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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
801 Ostrum Street

City or town, state or country, and ZIP + 4
Bethlehem, PA 18015

D Employer identification number
23-1352213

E Telephone number
(610) 954-4000

G Gross receipts $ 678,272,737

F Name and address of Principal Officer
Thomas Lichtenwalner
801 Ostrum Street
Bethlehem, PA 180151000

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)

H(c) Group Exemption Number ▶

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

J Web site: ▶ www slhhn org

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1872

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To provide compassionate, excellent quality and cost-effective health care to the residents of the communities we serve regardless of their ability to pay

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of employees (Part V, line 2a)	5	5,472
6	Total number of volunteers (estimate if necessary)	6	1,079
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	2,235,461
b	Net unrelated business taxable income from Form 990-T, line 34	7b	8,337

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	3,449,927	4,872,480
9	Program service revenue (Part VIII, line 2g)	588,467,372	637,557,426
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12,681,881	6,451,910
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,929,082	5,918,485
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	610,528,262	654,800,301
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	181,718	148,585
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	211,058,405	294,462,565
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	(Total fundraising expenses, Part IX, column (D), line 25 884,753)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	346,157,030	332,084,014
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	557,397,153	626,695,164
19	Revenue less expenses Subtract line 18 from line 12	53,131,109	28,105,137

		Beginning of Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	1,027,863,937	986,873,911
21	Total liabilities (Part X, line 26)	713,652,246	703,625,985
22	Net assets or fund balances Subtract line 21 from line 20	314,211,691	283,247,926

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

Please Sign Here

Signature of officer — Date: 2010-05-17

Thomas Lichtenwalner SR VP Finance
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Joseph Szemanek	Date 2010-05-14	Check if self-empolyed ☐	Preparer's PTIN (See Gen Inst)
Firm's name (or yours if self-employed), address, and ZIP + 4: Joseph J Szemanek Esquire LLC, 5 Granite Circle, Doylestown, PA 18901			EIN ▶ / Phone no ▶ (215) 489-1614

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

Part III Statement of Program Service Accomplishments (See the instructions.)

1 Briefly describe the organization's mission

To provide compassionate, excellent quality and cost-effective health care to the residents of the communities we serve regardless of their ability to pay

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 exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts 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 $ 491,054,791 including grants of $ 0) (Revenue $ 642,567,155)

Please refer to Statement O

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

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

4d Other program services (Describe in Schedule O)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e Total program service expenses $ 491,054,791 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV* .	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	270		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	5,472		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** *Report of Foreign Bank and Financial Accounts.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			No
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 18		
b	Enter the number of voting members that are independent . .	1b 16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or 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	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No", go to line 13* . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed _____

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ own website ☐ another's website ☑ upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

The Corporation
801 Ostrum Street
Bethlehem, PA 18015
(610) 954-4000

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

Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

* List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations

* List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations

* List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	**(B)** Average hours per week	**(C)** Position (check all that apply)						**(D)** Reportable compensation from the organization (W-2/1099MISC)	**(E)** Reportable compensation from related organizations (W- 2/1099-MISC)	**(F)** Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply) Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total ▶								8,706,056	405,711	1,261,488

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 234

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed online 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Turner Construction Company 1835 Market Street 21st Flr Philadelphia, PA 19103	Construction management	9,614,256
Anesthesia Specialists of Bethlehem PC PO Box 5520 Bethlehem, PA 18017	Anesthesiology Services	2,252,748
Progressive Physician Associates Inc 3735 Nazareth Rd Suite 206 Easton, PA 18045	Physician Radiologic Services	2,146,021
Benchmark Construction Co Inc PO Box 806 4121 Oregon Avenue Brownstone, PA 17058	Construction management	1,992,659
Penn Trauma Associates 3440 Market St Division of Trauma Philadelphia, PA 19104	Trauma Services	1,992,659
2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶		234

