVICES CAME FROM THE MEDICARE PROGRAM THE COST OF DELIVERING CARE INCLUDES, BUT IS NOT LIMITED TO, PERSONNEL COSTS, TECHNOLOGY, SUPPLIES, PHARMACEUTICALS, MEDICAL DEVICES, FACILITY OPERATING COSTS, ETC FIRSTHEALTH'S FINANCIAL SHORTFALL FROM PROVIDING THESE MEDICARE SERVICES IN FISCAL 2019 WAS \$8,068,993 SUBSIDIZED MEDICALLY ESSENTIAL SERVICES AS A RURAL HEALTH CARE PROVIDER, FIRSTHEALTH IS MANY TIMES THE PROVIDER OF LAST RESORT FOR OUR PATIENTS IN ORDER TO OFFER A FULL SPECTRUM OF HEALTH CARE SERVICES, FIRSTHEALTH PROVIDES SERVICES AND PROGRAMS THAT YIELD NEGATIVE OPERATING MARGINS HOWEVER, BECAUSE THESE SERVICES ARE ESSENTIAL TO THE OVERALL HEALTH OF THE COMMUNITIES SERVED, FIRSTHEALTH CONTINUES TO PROVIDE THEM SUBSIDIZED MEDICALLY NECESSARY HOSPITAL SERVICES PROVIDED BY FIRSTHEALTH INCLUDE, BUT ARE NOT LIMITED TO, INPATIENT PSYCHIATRY UNIT AND OUTPATIENT MENTAL HEALTH SERVICES, INPATIENT PHYSICAL REHABILITATION UNIT, NEONATAL INTENSIVE CARE UNIT, EMERGENCY DEPARTMENTS (APPROXIMATELY 145,328 PATIENT ENCOUNTERS IN FISCAL 2019), WOMEN'</p>

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PAGE 2, PART III	S AND CHILDREN'S SERVICES, INPATIENT MEDICAL AND RADIATION ONCOLOGY SERVICES, RENAL DIALYSIS SERVICES, DIABETES CARE, AND A NUMBER OF OTHER OUTPATIENT SERVICES IN ADDITION, FIRSTHEALTH OF THE CAROLINAS, INC , THROUGH ITS REGIONAL EMERGENCY MEDICAL SERVICES BUSINESS LINE, PROVIDED 15,449 EMERGENCY TRANSPORTS TO RESIDENTS OF THREE NORTH CAROLINA COUNTIES IN FISCAL 2019 FIRSTHEALTH RECEIVED \$5,305,309 IN FISCAL 2019 OPERATING SUBSIDIES FROM THESE COUNTIES TO OFFSET THE UNREIMBURSED OPERATING COSTS OF PROVIDING THESE ESSENTIAL TRANSPORT SERVICES

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
<p>FORM 990, PART III, LINE 4B</p>	<p>HEALTHY LIVING PROGRAMS TOBACCO CESSATION, DIABETES PREVENTION, PHYSICAL ACTIVITY, AND NUTRITION FIRSTHEALTH'S DESIRE TO AFFECT POPULATION HEALTH THROUGH HEALTH PROMOTION/DISEASE PREVENTION PROGRAMS LED TO THE DEVELOPMENT OF A COHESIVE INITIATIVE TO PROMOTE HEALTHIER LIFESTYLES IN OUR REGION THE INITIATIVE FOCUSES ON PROVIDING TOBACCO CESSATION SERVICES USING THE HIGHLY SUCCESSFUL FIRSTQUIT PROGRAM AND EVIDENCE BASED HEALTHY LIVING PROGRAMS FOCUSED ON DIABETES PREVENTION, PHYSICAL ACTIVITY AND NUTRITION ("PREVENT T2", "HEALTHIER YOU AND "CHRONIC DISEASE SELF-MANAGEMENT PROGRAM") INTO OUR LOCAL COMMUNITIES THESE PROGRAMS ARE OFFERED IN A COMMUNITY SETTING ADDITIONALLY, THE HEALTH EDUCATION SPECIALISTS ARE PIONEERING TELEHEALTH COACHING IN PRIMARY PRACTICE CLINICS TO PROVIDE ONE-ON-ONE HEALTH AND BEHAVIORAL HEALTH COACHING TO PATIENTS STRUGGLING TO MANAGE THEIR CHRONIC DISEASE FIRSTQUIT, AN OUTPATIENT AND INPATIENT PROGRAM, INCLUDES A COMBINATION OF COUNSELING AND NICOTINE REPLACEMENT THERAPIES TO ASSIST RESIDENTS IN THE SERVICE AREA TO QUIT TOBACCO USE FOR FISCAL 2019, 239 PEOPLE ENROLLED IN THE OUTPATIENT PROGRAM THE PRIMARY EMPHASIS OF THE PROGRAM WAS TO TARGET THE REGION'S LOW-INCOME POPULATION AND NEARLY 92% OF PARTICIPANTS IN THE FIRSTQUIT PROGRAM LIVED AT OR BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL THE CONSERVATIVE QUIT RATE FOR THE LOW-INCOME POPULATION GROUP WAS 18% AS PART OF THE INPATIENT PROGRAM, 241 INPATIENT CONSULTATIONS WERE CONDUCTED TO START THE CONVERSATION WITH PATIENTS AND START THEM ON THE ROAD TO QUITTING TOBACCO FOR THE HEALTHY LIVING PROGRAMS, THESE INITIATIVES EMPHASIZE TARGETING LOW-INCOME AND UNDERSERVED POPULATIONS IN THE PRIMARY HOSPITAL SERVICE AREA FOR FISCAL 2019, 93 INDIVIDUALS ENROLLED IN PREVENT T2 26% OF PRE-DIABETIC PARTICIPANTS LOST 5% -7% OF THEIR TOTAL BODY WEIGHT, WHICH SIGNIFICANTLY REDUCES THEIR RISK OF DEVELOPING DIABETES PARTICIPANTS REPORTED AN OVERALL SATISFACTION RATING OF 100% WITH THE PROGRAM IN TOTAL, \$87,172 OF FINANCIAL SUBSIDIES WAS PROVIDED BY FIRSTHEALTH TO IMPLEMENT THESE PROGRAMS IN FISCAL 2019 SCHOOL-BASED HEALTH CENTERS FIRSTHEALTH OFFERED ON-SITE MEDICAL CARE AT TWO CLINIC SITES WITHIN THE MONTGOMERY COUNTY SCHOOLS HUNDREDS OF SCHOOL CHILDREN IN MONTGOMERY COUNTY HAD ACCESS TO ACUTE AND PREVENTIVE MEDICAL CARE ON THE SCHOOL CAMPUS JUST STEPS AWAY FROM THE CLASSROOM DOORS THE SCHOOL-BASED HEALTH CENTERS PROVIDED ON-SITE MEDICAL CARE THAT WAS EASILY ACCESSIBLE, VALUABLE, AND OPEN TO ANY CHILD IN THE MONTGOMERY COUNTY SCHOOL SYSTEM THE CENTERS PROVIDED PHYSICAL, MENTAL, NUTRITIONAL, AND HEALTH AND WELLNESS INTERVENTIONS THAT ARE AVAILABLE TO ALL CHILDREN, EVEN IN THE MOST RURAL SECTIONS OF THE COUNTY A MEDICAL OFFICE ASSISTANT, ON-SITE REGISTERED NURSE AND A FAMILY NURSE PRACTITIONER PROVIDED CARE IN THESE SCHOOL HEALTH CENTERS, AS WELL AS TRANSPORTED STUDENTS FROM THE ELEMENTARY AND HIGH SCHOOLS TO ACCESS CARE MEDICAL PROFESSIONALS STAFFING THESE CENTERS PROVIDED ACU</p>

