ACCOUNTABILITY ANSWER BOOK

Lincoln Hospital finances, power and the maternity decision

A skeptical field guide to what the records prove, what MaineHealth says, and what remains hidden.

Bottom line

Lincoln is not shown to be broke. MaineHealth is not shown to be broke. The public record supports a real staffing problem, but MaineHealth has not released the financial and decision records needed to verify its categorical claim that closing inpatient Labor & Delivery was “never financial.”

Prepared from MHDO hospital reports, CMS HCRIS, six IRS filings, the FY2025 audit, Maine 340B reporting, Maine EMS designations, official maternity documents, a court complaint and contemporaneous reporting.

Evidence cutoff: August 8, 2026

Inpatient L&D; is scheduled to move to Mid Coast Hospital on December 18, 2026. No outreach, publication or records request was sent.

The answer in one page

Question	Answer	Key evidence
Is Lincoln losing money?	NO in latest MHDO year	FY2024 operating +$8.7M; total +$9.9M [S003]
Is MaineHealth profitable?	YES	FY2025 operating +$76.1M; total +$191.6M [S005]
Is it liquid?	YES at system level	$370.9M cash + $1.144B current investments; current ratio 3.42 [S005]
Is all that money free for Lincoln?	NOT PROVEN	Donor, debt and board designations differ; allocations are hidden [S005]
Does Lincoln benefit from 340B?	$3.17M ESTIMATED SAVINGS REPORTED	CMS 2023 340B data: retained profit/pass-through not published [S009-S010, S020-S021]
Was closure financial?	UNRESOLVED	No L&D P&L, savings model, transfer forecast or board workbook [S011-S012]

Most important red flag

Lincoln reported transfers to affiliates of –**$36.1 million in FY2023** and –**$15.3 million in FY2024** while unrestricted fund balance fell. This demands a ledger and explanation. It does not yet prove extraction or a maternity connection. [S003]

Most important counterweight

MaineHealth documents a five-year permanent-OB/GYN recruitment failure, very low delivery volume, dependence on per diem/locum clinicians and coverage diversions. That supports a genuine reliability issue even though it does not prove closure was the only solution. [S011-S012]

Who is being measured?

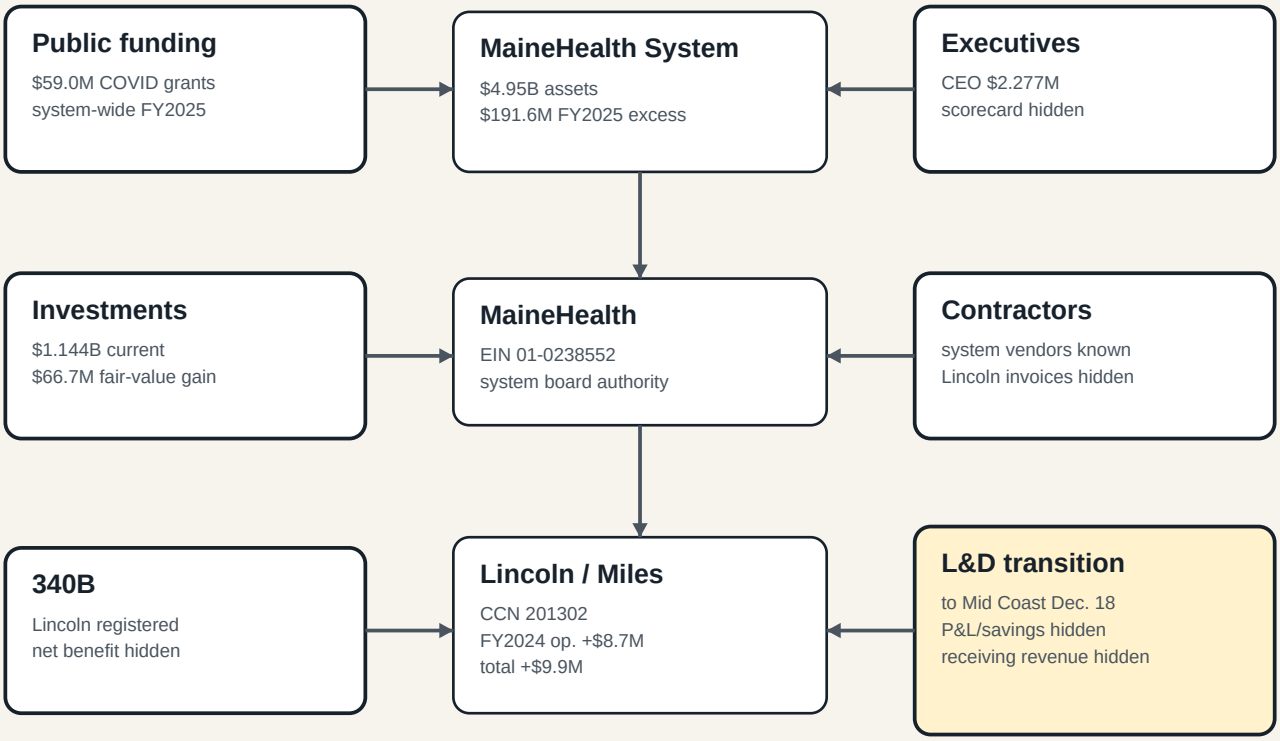
Four accounting and legal layers must stay separate