Part VIII **Statement of Revenue**

				(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a 0				
	b	Membership dues	1b 0				
	c	Fundraising events	1c 0				
	d	Related organizations	1d 0				
	e	Government grants (contributions)	1e 863,845				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 4,008,635				
	g	Noncash contributions included in lines 1a-1f $ 100,984					
	h	**Total (Add lines 1a-1f)** ▶		4,872,480			
Program Service Revenue			Business Code				
	2a	Inpatient/Outpatient program service revenue	622,000	629,144,582	626,896,667	2,247,915	0
	b	Physician practice revenue	622,000	2,486,515	2,486,515	0	0
	c	School of Nursing	622,000	2,507,210	2,507,210	0	0
	d	Dental health revenue	622,000	958,296	958,296	0	0
	e	Clinical trial revenue	622,000	714,978	714,978	0	0
	f	All other program service revenue		1,745,845	1,745,845	0	0
	g	**Total. Add lines 2a-2f** ▶ $ 637,557,426					
	3	Investment income (including dividends, interest other similar amounts) ▶		9,803,048	0	0	9,803,048
	4	Income from investment of tax-exempt bond proceeds ▶		146,756	0	0	146,756
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross Rents	757,252 / 0				
	b	Less rental expenses	0 / 0				
	c	Rental income or (loss)	757,252 / 0				
	d	Net rental income or (loss) ▶		757,252	0	0	757,252
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	13,473,784 / 6,500,758				
	b	Less cost or other basis and sales expenses	15,992,231 / 7,480,205				
	c	Gain or (loss)	-2,518,447 / -979,447				
	d	Net gain or (loss) ▶		-3,497,894	0	0	-3,497,894
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000*	8a 0				
	b	Less direct expenses	8b				
	c	Net income or (loss) from fundraising events ▶					
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000*	9a				
	b	Less direct expenses	9b				
	c	Net income or (loss) from gaming activities ▶					
	10a	Gross sales of inventory, less returns and allowances	10a				
	b	Less cost of goods sold	10b				
	c	Net income or (loss) from sales of inventory ▶					
		Miscellaneous Revenue	Business Code				
	11a	Substantially related to exempt function	622,000	3,229,844	3,229,844	0	0
	b	Activities not regularly carried on	622,000	151,504	0	0	151,504
	c	Activities for patient convienence	622,000	1,407,956	1,407,956	0	0
	d	All other revenue _____		371,929	384,383	-12,454	0
	e	**Total. Add lines 11a-11d** ▶ $ 5,161,233					
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		654,800,301	640,331,694	2,235,461	7,360,666

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) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	148,585	148,585		
3 Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	8,706,056	2,273,603	6,432,453	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	223,005,363	178,767,193		550,311
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	13,522,855	10,565,679	2,925,060	32,116
9 Other employee benefits	32,811,538	25,636,315	7,097,296	77,927
10 Payroll taxes	16,416,753	13,028,772	3,348,474	39,507
11 Fees for services (non-employees)				
a Management	3,304,392		3,304,392	
b Legal	1,508,478		1,508,478	
c Accounting	586,124		586,124	
d Lobbying	130,204		130,204	
e Professional fundraising *See Part IV, line 17*				
f Investment management fees				
g Other	47,884,568	26,309,624	21,531,919	43,025
12 Advertising and promotion	2,262,346	300,702	1,955,707	5,937
13 Office expenses	126,504,996	114,165,492	12,259,312	80,192
14 Information technology	4,605,238	1,409,652	3,184,020	11,566
15 Royalties				
16 Occupancy	10,425,168	3,912,033	6,513,135	
17 Travel	608,384	55,372	548,555	4,457
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings	1,086,024	634,932	439,251	11,841
20 Interest	15,318,105	4,959,206	10,358,850	49
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	37,703,236	30,660,235	7,041,280	1,721
23 Insurance	7,118,475	6,026,843	1,091,632	
24 Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Bad debt expense	53,257,701	53,257,701		
b Hospital subsidies	18,046,201	17,771,340	274,861	
c Dues, memberships, licenses and fees	1,490,217	975,684	488,429	26,104
d Miscellaneous expenses	244,157	195,828	48,329	
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	626,695,164	491,054,791	134,755,620	884,753
26 **Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	0	1	
	2	Savings and temporary cash investments	141,177,932	2	110,889,261
	3	Pledges and grants receivable, net	0	3	
	4	Accounts receivable, net	103,414,389	4	119,190,355
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*	0	5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*	0	6	
	7	Notes and loans receivable, net	0	7	
	8	Inventories for sale or use	10,351,583	8	12,851,549
	9	Prepaid expenses and deferred charges	8,601,663	9	8,429,703
	10a	Land, buildings, and equipment cost basis — 10a: 726,611,623			
	b	Less accumulated depreciation *Complete Part VI of Schedule D* — 10b: 369,385,327	292,402,341	10c	357,226,296
	11	Investments—publicly traded securities	378,084,651	11	282,518,370
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*	0	12	37,697,036
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*	15,428,997	13	5,211,450
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*	78,402,381	15	52,859,891
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*	1,027,863,937	16	986,873,911
Liabilities	17	Accounts payable and accrued expenses	64,159,122	17	59,985,625
	18	Grants payable	0	18	
	19	Deferred revenue	4,115,481	19	3,775,800
	20	Tax-exempt bond liabilities	478,362,654	20	413,521,675
	21	Escrow account liability *Complete Part IV of Schedule D*		21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*	0	22	
	23	Secured mortgages and notes payable to unrelated third parties	1,511,512	23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities *Complete Part X of Schedule D*	165,503,477	25	226,342,885
	26	**Total liabilities.** *Add lines 17 through 25*	713,652,246	26	703,625,985
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	281,033,535	27	254,611,025
	28	Temporarily restricted net assets	15,466,735	28	10,331,775
	29	Permanently restricted net assets	17,711,421	29	18,305,126
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	314,211,691	33	283,247,926
	34	Total liabilities and net assets/fund balances	1,027,863,937	34	986,873,911