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4B	<p>TE AND PREVENTIVE HEALTH CARE SERVICES, AS WELL AS MENTAL HEALTH AND NUTRITIONAL COUNSELING BY PROVIDING EASY AND EQUITABLE ACCESS TO CARE FOR CHILDREN ENABLES THE STAFF TO MEET FIRSTHEALTH'S CORE PURPOSE TO CARE FOR PEOPLE AS A HOSPITAL WITHOUT WALLS. IN ADDITION, THE CLINICS IDENTIFIED HIGH RISK INDICATORS SUCH AS SERIOUS MENTAL HEALTH ISSUES, CHILDHOOD OBESITY, AND OTHER AT-RISK BEHAVIORS TO HELP CHILDREN AND ADOLESCENTS WORK TOWARD THEIR OPTIMUM STATE OF HEALTH AND WELLNESS. FIRSTHEALTH MEDICATION ASSISTANCE PROGRAM FIRSTHEALTH CARES ASSISTED LOW-INCOME INDIVIDUALS IN MOORE AND MONTGOMERY COUNTIES IN SECURING FREE OR LOW-COST PRESCRIPTION MEDICATIONS THROUGH PHARMACEUTICAL COMPANIES' INDIGENT CARE PROGRAMS. FINANCIALLY NEEDY ADULTS WERE ELIGIBLE FOR ASSISTANCE BASED ON MEDICATION NEEDS, LACK OF ELIGIBILITY FOR PRESCRIPTION DRUG COVERAGE, AND INDIVIDUAL PHARMACEUTICAL COMPANY PROGRAM GUIDELINES (TYPICALLY LESS THAN 150% TO 200% OF FEDERAL POVERTY LEVEL). IN FISCAL 2019, 1,658 UNIQUE INDIVIDUALS WERE ASSISTED WITH OBTAINING PRESCRIPTION MEDICATIONS. 95% OF MEDICATION REQUESTS WERE FILLED, RESULTING IN AN AVERAGE WHOLESALE VALUE OF OVER \$13 MILLION IN MEDICATIONS DISPENSED IN FISCAL 2019. DENTAL CARE CENTERS FIRSTHEALTH OPERATES THREE DENTAL CARE CENTERS: ONE SITE IN SOUTHERN PINES (MOORE COUNTY) AND TWO SITES AT EAST MIDDLE SCHOOL AND WEST MIDDLE SCHOOL IN MONTGOMERY COUNTY. EACH DENTAL CARE CENTER PROVIDES COMPREHENSIVE DENTAL CARE SERVICES TO MEDICAID AND HEALTHCHOICE-ELIGIBLE CHILDREN AND YOUNG ADULTS UP TO AGE 21. SINCE FEW DENTISTS IN THESE COUNTIES PARTICIPATE IN MEDICAID'S DENTAL PROGRAM, THE FIRSTHEALTH DENTAL CARE CENTERS PROVIDES A TREMENDOUS UNMET NEED IN THE REGION. WHEN THE DENTAL CARE CENTERS OPENED IN 1997, NEARLY HALF OF THE CHILDREN OF LOW-INCOME FAMILIES IN FIRSTHEALTH'S SERVICE AREA WERE GETTING LITTLE TO NO DENTAL CARE SERVICES. IN FISCAL 2019, FIRSTHEALTH'S DENTAL CARE CENTERS PROVIDED 7,996 DENTAL CARE VISITS TO 3,301 CHILDREN AND YOUNG ADULTS RESIDING IN THE COUNTIES SERVED. FIRSTHEALTH PROVIDED \$250,095 IN FINANCIAL SUBSIDIES TO OFFSET THE UNFUNDED OPERATING COSTS OF THE DENTAL CARE CENTERS. IN FISCAL 2019, DIABETES &amp; NUTRITION EDUCATION CENTER THIS GROUP OF CLINICAL PROFESSIONALS PROVIDED SERVICES FOR BOTH DIABETES EDUCATION AND OUTPATIENT NUTRITION, SERVING ALL AGES. BOTH PROGRAMS HELPED EDUCATE PATIENTS ON HOW TO BETTER MANAGE THEIR DIABETES DIAGNOSIS AND/OR MAKE DIETARY AND LIFESTYLE CHANGES TO REDUCE HEALTH RISK. SERVICES WERE PROVIDED IN MOORE, RICHMOND, MONTGOMERY AND HOKE COUNTIES. SIXTY-FOUR PERCENT OF PATIENTS WITH A DOCUMENTED HBA1C THAT COMPLETED A DIABETES SELF-MANAGEMENT CLASS OR ONE-ON-ONE APPOINTMENT DEMONSTRATED REDUCTION OF TWO PERCENT ON A DOCUMENTED POST-EDUCATION HBA1C LEVEL. ADDITIONALLY, SERVICES WERE OFFERED VIA TELEHEALTH TO IMPROVE ACCESS TO EDUCATION. IN RECOGNITION OF THE INNOVATIVE APPROACH FOR REACHING AND TREATING DIABETICS, FIRSTHEALTH WAS RECOGNIZED IN RECENT YEARS WITH TWO NATIONAL AWARDS.</p>