Layer	Identifier	Use	Do not infer
Lincoln/Miles hospital	CCN 201302	MHDO/HCRIS operations and utilization	Maternity P&L or unique patients
Legacy LincolnHealth	EIN 01-0153960	Pre-2019 history	Continuous post-unification filer
MaineHealth	EIN 01-0238552	Form 990 pay, governance, tax data	Campus-specific wealth
MaineHealth System	Consolidated audit	System assets, debt, cash, investments	Automatic availability to Lincoln

Hospital brief

Lincoln's Miles Campus is a nonprofit 25-bed Critical Access Hospital in Damariscotta. Lincoln County's July 1, 2025 Census estimate is 36,595. That is a population denominator—not a count of patients served. The 2023 HCRIS record reports 1,074 discharges, 7,331 inpatient days and 320.28 payroll FTE, all distinct measures. [S001, S008, S014]

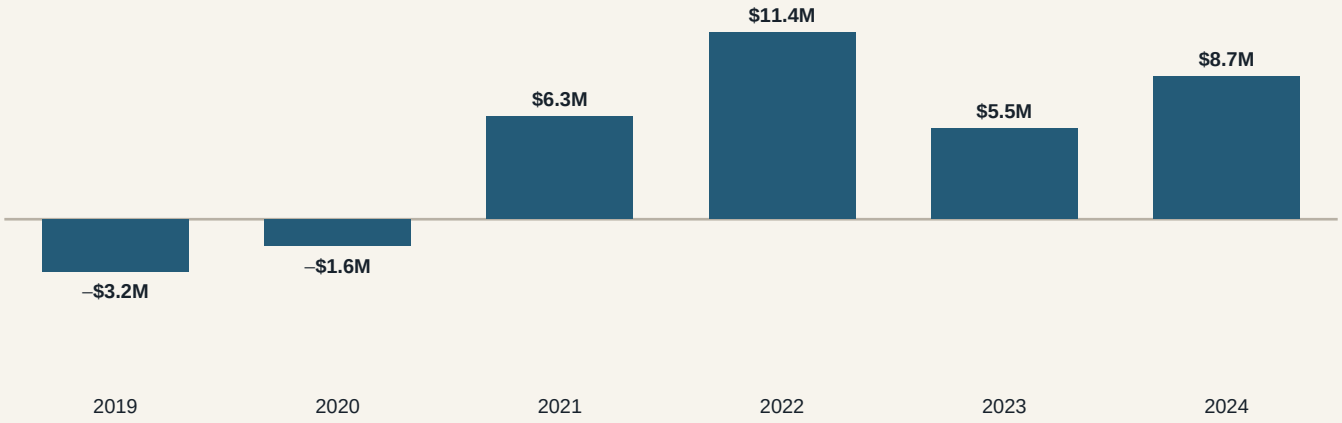
Financial control and unanswered-money map



Documented relationships are not allegations of misconduct. Missing fields are listed in records_gaps.csv.

Pattern 1 — Lincoln is not in a continuous loss cycle

Lincoln operating income, FY2019-FY2024



FY	Operating	Margin	Total result	Cash/current inv.	Affiliate transfer
2019	–$3.2M	-5.9%	–$2.8M	$1.4M	not reported
2020	–$1.6M	-1.8%	–$1.8M	$15.5M	$21.5M
2021	$6.3M	5.8%	$6.8M	$38.2M	$22.3M
2022	$11.4M	8.8%	$11.7M	$48.0M	–$10.4M
2023	$5.5M	4.2%	$6.6M	$31.0M	–$36.1M
2024	$8.7M	5.6%	$9.9M	$31.7M	–$15.3M