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990	☐ cash ☑ accrual ☐ other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b	Yes	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		2c	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits?		3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1 ☐ A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i).**

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(See Instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total Support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

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

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** 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% Test - 2007.** If the organization did not check the 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 - 2008.** 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** 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 IV 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 the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

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

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total Support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

19a **33 1/3% Tests - 2008.** 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% Tests - 2007.** 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 **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

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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

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)
- 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," to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)
- 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," to Form 990, Part IV, Line 5 (Proxy Tax)
- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization	Employer identification number
ST LUKES HOSPITAL OF BETHLEHEM PA	23-1352213

Part I-A **To be completed by all organizations exempt under section 501(c) and section 527 organizations.** (See the instructions for Schedule C for details.)

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

Part I-B **To be completed by all organizations exempt under section 501(c)(3).** (See the instructions for Schedule C for details.)

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 in 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 **To be completed by all organizations exempt under section 501(c), except section 501(c)(3).** (See the instructions for Schedule C for details.)

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 internal funds contributed to other organizations for section 527 exempt funtion activities	$
3	Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b	$
4	Did the filing organization file **Form 1120-POL** for this year?	☐ Yes ☐ No

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and 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 internal 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-

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns—		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **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 instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)		(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a	Lobbying non-taxable amount					
b	Lobbying ceiling amount (150% of line 2a, column(e))					
c	Total lobbying expenditures					
d	Grassroots non-taxable amount					
e	Grassroots ceiling amount (150% of line d, column (e))					
f	Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		130,204
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			130,204
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** (See the instructions for Schedule C for details.)

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

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** (See the instructions for Schedule C for details.)

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

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Identifier	Return Reference	Explanation
SchC_P2B_S00_L01	Schedule C, Part II-B, Line 1	Schedule C, Part II-B, Line 1 Lobbying Activity Information St Luke's Hospital of Bethlehem Pennsylvania retained the consulting firms of Buchanan Ingersoll (301 Grant Street, 20th Floor, Pittsburgh, PA 15219)($90,000) and American Continental Group, LLC (Suite 800, 900 19th NW, Washington, DC 20006)($40,204) in order to inform and educate legislators regarding Medicare and Medical Assistance Reimbursement as well as other health care issues

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate Contributions to (during year)		
3	Aggregate Grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

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

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

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

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, 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) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

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

3 Using the organization's 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 XIV

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 Trust, Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain why in Part XIV and complete the following table

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

		(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a	Beginning of year balance	163,734,348				
b	Contributions	21,980,648				
c	Investment earnings or losses	-37,362,540				
d	Grants or scholarships	-1,245,740				
e	Other expenditures for facilities and programs	509,198				
f	Administrative expenses	0				
g	End of year balance	149,088,998				

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 80 8 %
- b Permanent endowment ▶ 12 27 %
- c Term endowment ▶ 6 93 %

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No

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

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

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	69,871,216		69,871,216
b Buildings	0	316,140,760	156,260,470	159,880,290
c Leasehold improvements	0	4,689,069	1,797,405	2,891,664
d Equipment	0	291,660,614	208,094,443	83,566,171
e Other	0	44,249,964	3,233,009	41,016,955
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				357,226,296

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or cateory (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products	37,697,036	F
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	37,697,036	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Corporate and partnership investments	5,211,450	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	5,211,450	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Annuity contracts	3,579,831
Deferred financing costs	5,088,433
Due from affiliates	36,391,298
Goodwill (net)	243,606
Other accounts receivable	5,535,784
Other assets	2,020,939
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	52,859,891

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	0
See Additional Data Table	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	226,342,885

In Part XIV, 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

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	654,800,301
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	626,695,164
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	28,105,137
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	-54,593,553
9	Total adjustments (net) Add lines 4 - 8	9	-54,593,553
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-26,488,416