**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART III, LINE 4B	<p>ARDS, THE JACKSON HEALTH CARE AWARD AND THE AMERICAN HOSPITAL ASSOCIATION NOVA AWARD TASK FORCE SUPPORT AND POLICY WORK FIRSTHEALTH COMMUNITY HEALTH SERVICES SUPPORTED COUNTY-BASED, DISEASE-SPECIFIC AND GRASSROOTS TASK FORCES TO COLLABORATE ON NEEDS IDENTIFICATION, RESOURCE ACQUISITION AND PROGRAM IMPLEMENTATION GROUPS SUPPORTED INCLUDE MOOREHEALTH, SAFE KIDS MID-CAROLINAS REGION, DRUG FREE MOORE COUNTY, MOORE COUNTY DRUG PREVENTION TASK FORCE, HEALTH CHOICE COALITIONS AND DOMESTIC VIOLENCE TASK FORCE THROUGH WORK ON TASK FORCES AND THOSE REFERENCED BELOW UNDER "CORPORATE INITIATIVES," RELATIONSHIPS AND PARTNERSHIPS WERE BUILT TO PROMOTE HEALTHY LIFESTYLE POLICY AT THE LOCAL AND STATE LEVEL CORPORATE INITIATIVES FIRSTFIT IS THE FIRSTHEALTH CORPORATE WORKSITE WELLNESS PROGRAM COORDINATED BY FHCS THIS IS A BOARD DIRECTED PROGRAM THAT IS MULTIFACETED AND MULTI-DISCIPLINARY THE TARGETED AREA OF WELLNESS THROUGH HEALTHY EATING AND PHYSICAL ACTIVITY WAS PROMOTED THROUGH EDUCATION, POLICY CHANGES AND OPPORTUNITIES PROVIDED BY THE FIRSTFIT COMMITTEE 2020 VISION "FIRST IN HEALTH" COMMUNITY GROUPS WERE ESTABLISHED IN MOORE, MONTGOMERY, RICHMOND AND HOKE COUNTIES WITH THE ONGOING AGENDA OF IMPROVING THE HEALTH OF THE COMMUNITY FHCS CREATED THIS CONCEPT IN EACH COUNTY THROUGH THE DEVELOPMENT AND FACILITATION OF THESE COMMUNITY GROUPS COMPRISED OF PROFESSIONAL AND LAY LEADERS EFFORTS WERE TARGETED AT HEALTH ISSUES SPECIFIC TO EACH COUNTY AS SUPPORTED BY A DATABASE OF HEALTH INDICATORS THAT WAS/IS UPDATED LOCALLY BY FHCS EVERY THREE YEARS</p>