Verdict

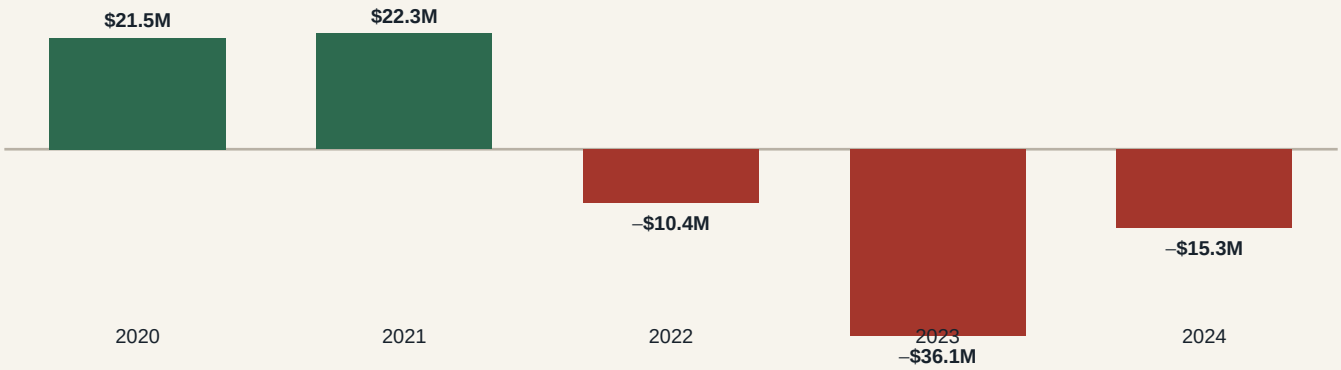
FY2019 and FY2020 were losses; every year FY2021-FY2024 was positive on both operating and total results. FY2019 is a unification-year structural break. Lincoln's latest operating margin was 5.6%. [S003-S004]

Caution

Liquidity weakened: current ratio fell from 4.441 in FY2021 to 1.565 in FY2024, and days cash including investments fell from 158.1 to 90.2. That is pressure, not insolvency. [S003]

Pattern 2 — affiliate transfers are the money trail

Lincoln transfers from/to affiliates



The FY2023 and FY2024 values are large relative to Lincoln's own annual surplus. MHDO also shows unrestricted fund balance falling from $104.2M in FY2022 to $68.8M in FY2024. [S003]

What this proves

The entries and balance change exist in the hospital's state financial report.

What this does not prove

The public table does not identify the counterparty, whether cash moved, the sign convention, the purpose, or whether the transfers funded legitimate shared services, capital, pensions, central treasury or another hospital.

Record needed

A transaction-level ledger with dates, counterparties, cash settlement, allocation policy, authorization and receiving entries. Until then, “resource transfer requiring explanation” is supportable; “profit extraction to close maternity” is not.

Pattern 3 — two official records disagree by $35.4M

FY2023 record	Operating/patient result	Other/nonoperating	Bottom line
MHDO audited-derived hospital report	+$5.53M operating	+$1.03M nonoperating	+$6.57M surplus
CMS HCRIS cost report	–$5.03M patient service	–$23.81M other income	–$28.84M net income

A contradiction is not automatically a lie

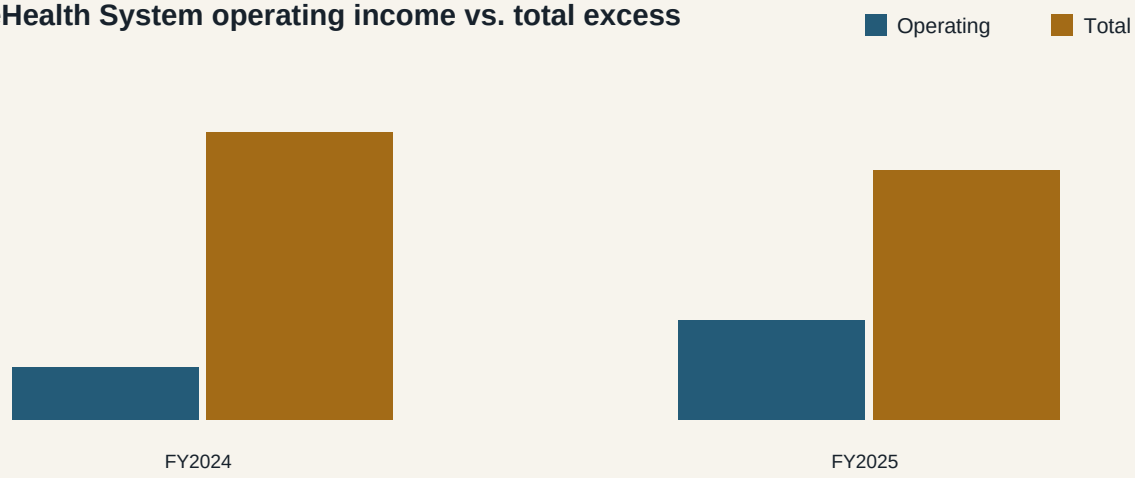
Medicare cost reports and audited financial statements can classify related-party entries, settlements, expenses and nonpatient activity differently. The $35.4M gap is too large to ignore and too underexplained to interpret. MaineHealth should publish the bridge from HCRIS Worksheets G/G-3 to the audited hospital result. [S003, S008]

Why this matters in public debate

A speaker can make Lincoln look deeply unprofitable by quoting HCRIS or solidly profitable by quoting MHDO. A responsible argument names the source and universe, then demands reconciliation instead of cherry-picking.