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

1	Total revenue, gains, and other support per audited financial statements			1	647,755,245
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,519,117		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	2,519,117
3	Subtract line **2e** from line **1**			3	645,236,128
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV)	4b	9,564,173		
c	Add lines **4a** and **4b**			4c	9,564,173
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	654,800,301

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	626,695,164
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Losses reported on Form 990, Part IX, line 25	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	626,695,164
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	626,695,164

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
SchD_P05_S00_L04	Schedule D, Part V, Line 4	Schedule D, Part V Use of Endowment Funds Board designated general purpose funds are used to support hospital operations, staff development and capital investment Temporarily restricted assets are used for a variety of reasons and in accordance with the donors intended purposes - examples include capital investment, community health and education, support of hospital operations, and staff development The available funds from permanently restricted assets are used for medical research, capital investment, community health and education, support of hospital operations, staff development and to pay for indigent care the organization applies a strict spending policy to perserve the principal amount of the original donation
SchD_P10_S00_L00	Schedule D, Part X	Schedule D, Part X Not applicable
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Schedule D, Part XI, Line 8, Reconciliation of Net Assets Net asstes released from restrictions used in operations 160,102, unrealized gain (loss) on disposal on derivative 205,721, gain on retirement/purchase of bonds 18,020,869, net assets released from restrictions used for purchase of property and equipment 1,913,839, contribution of land 11,504,615, change in additonal pension liability (33,467,534), change in fair market value of total return SWAP (21,915,736), Net unrealized gains on investments (30, 649, 606), and corresponding adjustments to restricted accounts 565,823
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Schedule D, Part XII, Line 4b Reconciliation of Revenue, Other Unrestricted investment income from assets limited as to use 6,375,299, unrestricted gifts, grants and contributions 91,006, unrestricted investment income from restricted net assets 194,786, unrestricted investment (loss) income 2,681,660, gain (loss) on disposal of property and equipment 15,701, and cumulative net effect of accounting/timing principles 205,721

Additional Data

Software ID:
Software Version:
EIN: 23-1352213
Name: ST LUKES HOSPITAL OF BETHLEHEM PA

Form 990, Schedule D, Part X, - Other Liabilities

(a) Description of Liability	**(b)** Amount
Life insurance reserves	14,350,429
Advance from third-party payors	2,099,500
Patient credit balance	7,232,650
Due to affiliates	7,908,367
Pension costs	16,304,392
Accrued interest on long term debt	4,804,924
Estimated third-party payor settlements	27,865,402
Asset retirement obligation	3,225,566
Accrued compensation payable	70,767,740
Self insurance reserves	29,469,695
Other noncurrent liabilities	554,610
Swap contracts	41,759,610

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
6b	If "Yes," does the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *worksheets 1 and 2)*						
b Unreimbursed Medicaid (from *worksheet 3, column a)*						
c Unreimbursed costs—other means-tested government programs (from *worksheet 3, column b)*						
d **Total** Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

		(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						
9	Other						
10	**Total**						

Part III Bad Debt, Medicare, & Collection Practices *(Optional for 2008)*

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost)	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit			

Section B. Medicare

5	Enter total revenue received from Mecicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
ST LUKES HOSPITAL OF BETHLEHEM 801 Ostrum Street Bethlehem, PA 180151000	X								
ST LUKES HOSPITAL OF BETHLEHEM - ALLENTOWN CAMPUS 1736 Hamilton Street Allentown, PA 18104	X								

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b

2 **Needs Assessment.** Describe how the organization assesses the health care needs of the communities it serves

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 charity care policy

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

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals 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)

7 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 communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . . . ▶ ☐

1(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶

3 Enter total number of other organizations . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
School of nursing scholarships ranging in amounts from $50 to $10,568 Fourteen scholarship recipients received assistance of more than $5000 while the thirty-two of the recipients received more than $1000 of assistance	54	148,585		Cash and/or cash equivilient	

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

See Additional Data Table

Identifier	Return Reference	Explanation
SchI_P01_S00_L02	Schedule I, Part I, Line 2	Form 990, Schedule I, Part I, Line 2 Grants and assistance The individuals benefitting from the assistance were all recipients of Scholarships from the St Luke's School of Nursing in FY 2009 The scholarships/tuition awards were given based on financial need All of the recipients were students at the St Luke's School of Nursing in FY 2009 The qualifications of the individual receipients as well as the use of the assistance are reviewed and monitored St Luke's School of Nursing