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
<p>FORM 990, PART III, LINE 4C</p>	<p>SUPPORT IN THE COMMUNITY CASH AND IN-KIND CONTRIBUTIONS DURING FISCAL 2019, FIRSTHEALTH SUPPORTED HEALTH EDUCATION EVENTS, DISTRIBUTED EQUIPMENT AND PROMOTED COMMUNITY-BASED HEALTH INITIATIVES FIRSTHEALTH ALSO PROVIDED SPACE AND MEALS FOR OVER 30 COMMUNITY MEETINGS AND EVENTS THOUGH THESE INITIATIVES, FIRSTHEALTH SERVED AN ESTIMATED 17,500 PEOPLE AT A COST OF \$405,915 WORKFORCE DEVELOPMENT AND COMMUNITY BUILDING ACTIVITIES FIRSTHEALTH PROVIDED 125 HOURS OF ASSISTANCE TO THE COMMUNITY IN THE AREAS OF LEADERSHIP DEVELOPMENT, PLANNING , RESOURCE IDENTIFICATION, AND BOARD LEADERSHIP FIRSTHEALTH PARTICIPATED IN AND PROVIDED ADMINISTRATIVE SUPPORT TO COUNTY-BASED MULTI-AGENCY GROUPS INCLUDING MOOREHEALTH, MONTGOMERY COMMUNITY RESOURCE TEAM, RICHMOND HEALTHY CAROLINIANS, AND HEALTHY HOKE ALSO, FIRSTHEALTH COORDINATES THE REGIONAL COALITION, SAFE KIDS MID-CAROLINAS, IN HOKE, MONTGOMERY, MOORE, RICHMOND AND SCOTLAND COUNTIES AS PART OF THE STATEWIDE INITIATIVE TO REDUCE CHILDHOOD INJURIES THESE GROUPS HOSTED EVENTS SUCH AS BIKE RODEOS AND CAR SEAT SAFETY CHECKS ADDITIONALLY, FIRSTHEALTH PROVIDED FINANCIAL RESOURCES TO RECRUIT PROVIDERS TO RURAL, LOW-INCOME COUNTIES IN THE REGION THROUGH THESE INITIATIVES, FIRSTHEALTH SERVED AN ESTIMATED 11,120 PEOPLE FOR A BENEFIT OF \$129,934 IN FISCAL 2019 FAMILY ASSISTANCE FIRSTHEALTH'S PASTORAL CARE SERVICES PROVIDED 646 FREE MEALS TO FAMILY MEMBERS STAYING WITH LOVED ONES IN THE HOSPITAL WHO COULD NOT AFFORD MEALS THE COST TO FIRSTHEALTH FOR FREE MEALS PROVIDED IN FISCAL 2019 TOTALED \$4,002 THE CLARA MCLEAN HOSPITALITY HOUSE ("CLARA'S HOUSE"), ON THE FIRSTHEALTH MOORE REGIONAL HOSPITAL CAMPUS IN PINEHURST, OFFERS TWELVE (12) OVERNIGHT GUEST ROOMS AND TWO DAY-VISIT ROOMS, AS WELL AS OTHER SUPPORT SERVICES, TO OUT-OF-TOWN PATIENTS, THEIR FAMILIES (PRIORITY GIVEN TO PATIENTS AND FAMILIES WHO LIVE AT LEAST 30 MILES FROM PINEHURST) AND OUT-OF-TOWN VISITING GUESTS WHILE THEY ARE RECEIVING TREATMENT AT FIRSTHEALTH MOORE REGIONAL HOSPITAL, THE SURGERY CENTER OF PINEHURST OR THE FIRSTHEALTH HOSPICE HOUSE INPATIENT FACILITY GUEST FEES FOR A SINGLE OR DOUBLE ROOM IN CLARA'S HOUSE ARE \$35 PER NIGHT, A SUITE IS \$70 PER NIGHT AND A DAY ROOM IS \$20 DURING FISCAL 2019, CLARA'S HOUSE PROVIDED A TOTAL OF 2,749 ROOM NIGHTS, A 62% OCCUPANCY RATE THE GUESTS CAME TO PINEHURST FROM THROUGHOUT NORTH CAROLINA, 36 OTHER STATES AND FROM GREAT BRITAIN, PHILIPPINES, MEXICO, AND IRAQ CLARA'S HOUSE ALSO EXPERIENCED A SIGNIFICANT INCREASE IN CANCER PATIENT ROOM NIGHTS IN FISCAL 2019, WITH 37 CANCER PATIENTS IN RESIDENCE DURING TREATMENT VERSUS 13 PATIENTS IN FISCAL 2018 MOORE FREE AND CHARITABLE CLINIC THE MOORE FREE AND CHARITABLE CLINIC ( MFCC) IS A PRIVATE, VOLUNTEER-BASED, NON-PROFIT ORGANIZATION THAT PROVIDES PRIMARY HEALTH CARE SERVICES AT NO COST TO THE LIMITED-INCOME RESIDENTS OF MOORE COUNTY THAT LACK HEALTH CARE INSURANCE COVERAGE FIRSTHEALTH PROVIDED DIRECT FINANCIAL SUPPORT TOTALING \$100,000 IN FISCAL 2019 TO MFCC IN FURTH</p>