Pattern 4 — MaineHealth makes money two ways

MaineHealth System operating income vs. total excess



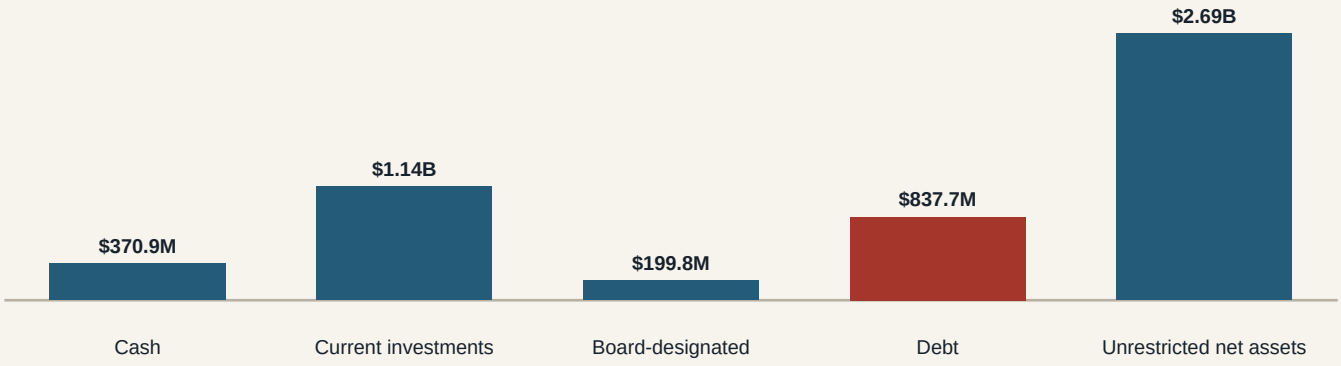
FY2025 component	Amount	Interpretation
Operating income	$76.1M	Patient and other operating revenue after operating expenses
Interest and dividends	$49.0M	Nonoperating portfolio income
Fair-value investment increase	$66.7M	Market valuation gain; not operating revenue
Joint-venture earnings	$11.2M	Equity earnings
Total nonoperating gains	$115.5M	60.3% of total excess
Total excess	$191.6M	Operating plus nonoperating result

Nonprofit does not mean no profit

A nonprofit may lawfully earn operating surpluses and investment income. The accountability questions are whether the money is restricted, how boards allocate it, what community benefit is delivered and whether leaders fully disclose tradeoffs. [S005]

Pattern 5 — substantial wealth, real restrictions

MaineHealth System resources and debt, FY2025



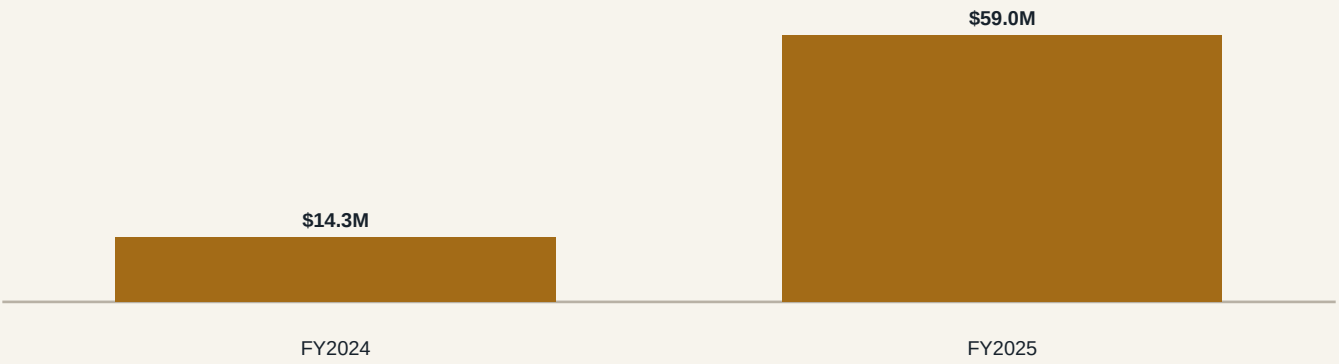
Test	Result	Verdict
Current ratio	3.42	Strong current-obligation capacity
Operating cash flow	$272.7M	Positive internal cash generation
Capital purchases	$203.8M	System continued major investment
Cash + current investments	$1.515B	Large liquid/near-liquid pool
Long-term + current debt	$837.7M	Material but covered by asset base

Availability test

The audit reports $199.8M of board-designated investments and says the board can subsequently use them for other purposes. Donor-restricted, debt-restricted and self-insurance assets are different. None of this proves the board could or should fund a specific L&D; model without allocation, covenant and operating evidence. [S005]