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Mr Richard Anderson	(i)	709,575	266,379	1,788,316	538,083	14,619	3,316,972	1,730,782
	(ii)	0	0	0	0	0	0	0
Samual R Giamber MD	(i)	0	0	0	0	0	0	0
	(ii)	402,218	0	3,493	11,500	13,083	430,294	0
Mr Joel Fagerstrom	(i)	388,137	119,191	450	11,500	15,249	534,527	
	(ii)	0	0	0	0	0	0	0
Mr Thomas Lichtenwalner	(i)	303,171	95,265	6,334	11,500	13,584	429,854	0
	(ii)	0	0	0	0	0	0	0
Mr Robert Zimmel	(i)	262,263	79,211	342,956	113,865	13,008	811,303	328,524
	(ii)	0	0	0	0	0	0	0
Mr Robert E Martin	(i)	272,483	83,188	86,702	53,709	17,109	513,191	78,814
	(ii)	0	0	0	0	0	0	0
Jeffrey Jahre MD	(i)	529,407	115,732	7,742	11,500	13,419	677,800	0
	(ii)	0	0	0	0	0	0	0
Seymour Traub Esq	(i)	282,659	58,732	3,810	11,500	13,384	370,085	0
	(ii)	0	0	0	0	0	0	0
Carol A Kuplen RN MSN	(i)	243,534	72,681	22,457	48,552	13,955	401,179	16,174
	(ii)	0	0	0	0	0	0	0
Mr Frank Ford	(i)	206,834	63,965	21,279	43,684	12,903	348,665	13,908
	(ii)	0	0	0	0	0	0	0
Joseph C Merola MD	(i)	460,279	95,675	104,387	100,478	13,600	774,419	100,577
	(ii)	0	0	0	0	0	0	0
David W Anderson MD	(i)	376,723	90,047	1,290	11,500	22,352	501,912	0
	(ii)	0	0	0	0	0	0	0
James N Anasti MD	(i)	388,459	0	7,575	11,500	17,533	425,067	0
	(ii)	0	0	0	0	0	0	0
Joel C Rosenfeld	(i)	385,584	0	8,180	11,500	13,419	418,683	0
	(ii)	0	0	0	0	0	0	0
Frederick Sprissler	(i)	152,755	79,156	123,493	50,838	12,342	418,584	92,044
	(ii)	0	0	0	0	0	0	0
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	Schedule J, Part I, Line 1a St Luke's Hospital of Bethlehem, PA provided the Chief Executive Officer with membership to a local country club to conduct corporation business as necessary
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	Schedule J, Part I, Line 3 See Form 990, Part VI, Section B, Line 15(b)
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	Schedule J, Part I, Line 4 Supplemental Nonqualified Retirement Plan The following individuals participated in and accrued benefits in accordance with a 457 Supplemental Nonqualified Retirement Plan Richard A Anderson ($15,500), Samual R Giamber MD ($9,900), Joel Fagerstrom ($15,500), Thomas Lichtenwalner ($15,500), Robert Zimmel ($2,981), Robert E Martin ($15,500), Jeffrey Jahre MD ($15,500), Seymour Traub Esq ($15,500), Frank Ford ($15,500), Joseph Merola MD ($12,600), David W Anderson MD ($15,500), James N Anasti MD ($15,500), Joel C Rosenfeld ($15,500), and Frederick Sprissler ($15,500)
SchJ_P01_S00_L06	Schedule J, Part I, Line 6	Schedule J, Part I, Line 6 The executive compensation package for the health network consists of both a fixed salary and additional at-risk compensation that is based on several qualitative and quantitative components The components of the at-risk compensation plan includes JCAHO, Department of Health and Trauma Center accreditations, evidence based hospital process of care measures, outcome measures such as patient satisfaction, mortality rate, and length of stay, efficiency measures as demonstrated by cost per adjusted discharge and finally net income The at-risk compensation reported on the 2008 Form 990, Schedule J is related to fiscal year 2008 (July 2007-June 2008) performance and reported on the 2008 W-2 There was no at-risk compensation paid or accrued for fiscal year 2009 (July 2008-June 2009) performance

Additional Data

Return to Form

Software ID: 08000095
Software Version: v1.00
EIN: 23-1352213
Name: ST LUKES HOSPITAL OF BETHLEHEM PA