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4C	<p>ERANCE OF ITS MISSION PATIENTS OF MFCC THAT REQUIRED INPATIENT/OUTPATIENT ACUTE CARE SERVICES WERE REFERRED TO FIRSTHEALTH MOORE REGIONAL HOSPITAL FOR CARE, GENERATING A TOTAL OF 4,882 PATIENT ENCOUNTERS IN FISCAL 2019 THE \$2,018,068 COST OF PROVIDING THESE SERVICES IN FISCAL 2019 WAS ABSORBED BY FIRSTHEALTH FIRSTHEALTH ALSO PROVIDED PHYSICIANS, NURSES AND PHYSICAL THERAPISTS TO MFCC, AND FIRSTHEALTH ABSORBED ANY ADDED COSTS ASSOCIATED WITH PROVIDING THIS COVERAGE MEDICAL STAFF DEVELOPMENT / PHYSICIAN RECRUITMENT ASSISTANCE FIRSTHEALTH PROVIDES FINANCIAL ASSISTANCE TO AREA PHYSICIAN PRACTICES AND INDIVIDUAL PHYSICIANS FOR THE RECRUITMENT OF PHYSICIANS TO PRACTICE IN THE GEOGRAPHIC AREAS SERVED BY THE FIVE FIRSTHEALTH HOSPITALS UNDER FIRSTHEALTH'S MEDICAL STAFF DEVELOPMENT PLAN, RECRUITMENT ASSISTANCE IS APPROPRIATE TO (1) ADD PHYSICIANS IN AN UNDER-SERVED GEOGRAPHIC LOCATION, (2) ADD OR ENHANCE A SERVICE OF THE HOSPITAL OR COMMUNITY, AND (3) INCREASE PHYSICIAN COVERAGE WHERE THERE IS AN EXISTING SHORTAGE DURING FISCAL 2019, FIRSTHEALTH PARTICIPATED IN SEARCHES FOR SPECIALISTS IN CARDIOLOGY, CONVENIENT CARE, PRIMARY CARE, EMERGENCY MEDICINE AND ORTHOPAEDICS FIRSTHEALTH ALSO FORGAVE APPROXIMATELY \$256,666 IN PAYMENTS MADE IN PRIOR YEARS TOWARD THE RECRUITMENT OF SPECIALISTS TO PRACTICES IN FIRSTHEALTH'S PRIMARY SERVICE AREA (MOORE, MONTGOMERY, RICHMOND, HOKE, LEE AND SCOTLAND COUNTIES) WHEN THE FORGIVENESS CRITERIA WERE MET, AND THE PHYSICIAN HAD PROVIDED PATIENT CARE IN THE COMMUNITY OVER THAT FORGIVENESS PERIOD IN ADDITION TO RECRUITMENT ASSISTANCE PROVIDED TO THE AREA PHYSICIAN PRACTICES, FIRSTHEALTH RECRUITED A TOTAL OF SEVEN (7) PHYSICIANS AND FOUR (4) MID-LEVEL PRACTITIONERS INTO ITS HOSPITALIST PROGRAMS AT THE TWO FIRSTHEALTH HOSPITALS IN FISCAL 2019 RESEARCH AND CLINICAL TRIALS INITIATIVES FIRSTHEALTH MOORE REGIONAL HOSPITAL, DRAWING ON ITS STATE-OF-THE-ART RADIATION ONCOLOGY AND MEDICAL ONCOLOGY SERVICES, HAS INITIATED SEVERAL RESEARCH AND CLINICAL TRIALS WITH STAFF PHYSICIANS AT ANY POINT IN TIME, THERE ARE 30-35 TRIALS OPEN THE TRIALS COVER A VARIETY OF CANCER TYPES INCLUDING BUT NOT LIMITED TO LUNG, BREAST, KIDNEY, COLON, PROSTATE, AND GYNECOLOGY ADDITIONALLY, SEVERAL CANCER PREVENTION AND QUALITY OF LIFE STUDIES BEGUN IN PRIOR YEARS CONTINUED IN FISCAL YEAR 2019 THE TRIALS WERE CHOSEN TO MATCH THE POPULATION OF CANCER PATIENTS SEEN THROUGH THE FIRSTHEALTH CANCER CENTER AND PROVIDE THEM WITH THE BEST RESEARCH TREATMENT OPPORTUNITIES PROVIDING CLINICAL TRIALS FOR CANCER CARE IS A REQUIREMENT FOR THE FIRSTHEALTH CANCER CENTER TO MAINTAIN ITS ACOS COMPREHENSIVE CANCER CENTER DESIGNATION OUTSIDE OF ONCOLOGY, THERE ARE TRIALS OPEN IN URO-GYNECOLOGY, VASCULAR MEDICINE, MEDICAL DIAGNOSTIC AND PULMONOLOGY A TOTAL OF APPROXIMATELY \$500,066 IN FINANCIAL SUBSIDIES OFFSET THE UNFUNDED OPERATING COSTS OF THE RESEARCH AND CLINICAL TRIALS INITIATIVES IN FISCAL YEAR 2019 FIRSTHEALTH HOSPICE &amp; PALLIATIVE CARE FIRSTHEALTH HOSPICE &amp; PALL</p>