Pattern 6 — public funding is real, but easy to misstate

COVID-related government grant revenue recognized



The FY2025 audit recognized $59.0M, including $58.0M attributed to FEMA, compared with $14.3M in FY2024. [S005]

Do not combine	Meaning
Award	Government's legal grant/contract commitment
Obligation	Amount formally committed
Outlay	Federal cash actually paid
Accounting revenue	Amount recognized under audit rules in a fiscal year
Restricted balance	Unused/limited funds at a point in time
Lincoln allocation	Share demonstrably assigned to this hospital or service

Answer

At least $59.0M of system-wide COVID/FEMA grant revenue was recognized in FY2025. A complete six-year award/outlay total and Lincoln-specific amount are not publicly determinable from the collected filings; they require award IDs, recipient UEIs and an allocation crosswalk.

Pattern 7 — 340B savings still do not answer who benefits

Lincoln is registered as 340B covered entity **CAH201302-00** beginning April 1, 2014. MaineHealth reports **$3,171,638 estimated FY2024 Lincoln savings**. The state framework subtracts specified contract-pharmacy, TPA and administrative costs, but the public Lincoln disclosure remains a reported estimate rather than an audited profit or patient-benefit calculation. [S009-S010, S020]

The Aug. 8, 2026 HRSA export shows **15 active child sites** plus the parent and **98 active contract-pharmacy arrangements/locations** on the parent record. Twenty-eight locations were in Maine and 70 were out of state, largely national specialty-pharmacy sites. A registry arrangement does not establish actual fills or retained spread. [S021]

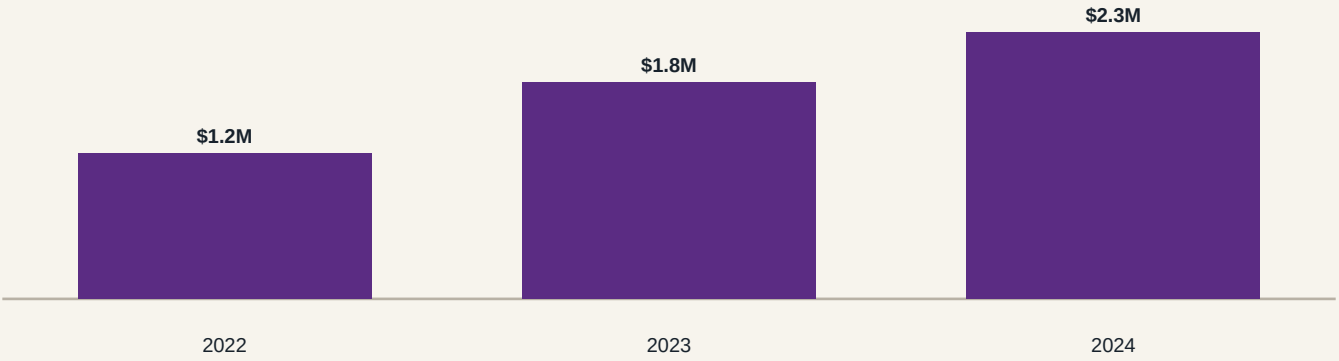
Question	Public answer for Lincoln
Registered and eligible?	Yes — Critical Access Hospital covered entity
Child sites / contract pharmacies?	15 active child sites; 98 active arrangements/locations as of Aug. 8, 2026
Estimated FY2024 savings?	$3,171,638 reported by MaineHealth
Acquisition / insurer spread?	Not published for Lincoln
Insurer reimbursement / spread?	Not published
Contract-pharmacy and TPA fees?	Not published
Direct patient pass-through?	Not published
Community programs?	Lincoln narrative lists CarePartners, medication access, prevention, food/SUD and training
Retained profit / patient benefit?	Not publicly determinable

Record needed

NDC, units, acquisition/comparison cost, reimbursement, patient liability, reversal, pharmacy/TPA fee, assistance and free-drug fields. Registration alone is not proof that patients receive the discount.

Pattern 8 — CEO compensation rose 83.6% in two filings

Andrew Mueller Schedule J total compensation



FY	Base	Bonus/incentive	Other reportable	Deferred	Nontaxable	Total
2022	$901.4K	$258.8K	$40.8K	$11.6K	$27.9K	$1.2M
2023	$1.3M	$443.0K	$71.7K	$12.2K	$39.8K	$1.8M
2024	$1.4M	$670.2K	$180.7K	$13.2K	$42.1K	$2.3M

Raise calculation

Total compensation rose 83.6% from FY2022 to FY2024: 48.7% in FY2023 and 23.4% in FY2024. Base compensation rose 52.1% across the two-year span; incentive compensation rose 159.0%. [S006-S007]

Caution

Total compensation is not synonymous with salary. Role timing, incentive periods, deferred amounts, benefits and former-officer payments matter. High pay is not proof of wrongdoing or a cause of closure. The relevant accountability record is the board scorecard and whether margin, regionalization or labor-productivity targets influenced incentive pay.