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Mr Richard Anderson	(I)	709,575	266,379	1,788,316	538,083	14,619	3,316,972	1,730,782
	(II)	0	0	0	0	0	0	0
Samual R Giamber MD	(I)	0	0	0	0	0	0	0
	(II)	402,218	0	3,493	11,500	13,083	430,294	0
Mr Joel Fagerstrom	(I)	388,137	119,191	450	11,500	15,249	534,527	
	(II)	0	0	0	0	0	0	0
Mr Thomas Lichtenwalner	(I)	303,171	95,265	6,334	11,500	13,584	429,854	0
	(II)	0	0	0	0	0	0	0
Mr Robert Zimmel	(I)	262,263	79,211	342,956	113,865	13,008	811,303	328,524
	(II)	0	0	0	0	0	0	0
Mr Robert E Martin	(I)	272,483	83,188	86,702	53,709	17,109	513,191	78,814
	(II)	0	0	0	0	0	0	0
Jeffrey Jahre MD	(I)	529,407	115,732	7,742	11,500	13,419	677,800	0
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Carol A Kuplen RN MSN	(I)	243,534	72,681	22,457	48,552	13,955	401,179	16,174
	(II)	0	0	0	0	0	0	0
Mr Frank Ford	(I)	206,834	63,965	21,279	43,684	12,903	348,665	13,908
	(II)	0	0	0	0	0	0	0
Joseph C Merola MD	(I)	460,279	95,675	104,387	100,478	13,600	774,419	100,577
	(II)	0	0	0	0	0	0	0
David W Anderson MD	(I)	376,723	90,047	1,290	11,500	22,352	501,912	0
	(II)	0	0	0	0	0	0	0
James N Anasti MD	(I)	388,459	0	7,575	11,500	17,533	425,067	0
	(II)	0	0	0	0	0	0	0
Joel C Rosenfeld	(I)	385,584	0	8,180	11,500	13,419	418,683	0
	(II)	0	0	0	0	0	0	0
Frederick Sprissler	(I)	152,755	79,156	123,493	50,838	12,342	418,584	92,044
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Bond Issues *(Required for 2008)*

	(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	
							Yes	No	Yes	No
A	Series 1992 Lehigh County General Purpose Authority Hosp Rev Bonds			07-01-1992	26,850,000	Construction and equiping of a hospital building and renovations of certain hospital facilities		X		X
B	Series 1993 Lehigh County General Purpose Authority Hosp Rev Bonds			05-01-1993	33,805,000	Advance refunding of tax exempt bonds issuedJune 1, 1987		X		X
C	Series 1996A Quakertown Genral Purpose Authority Hosp Rev Bonds			05-01-1997	21,950,000	Acquisition of St Lukes Quakertown Hospital (f/t/a Quakertown Community Hospital)		X		X
D	Series 2007 Lehigh County General Purpose Authority			02-21-2007	266,310,000	Fund expansion of Allentown campus, fund various other capital projects at Allentown and Bethlehem c		X		X
E	Series 2008 Northampton County General Purpose Authority Hosp Rev Bonds			06-11-2008	1,750,000	Fund construction and equipping of a portion of a new medical campus, Riverside, fund various capita		X		X

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total Proceeds of Issue					
2	Gross Proceeds in Reserve Funds					
3	Proceeds in Refunding or Defeasance Escrows					
4	Other Unspent Proceeds					
5	Issuance Costs from Proceeds					
6	Working Capital Expenditures from Proceeds					
7	Capital Expenditures from Proceeds					
8	Year of Substantial Completion					

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2	Are there any lease arrangements with respect to the financed property which may result in private business use?										

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.

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2008

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Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
Rev Dr Douglas Caldwell	Director	384,078	St Luke's Hospital of Bethlehem, PA pays $384,078 for services provided by the Moravian College Nursing Program Rev Dr Douglas Caldwell is on the Board of Directors of Moravian College		No
Rev Dr Christopher Thomforde	Director	384,078	St Luke's Hospital of Bethlehem, PA pays $384,078 for services provided by the Moravian College Nursing Program Rev Dr Christopher Thomforde is on the Board of Directors of Moravian College		No
John J Lukaszcyk MD	Director	162,703	John J Lukaszcyk MD received $162,703 from St Luke's for physician services		No
Mr Andrew F S Warner	Director	219,194	St Luke's Hospital of Bethlehem, PA leases properties from Park Avenue Quakertown, LLP Mr Andrew F S Warner is a partner in Park Avenue Quakertown, LLP		No

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30. Attach to Form 990

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	1	100,984	Mrkt quote date contrib
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution (historic structures)				
14	Qualified conservation contribution (other)				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other	X	1	11,504,615	Independent appraisal
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other (describe _____)				
26	Other (describe _____)				
27	Other (describe _____)				
28	Other (describe _____)				

29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, *Part IV, Donee Acknowledgement*	29	2

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes", describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	If "Yes", describe in Part II			
33	If the organization did not report revenues in Column (c) for a type of property for which Column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	ReturnReference	Explanation
SchM_P01_S00_L33	Schedule M, Part I, Line 33	Schedule M, Part I, Line 33 Contribution of land of $11,504,615 was not recorded as revenue It was recorded as a asset