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART III, LINE 4C	PALLIATIVE CARE PROVIDES COMPASSIONATE, QUALITY CARE FOR PERSONS WITH LIFE-LIMITING ILLNESSES AS WELL AS SUPPORT TO THEIR FAMILIES. ALTHOUGH CANCER IS A COMMON DIAGNOSIS AMONG HOSPICE PATIENTS, MANY PATIENTS HAVE OTHER END-STAGE ILLNESSES, INCLUDING HEART DISEASE, PULMONARY DISEASE, RENAL DISEASE, LIVER DISEASE, NEUROLOGICAL DISORDERS, ALZHEIMER'S, AIDS AND ADULT FAILURE TO THRIVE SYNDROME. FIRSTHEALTH HOSPICE & PALLIATIVE CARE IS ALSO THE HOME OF THE FIRSTHEALTH GRIEF RESOURCE & COUNSELING CENTER, WHICH PROVIDES SERVICES TO THE PUBLIC AT NO COST. THE CENTER IS AN INTEGRAL COMPONENT OF THE 11-BED INPATIENT HOSPICE HOUSE CAMPUS LOCATED IN PINEHURST, NC. THESE SERVICES ARE FOR THOSE WHO HAVE SUFFERED A LOSS DUE TO DEATHS, WHO ARE DEALING WITH A LIFE-ALTERING ILLNESS OR WHO ARE FACING THE DEATH OF A LOVED ONE. MASTER'S-PREPARED COUNSELORS OFFER COUNSELING AND ASSESSMENTS AS WELL AS NUMEROUS SUPPORT GROUPS THAT ADDRESS LOSS. TRAINING PROGRAMS FOR BUSINESSES, SCHOOLS AND ORGANIZATIONS ARE ALSO AVAILABLE. DURING FISCAL 2019, FIRSTHEALTH HOSPICE & PALLIATIVE CARE MAINTAINED AN AVERAGE DAILY CENSUS OF 170.4 PATIENTS IN SERVICE.

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION B, LINE 11B	FIRSTHEALTH'S FORM 990 IS INITIALLY REVIEWED BY QUALIFIED MEMBERS OF ADMINISTRATION, INCLUDING THE CORPORATE CEO AND CFO, AND COMPLIANCE DEPARTMENTS THE ENTIRE RETURN IS REVIEWED BY THE BOARD'S COMPENSATION COMMITTEE AND THE FIRSTHEALTH BOARD OF DIRECTORS PRIOR TO FILING WITH THE IRS FIRSTHEALTH'S INDEPENDENT TAX PREPARER, DIXON HUGHES GOODMAN, LLP, ALSO CONDUCTS A REVIEW OF THE RETURN DURING THEIR PREPARATION PROCESS ONCE THE RETURN IS SUCCESSFULLY E-FILED WITH THE IRS, A COPY OF THE RETURN IS MADE AVAILABLE TO ALL MEMBERS OF THE FIRSTHEALTH BOARD OF DIRECTORS IN ADDITION TO THE POSTING OF THE FIRSTHEALTH RETURN ON GUIDESTAR, A PUBLIC INSPECTION COPY OF THE FORM 990 IS MADE AVAILABLE FOR REVIEW

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION B, LINE 12C	FIRSTHEALTH STRIVES TO MAINTAIN THE HIGHEST ETHICAL STANDARDS AND HAS ADOPTED A CONFLICT OF INTEREST/DUALITY OF INTEREST POLICY THAT APPLIES TO ANY DIRECTOR, TRUSTEE, OFFICER OR MEMBER OF A BOARD COMMITTEE, OR ANY EMPLOYEE WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST OR DUALITY OF INTEREST WITH ANY ORGANIZATION SEEKING TO DO BUSINESS WITH OR IS IN AN ACTUAL OR POTENTIAL ADVERSARIAL RELATIONSHIP WITH FIRSTHEALTH ANY COVERED INDIVIDUAL WITH AN ACTUAL OR POSSIBLE CONFLICT MUST DISCLOSE THE EXISTENCE OF THE CONFLICT TO THE DIRECTORS, TRUSTEES AND MEMBERS OF BOARD COMMITTEES WITH BOARD-DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION, ARRANGEMENT OR ISSUE EACH TRUSTEE, OFFICER OR MEMBER OF A BOARD COMMITTEE WITH BOARD-DELEGATED POWERS COMPLETES AN ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT, AND ALL REPORTED CONFLICTS ARE REPORTED TO AND REVIEWED BY THE FIRSTHEALTH BOARD OF DIRECTORS ALL MANAGEMENT EMPLOYEES ALSO COMPLETE ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENTS, WHICH ARE SUMMARIZED AND REVIEWED WITH SENIOR MANAGEMENT