Pattern 9 — the maternity rationale is only partly auditable

MaineHealth said	Records support	Records do not show
Not financial	Statement is explicit	L&D P&L, savings, transition cost, transferred revenue
Low volume	131 births in 2025; below management-cited 200 category	Meeting safety or closure threshold
Recruitment failed	No permanent full-time OB/GYN since 2020	Offers, pay, candidates, reasons declined
Four physicians needed	Management's coverage model	Priced FM-OB/shared-staff comparison
Regional model protects access	Prenatal/postpartum stay local	Receiving capacity, seasonal/winter routing, incremental profit

Evidence that supports MaineHealth

The workforce problem is not imaginary: prolonged failure to recruit a permanent OB/GYN, dependence on part-time/per-diem/locum coverage, call burden and recent diversions. [S011-S012]

Evidence that weakens the public case

Recent births stabilized; compensation was a known barrier; alternative clinician models were proposed; Lincoln and the parent system were profitable; and the financial decision file remains undisclosed. [S003, S005, S011-S012, S018]

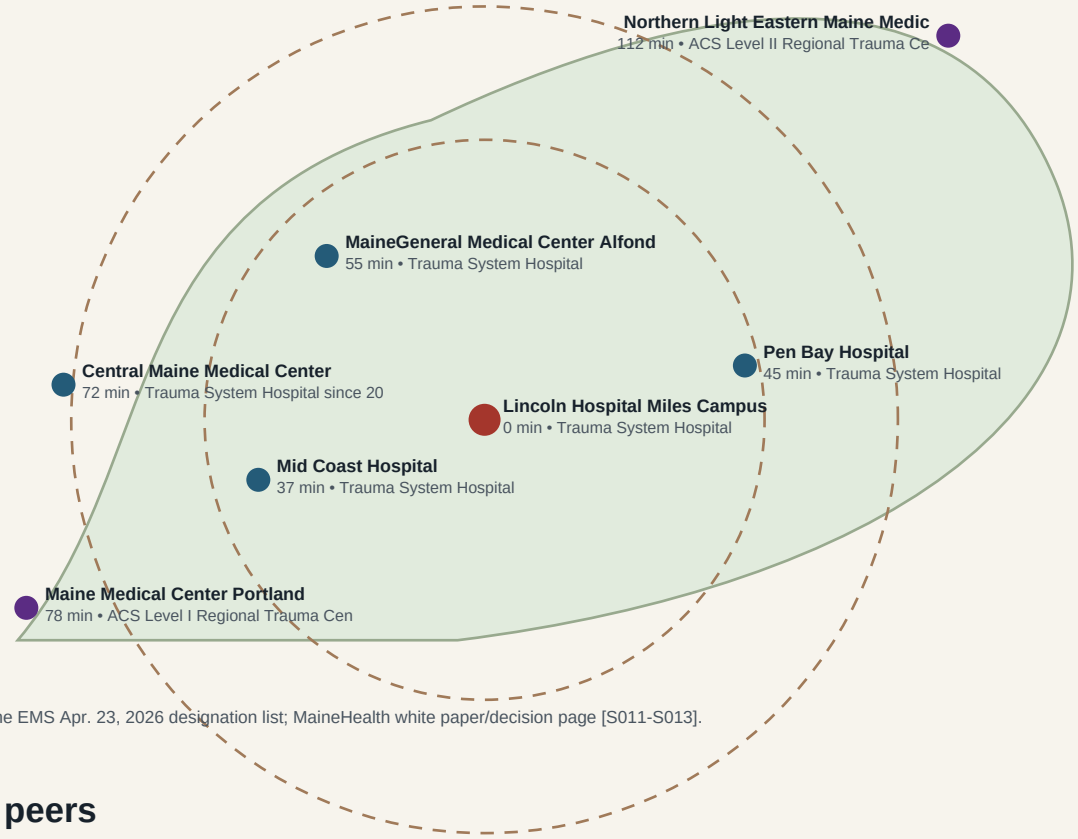
Skeptical verdict

Staffing risk is supported. Necessity and nonfinancial motive are not proven. Financial benefit/motive remains unresolved because MaineHealth withheld the decisive records.

Pattern 10 — access and competition are different questions

Access / maternity / trauma screen

Approximate coordinates; normal-drive estimates are planning values, not emergency routing advice.



Sources: Maine EMS Apr. 23, 2026 designation list; MaineHealth white paper/decision page [S011-S013].