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Identifier	Return Reference	Explanation
F990_P03_S00_L01	Form 990, Part III, Line 1	To provide compassionate, excellent quality and cost-effective health care to the residents of the communities we serve regardless of their ability to pay

Identifier	Return Reference	Explanation
		Statement of Program Service Accomplishments St Luke's Hospital Summary Clinical, Educational and Community Outreach Services St Luke's Hospital is the flagship of St Luke's Hospital & Health Network, a regional, integrated network of hospitals, physicians, outpatient facilities and other related health care services providing care at 150+ locations primarily in Lehigh, Northampton, Carbon, Schuylkill, Bucks, Montgomery, Berks and Monroe counties in Pennsylvania and Warren County in New Jersey St Luke's Hospital is licensed for 621 acute care beds and has campuses in Bethlehem and Allentown, both in Lehigh County, Pennsylvania The Hospital serves more than 40,500 annual total patients (admissions and observations), as well as more than 475,000 annual outpatient visits St Luke's considers its most valued assets to be its 1,087 active medical staff members (96 percent of whom are board certified), 4,700+ employees and 1,200 volunteers The second largest employer in the Lehigh Valley (Allentown, Bethlehem, Easton in Southeastern Pennsylvania), on multiple occasions, St Luke's Hospital has been chosen as one of the Best Places to Work in Pennsylvania Since its founding in 1872 as a community hospital in Bethlehem, Pennsylvania, St Luke's Hospital has grown to a full-service, tertiary, teaching hospital nationally recognized for its clinical excellence and efficient management St Luke's has twice been named one of the nation's 100 Top Hospitals, the only hospital in the Lehigh Valley region to have ever won this prestigious award On multiple occasions spanning more than two decades, the annual America's Best Hospitals' edition of U S News & World Report has recognized St Luke's clinical excellence in various specialties St Luke's Hospital has formal affiliations with world-class health care institutions such as Temple University School of Medicine, The University of Pennsylvania Health System and St Christopher's Hospital for Children, all located in Philadelphia The Board of Trustees oversees St Luke's quality program and reviews written and verbal reports which are standing items on the Board's agenda The Chief Quality Officer reports directly to the President/CEO The Hospital's vision is to "perform in the top decile for each diagnosis in national pay-for-performance programs " St Luke's is the only hospital in the region participating in the Premier/CMS Hospital Quality Improvement Demonstration (250 hospitals nationally) and in the QUEST pay-for-performance initiative (150 hospitals nationally) St Luke's is a top performer in all QUEST measures - mortality, cost of care and evidenced-based care St Luke's coronary artery bypass graft surgery performance in the Hospital Quality Improvement Demonstration was among top performing hospitals nationally with patients receiving evidence-based care 99 percent of the time Recent St Luke's Hospital clinical quality highlights which exceeded the performance of other hospitals in the Greater Lehigh Valley region include Best performance in Thompson Reuters Benchmark Study, published April 2009, in the following areas lowest actual to expected indexes for mortality and complications, lowest expense per adjusted discharge, highest operating margin (nonprofit), highest evidenced-based care score and most measures (7 of 9) which exceed the benchmark performance of the national peer group Best actual to expected mortality indexes in 7 of 12 clinical specialties included in the 2009 U S News & World Report annual America's Best Hospitals' edition Best performance in the following 2009 HealthGrades ratings highest number of clinical awards (including America's Best 50 Hospitals and Distinguished Hospital Award for Clinical Excellence), highest number of "5 Star" (Best) inpatient mortality ratings (Pneumonia, COPD, Heart Failure, Heart By-pass Surgery, Coronary Interventional Procedures, GI Bleed, Bowel Obstruction and Stroke) Clinical Programs St Luke's Hospital provides 82 medical specialties and, since 1997, has received more than 35 prestigious national awards for its clinical excellence The Hospital provides tertiary inpatient and outpatient medical and surgical services, inpatient intensive care services, as well as trauma and emergency medicine services Areas of exceptional clinical expertise include Department of Orthopedics Under the direction of William DeLong,