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>FIRSTHEALTH'S BOARD OF DIRECTORS DETERMINES COMPENSATION FOR THE CEO THROUGH ITS COMPENSATION COMMITTEE ("COMMITTEE") THE COMMITTEE IS COMPOSED OF BOARD MEMBERS WHO ARE INDEPENDENT OF FIRSTHEALTH MANAGEMENT, HAVE NO PERSONAL INTEREST IN THE COMPENSATION ARRANGEMENTS, ARE NOT RELATED TO OR UNDER THE CONTROL OF ANY INDIVIDUAL WHOSE COMPENSATION ARRANGEMENT IS BEING REVIEWED, HAVE NO MATERIAL BUSINESS RELATIONSHIP WITH FIRSTHEALTH, AND ARE NOT PAID FOR THEIR SERVICES AS A BOARD MEMBER THE COMMITTEE RETAINS AN INDEPENDENT CONSULTANT TO CONDUCT PERIODIC COMPENSATION ANALYSES TO HELP ENSURE FIRSTHEALTH'S COMPENSATION PRACTICES AND COMPENSATION LEVELS ARE REASONABLE THIS CONSULTANT PROVIDES ONLY ADVISORY SERVICES RELATED TO COMPENSATION MATTERS TO FIRSTHEALTH TO ATTRACT AND RETAIN THE HIGHEST CALIBER OF HEALTHCARE PROFESSIONALS NEEDED TO SUSTAIN THE QUALITY OF THE HEALTHCARE FIRSTHEALTH PROVIDES TO THE COMMUNITIES THAT IT SERVES, COMPENSATION MUST BE COMPETITIVE WITH THAT PROVIDED BY OTHER COMPETING ORGANIZATIONS IN THE AREA JOB MARKET WHEN EXECUTIVE POSITIONS ARE FILLED, FIRSTHEALTH TYPICALLY CONDUCTS NATIONAL SEARCHES FIRSTHEALTH BENCHMARKS AGAINST ORGANIZATIONS OF COMPARABLE SIZE AND MISSION, ACROSS THE REGION AND THE NATION MARKET DATA IS ASSEMBLED FOR ALL ELEMENTS OF EXECUTIVE COMPENSATION (I E CASH COMPENSATION, BENEFITS AND PERQUISITES) COMPENSATION LEVELS REFLECT THE SCOPE OF THE CEO'S RESPONSIBILITIES, EDUCATIONAL BACKGROUND, EXPERIENCE AND INDUSTRY STANDING, AS WELL AS INDIVIDUAL AND ORGANIZATION PERFORMANCE THE MOST RECENT REVIEW WAS PERFORMED DURING FISCAL YEAR 2019 A SIMILAR PROCESS TO THAT FOR THE CEO IS AFFECTED FOR DETERMINING THE COMPENSATION OF THE OTHER CORPORATE OFFICERS OR KEY EMPLOYEES OF FIRSTHEALTH (I E USE OF INDEPENDENT CONSULTANT, COMPARABLE INDUSTRY DATA, ETC ) THE COMMITTEE REVIEWS AND APPROVES THE CEO'S PERFORMANCE ASSESSMENTS AND COMPENSATION RECOMMENDATIONS FOR OTHER CORPORATE OFFICER AND KEY EMPLOYEES ALL COMPENSATION DECISIONS ARE MADE IN A MANNER THAT IS CONSISTENT WITH FIRSTHEALTH'S BOARD-APPROVED COMPENSATION PHILOSOPHY THE MOST RECENT YEAR REVIEW WAS PERFORMED DURING FISCAL YEAR 2019</p>

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATION MAKES ITS FORM 990 AVAILABLE TO THE PUBLIC UPON REQUEST AND ON WWW GUIDESTAR ORG



**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST IN ADDITION, QUARTERLY AND ANNUAL FINANCIAL STATEMENTS ARE POSTED TO THE DIGITAL ASSURANCE CERTIFICATION (DAC) WEBSITE AND FILED WITH THE NORTH CAROLINA MEDICAL CARE COMMISSION IN ACCORDANCE WITH EXISTING DEBT COVENANTS

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART IX, LINE 11G	PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 38,939,822 MANAGEMENT AND GENERAL EXPENSES 859,988 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 39,799,810 CONTRACT LABOR PROGRAM SERVICE EXPENSES 11,547,019 MANAGEMENT AND GENERAL EXPENSES 1,338,834 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 12,885,853 CONSULTANT FEES PROGRAM SERVICE EXPENSES 51,060 MANAGEMENT AND GENERAL EXPENSES 3,201,862 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,252,922 PURCHASED SERVICES PROGRAM SERVICE EXPENSES 36,287,434 MANAGEMENT AND GENERAL EXPENSES 20,756,802 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 57,044,236

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART XI, LINE 9	GAIN ON SWAP MARKET ADJUSTMENT -2,197,213 LOSS ON ADVANCED REFUDNING 14,416 TRANSFER OF EQUITY -230,000

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART XII, LINE 2C	THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2018**

**Open to Public  
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**  
▶ **Attach to Form 990.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FIRSTHEALTH OF THE CAROLINAS INC

**Employer identification number**

56-1936354

**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
<b>(1)</b> FIRSTHEALTH PHYSICIANS GROUP LLC 155 MEMORIAL DRIVE PINEHURST, NC 28374 46-3774942	MEDICAL SERVICES	NC	53,679,000	10,467,000	FIRSTHEALTH OF THE CAROLINAS INC
<b>(2)</b> STARFIRST LLC 155 MEMORIAL DRIVE PINEHURST, NC 28374 56-1936354	CAPTIVE INSURANCE	SC	1,948,000	29,354,000	FIRSTHEALTH OF THE CAROLINAS INC

**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
<b>(1)</b> FOUNDATION OF FIRSTHEALTH INC 155 MEMORIAL DRIVE PINEHURST, NC 28374 51-0191937	FUNDRAISING	NC	501(C)(3)	LINE 12B, II	FIRSTHEALTH OF THE CAROLINAS INC	Yes	