Financial peers

MHDO's Critical Access Hospital peer group contains 16 hospitals including Lincoln—15 same-level peers. They benchmark finances; they are not all market competitors. [S003]

Market and maternity alternatives

The practical 60-minute screen contains Mid Coast, Pen Bay and MaineGeneral. FY2025 official service-area shares were Lincoln 32%, Mid Coast 24%, Maine Medical Center Portland 18%, MaineGeneral 17% and Pen Bay 5%. [S011-S012]

Trauma

Lincoln is a Trauma System Hospital, not Level I. Maine Medical Center Portland is the nearest ACS Level I regional center in the 90-minute planning screen. EMMC Bangor is ACS Level II but outside it. CMMC ceased trauma-center status Dec. 1, 2025. [S013]

The questions to ask in public

1. If this was never financial, why not release the P&L;?

Ask for contribution margin, unavoidable overhead, locum cost, savings and transferred revenue—not a one-line net loss.

2. Where did the affiliate transfers go?

Require counterparty, purpose, authorization, cash settlement and receiving entries for the –$36.1M and –$15.3M years.

3. Which financial record is MaineHealth using?

Force a reconciliation of MHDO +$6.57M and HCRIS –$28.84M for FY2023.

4. What exactly was offered to recruits?

Ask for base, call pay, loan/housing support, dates, candidates and reasons declined.

5. Who gains from transferred births?

Ask Mid Coast for added revenue, staffing, capacity, capital and contribution margin.

6. What 340B benefit reaches Lincoln patients?

Ask for acquisition discount, payer reimbursement, fees, patient liability and assistance.

7. Did executive incentives reward this outcome?

Ask for scorecards tied to margin, cost, productivity, regional volume and service reductions.

8. What would a two-year stabilization plan cost?

Compare that cost with board-designated assets, public funding, locum spending and system cross-subsidy authority.

Legal and controversy status

Corrinna Stum filed a complaint on August 5, 2026 seeking declaratory and injunctive relief before the MaineHealth Board vote. The complaint alleges violations of Maine law, nonprofit governance duties and public trust. The board voted August 6. No merits ruling or final disposition was located by the evidence cutoff. Allegations are not findings. [S015-S016]

Safe language

Use	Avoid unless later proven
The complaint alleges…	MaineHealth violated the law
The affiliate transfers require explanation…	MaineHealth stole/extracted the money
The nonfinancial claim is unverified…	MaineHealth lied
340B net benefit is undisclosed…	MaineHealth pocketed the discount
Lincoln is not shown to be broke…	Every Lincoln service is profitable

What changes the conclusion

A service-line model demonstrating unavoidable staffing cost and safety instability could materially strengthen MaineHealth's case. A transfer ledger, decision workbook or incentive record showing margin or receiving-site revenue drove the outcome could materially strengthen the skeptical financial-motive case. Neither is public yet.

Source register

The CSV dossier contains exact locators, limitations and archived local paths. URLs below are the public originals.

S001 — Lincoln Hospital profile
https://www.mainehealth.org/mainehealth-lincoln-hospital/about-mainehealth-lincoln-hospital
hospital profile. Limitation: Marketing/profile page; not a financial filing.

S002 — Lincoln local board and 2019 unification
https://www.mainehealth.org/mainehealth-lincoln-hospital/about-mainehealth-lincoln-hospital/local-board-mainehealth-lincoln-hospital
local-board page. Limitation: Describes current governance; minutes and voting materials are not posted.

S003 — FY2024 Report B: hospital financials
https://mhdo.maine.gov/_pdf/Report_B_FY24_All_Financial_Hosp_251231.pdf
pp. 32-35, LincolnHealth. Limitation: Unconsolidated hospital universe; affiliates and practices may be outside the reporting entity.

S004 — FY2019 Report II: hospital financials
https://mhdo.maine.gov/_pdf/Report%202_2019.pdf
p. 33, LincolnHealth. Limitation: FY2019 is affected by MaineHealth unification and is a structural break.

S005 — FY2025 audited financial statements
https://assets.mainehealth.io/s3fs-public/2026-02/MaineHealth%20Audited%20Financial%20Statements%202024-2025.pdf
pp. 3-7 and notes 1, 2, 13. Limitation: Consolidated system; does not disclose Lincoln maternity service-line economics.

S006 — MaineHealth Form 990, FY2024
https://assets.mainehealth.io/s3fs-public/2025-09/MHIRSForm9902023.pdf
Form 990 and Schedules H/J/L/O/R. Limitation: MaineHealth filing entity, not a standalone Lincoln return.

S007 — MaineHealth six-year IRS filing index
https://projects.propublica.org/nonprofits/organizations/10238552
filings FY2019-FY2024. Limitation: Machine summary omits some schedules; archived IRS-rendered HTML used for detail.

S008 — CMS Hospital Provider Cost Report
https://data.cms.gov/provider-compliance/cost-reports/hospital-provider-cost-report
filter Provider CCN 201302. Limitation: Medicare cost-report accounting can differ materially from audited statements; latest public year is 2023.

S009 — First annual 340B transparency report
https://mhdo.maine.gov/_pdf/340B_Annual_Report_260402.pdf
pp. 3-4 and Lincoln narrative p. 14. Limitation: Publishes statewide aggregate dollars, not Lincoln-specific savings, revenue, or patient pass-through.

S010 — Lincoln 340B hospital page
https://mhdo.maine.gov/340B_hospitals.htm
MaineHealth Lincoln Hospital. Limitation: Registration is not proof of net margin or patient benefit.

S011 — Labor and Delivery assessment and decision
https://www.mainehealth.org/mainehealth-lincoln-hospital/about-mainehealth-lincoln-hospital/mainehealth-lincoln-hospitals-new-regional-model-labor-and-delivery-services/mainehealth-lincoln-hospital-labor-and-delivery-assessment
decision notice and FAQs. Limitation: Advocacy/management account; no service-line P&L; or projected savings is disclosed.

S012 — Lincoln OB white paper
https://assets.mainehealth.io/s3fs-public/2026-07/MHLHOBWhitePaper.pdf?VersionId=UEa9nhANQnIXZyRRYdWL.sov8YqI83fE
pp. 5-20. Limitation: Management-authored; key cost, recruitment-offer, savings, and transfer-revenue data are absent.

S013 — Maine trauma hospital designations
https://www11.maine.gov/ems/boards-committees/trauma-advisory/resources
Hospital Trauma System Designations. Limitation: Designation list is not a routing recommendation for any individual emergency.

S014 — Lincoln County QuickFacts
https://www.census.gov/quickfacts/fact/table/lincolncountymaine/HEA775224
Population estimates July 1 2025. Limitation: County population is not the same as unique hospital patients or the hospital-defined service area.

S015 — Stum v. MaineHealth complaint
https://www.documentcloud.org/documents/28537264-stum-v-mainehealth-complaint-2026-08-05/
complaint pp. 1-34. Limitation: Allegations only; no merits finding identified as of the evidence date.

S016 — MaineHealth sued over maternity decision
https://themainemonitor.org/mainehealth-sued-potential-closure-labor-delivery-unit/
full article. Limitation: Secondary reporting; lawsuit status must be checked at the court.

S017 — Community urges Lincoln Hospital to find solutions
https://www.mainepublic.org/health/2026-06-02/community-urges-lincoln-hospital-to-find-solutions-as-it-considers-ending-birthing-care
full article. Limitation: Quoted statements and reporting; not a financial filing.

S018 — Doctors propose alternative staffing models
https://www.pressherald.com/2026/07/22/lincoln-hospital-board-to-meet-as-grassroots-effort-to-keep-birthing-center-from-closing-continues/
full article. Limitation: Proposals were reported, not costed in public records.

S019 — CMS price-transparency enforcement dataset
https://data.cms.gov/provider-characteristics/hospitals-and-other-facilities/hospital-price-transparency-enforcement-activities-and-outcomes
search MaineHealth Lincoln / 35 Miles Street. Limitation: Absence from disclosed actions is not proof of perfect compliance.

S020 — MaineHealth Section 340B program savings
https://www.mainehealth.org/care-services/pharmacy-services/section-340b
MaineHealth Lincoln Hospital; FY2024 Savings. Limitation: Hospital-reported estimated savings; not audited profit, reimbursement spread, or patient pass-through.

S021 — HRSA 340B OPAIS covered-entity daily export
https://340bopais.hrsa.gov/Reports
IDs beginning CAH201302. Limitation: Point-in-time registry; contract arrangements do not establish fills, revenue, savings, or patient benefit.

Method and reproducibility

All numbers in this answer book trace to a row in the dossier's CSV ledgers and a source ID. The builder does not merge incompatible reporting universes. Calculations are stored or reproducible from the cited components.

Ledger	Purpose
hospital_financials.csv	Lincoln FY2019-FY2024 MHDO series
hcris_financials.csv	CMS cost-report records and reconciliation fields
system_financials.csv	Six Form 990 years plus FY2024-FY2025 audit
executive_compensation.csv	122 Schedule J person-years and pay components
form990_people_roles.csv	250 Part VII person-year roles
contractors.csv	30 disclosed major-contractor rows
claims.csv	Entity, period, money type, status, proof/non-proof/missing proof
records_gaps.csv	Exact requested records and custodians
facilities.geojson	Mapped facilities and classifications
340b_sites.csv	Parent, active/inactive child sites and participation dates
340b_contract_pharmacies.csv	115 historical contracts; 98 active arrangements as of cutoff

Publication gate

Refresh the court docket, HRSA 340B roster, closure status, financial filings and all live links. Obtain human legal/editorial review and a MaineHealth right of reply. No outreach or publication occurred automatically.