**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	
<b>(1)</b> FIRSTIMAGING OF THE CAROLINAS LLC 155 MEMORIAL DRIVE PINEHURST, NC 28374 30-0313534	MEDICAL SERVICES	NC	FIRSTHEALTH OF THE CAROLINAS INC	RELATED	603,396	692,798		No			No	50 000 %
<b>(2)</b> SURGERY CENTER OF PINEHURST LLC 10 FIRSTVILLAGE DRIVE PINEHURST, NC 28374 68-0561185	MEDICAL SERVICES	NC	FIRSTHEALTH OF THE CAROLINAS INC	RELATED	622,882	14,748,783		No		Yes		40 000 %
<b>(3)</b> FIRSTCAROLINACARE INSURANCE SERVICES LLC 42 MEMORIAL DRIVE PINEHURST, NC 28374 26-1708544	INSURANCE SERVICES	NC	FIRSTHEALTH OF THE CAROLINAS INC	RELATED	244	35,970		No			No	51 000 %
<b>(4)</b> SURGERY CENTER OF PINEHURST PROPERTIES LLC 155 MEMORIAL DRIVE PINEHURST, NC 28374 68-0561188	REAL ESTATE	NC	FIRSTHEALTH OF THE CAROLINAS INC	RELATED	460,593	3,216,083		No			No	92 550 %
<b>(5)</b> CARDIOVASCULAR CENTER OF SCOTLAND COUNTY LLC 155 MEMORIAL DRIVE PINEHURST, NC 28374 26-2335801	MEDICAL SERVICES	NC	FIRSTHEALTH OF THE CAROLINAS INC	RELATED	217,117	2,113,591		No			No	50 000 %
<b>(6)</b> SOUTHERN PINES DIAGNOSTIC IMAGING LLC PO BOX 3000 PINEHURST, NC 28374 81-3062889	MEDICAL SERVICES	NC	FIRSTHEALTH OF THE CAROLINAS INC	RELATED	-131,744	179,791		No			No	50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
<b>(1)</b> FIRSTHEALTH PROFESSIONAL SERVICES INC 155 MEMORIAL DRIVE PINEHURST, NC 28374 56-1885149	HEALTHCARE SERVICES	NC	FIRSTHEALTH OF THE CAROLINAS INC	C		-21,000	100 000 %	Yes	
<b>(2)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC 42 MEMORIAL DRIVE PINEHURST, NC 28374 33-1160597	INSURANCE COMPANY	NC	FIRSTHEALTH OF THE CAROLINAS INC	C	130,286,000	33,326,000	100 000 %	Yes	

**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
<b>1</b> 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?		
<b>a</b> Receipt of <b>(i)</b> interest, <b>(ii)</b> annuities, <b>(iii)</b> royalties, or <b>(iv)</b> rent from a controlled entity . . . . .	<b>1a</b> Yes	
<b>b</b> Gift, grant, or capital contribution to related organization(s) . . . . .	<b>1b</b> Yes	
<b>c</b> Gift, grant, or capital contribution from related organization(s) . . . . .	<b>1c</b> Yes	
<b>d</b> Loans or loan guarantees to or for related organization(s) . . . . .	<b>1d</b>	No
<b>e</b> Loans or loan guarantees by related organization(s) . . . . .	<b>1e</b>	No
<b>f</b> Dividends from related organization(s) . . . . .	<b>1f</b> Yes	
<b>g</b> Sale of assets to related organization(s) . . . . .	<b>1g</b>	No
<b>h</b> Purchase of assets from related organization(s) . . . . .	<b>1h</b>	No
<b>i</b> Exchange of assets with related organization(s) . . . . .	<b>1i</b>	No
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) . . . . .	<b>1j</b> Yes	
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) . . . . .	<b>1k</b>	No
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) . . . . .	<b>1l</b> Yes	
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) . . . . .	<b>1m</b> Yes	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .	<b>1n</b>	No
<b>o</b> Sharing of paid employees with related organization(s) . . . . .	<b>1o</b>	No
<b>p</b> Reimbursement paid to related organization(s) for expenses . . . . .	<b>1p</b> Yes	
<b>q</b> Reimbursement paid by related organization(s) for expenses . . . . .	<b>1q</b> Yes	
<b>r</b> Other transfer of cash or property to related organization(s) . . . . .	<b>1r</b>	No
<b>s</b> Other transfer of cash or property from related organization(s) . . . . .	<b>1s</b> Yes	

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

See Additional Data Table

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

**Part VI** **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

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



**Part VII**    **Supplemental Information**

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

<b>Return Reference</b>	<b>Explanation</b>

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 56-1936354  
**Name:** FIRSTHEALTH OF THE CAROLINAS INC

**Form 990, Schedule R, Part V - Transactions With Related Organizations**

<b>(a)</b> Name of related organization	<b>(b)</b> Transaction type(a-s)	<b>(c)</b> Amount Involved	<b>(d)</b> Method of determining amount involved
<b>(1)</b> FIRSTIMAGING OF THE CAROLINAS LLC	S	592,840	
<b>(1)</b> SURGERY CENTER OF PINEHURST LLC	S	803,000	
<b>(2)</b> SURGERY CENTER OF PINEHURST PROPERTIES LLC	S	557,003	
<b>(3)</b> PREMIER HEALTHCARE ALLIANCE LP	S	70,345	
<b>(4)</b> FOUNDATION OF FIRSTHEALTH INC	C	2,980,306	
<b>(5)</b> FOUNDATION OF FIRSTHEALTH INC	J	51,996	
<b>(6)</b> FOUNDATION OF FIRSTHEALTH INC	P	1,973,851	
<b>(7)</b> FOUNDATION OF FIRSTHEALTH INC	Q	2,026,294	
<b>(8)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC	B	1,000,000	
<b>(9)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC	J	79,498	
<b>(10)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC	L	336,000	
<b>(11)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC	M	2,006,532	
<b>(12)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC	P	37,183,685	
<b>(13)</b> FIRSTCAROLINACARE INSURANCE COMPANY INC	Q	52,098,884	