F990_P03_S00_L04a	Form 990, Part III, Line 4a	MD, St Luke's orthopedics team offers the most advanced procedures and greatest range of expertise available in orthopedics A world-renowned orthopedic surgeon, researcher and teacher, Dr DeLong is known as a national innovator and catalyst in the field of trauma orthopedics and for many years served as team physician for the Philadelphia Flyers St Luke's Orthopedic Specialists (OS) consists of nine orthopedic surgeons, all employed by the Network and all board certified in orthopedic surgery and two are also board-certified traumatologists OS offers additional special expertise in sports-related injuries, complex pelvic and knee reconstructions, shoulder problems, hand and wrist injuries, computer-assisted minimally invasive surgery and spinal injuries, diseases and degenerative conditions Steven Puccio, DO, is the first surgeon in the United States to perform a minimally invasive procedure called "vertebral body replacement" (VBR) Kristofer Matullo, MD, is one of a dozen surgeons in the country, and one of only three east of the Mississippi, to train with Dr Richard Berger, developer of a cutting-edge wrist surgery to correct chronic pain St Luke's Allentown Campus was awarded Premier's Award for Quality for both knee and hip replacements in 2006, 2007 and 2008 St Luke's Heart and Vascular Center St Luke's Heart and Vascular Center provides services at both the Allentown and Bethlehem campuses and offers a full spectrum of advanced cardiac services including cardiac catheterization procedures, non-invasive cardiology, electrophysiology studies and leading-edge surgical procedures such as coronary artery bypass graft surgery (CABG), heart valve surgery, transmyocardial revascularization, thoracic aortic aneurysm repair and ablation surgery for atrial fibrillation In 2008 and 2009, St Luke's received a 3-Star quality rating (highest rating) for cardiac bypass surgery by the Society of Thoracic Surgery This rating represents top decile performance in mortality, length of stay, complications and evidence-based care Nationally, only 14 percent of hospitals achieve this distinction The Center has been repeatedly honored by Thomson Reuters as one of the nation's 100 Top Hospitals in Cardiovascular Hospitals (1999, 2001, 2002 and 2003) and by U S News & World Report as one of America's Best Hospitals for Heart Care (1999, 2000, 2001, 2002, 2003, 2004 and 2005) In 2006, St Luke's received an award from Premier for its coronary artery bypass graft surgery (CABG) outcomes The Center's 30-day CABG mortality rate was just 0 5 percent in FY '09 St Luke's Hospital (Allentown, Bethlehem) is the first hospital in this region to achieve the Joint Commission's Disease-Specific Care Certification for Heart Failure St Luke's is also the first hospital in Pennsylvania, and fifth in the nation, to earn accreditation from the American College of Radiology for cardiac MRI services (2008) It is the first hospital in the region to earn Chest Pain Center accreditation (2009) by the Society of Chest Pain Centers, an international organization focused on improving care for patients with acute coronary syndromes and other related conditions Also in 2009, St Luke's heart failure management received special disease-specific certification by The Joint Commission St Luke's Cancer Center St Luke's Cancer Center (Allentown, Bethlehem) provides care to approximately 2,200 new patients each year, offering general cancer care, as well as advanced programs for melanoma, lung, breast, prostate, gynecological and gastrointestinal cancers St Luke's Cancer Center earned the Outstanding Achievement Award from the Commission on Cancer (CoC) of the American College of Surgeons This is the top distinction attainable by cancer programs across the United States St Luke's is the first and only program in Pennsylvania to have received this top distinction from the CoC for two consecutive surveys and the only hospital in our region to have ever received the award (2008, 2009) Studies show specialization improves survival for patients with cancer St Luke's Cancer Center continues to have the region's only team of fellowship-trained surgical oncologists, who completed residencies and fellowships at some of the nation's premier medical schools and cancer centers St Luke's surgical oncologists specialize in breast cancer, colon cancer, thyroid/endocrine cancers, liver tumors, pancreatic cancer, melanoma, sarcoma, esophageal and stomach cancers

Identifier	Return Reference	Explanation
F990_P03_S00_L04b	Form 990, Part III, Line 4b	Statement of Program Services Accomplishments (Line 4a - cont) Lung cancer patients are evaluated by a multidisciplinary team of physicians who specialize in the treatment of lung cancer through St Luke's Comprehensive Lung Cancer Program Thoracic surgeons at St Luke's are members of the American College of Surgery Oncology Group (ACOSOG) and the Eastern Cooperative Oncology Group (ECOG) and have many active protocols for the treatment of lung cancer Medical oncologist and melanoma expert Sanjiv S Agarwala, MD, Chief of Medical Oncology and Hematology, is an internationally recognized investigator in the field of melanoma and immunotherapy He presents nationally and internationally on melanoma, is a member of the Melanoma Core Committee of the Eastern Cooperative Oncology Group (ECOG) and has chaired the International Melanoma Symposium in New York City for seven consecutive years St Luke's launched the Personalized Breast & Ovarian Health Program in 2009 to help women evaluate their risks of developing breast and ovarian cancer and to provide certain options that are available to reduce these risks The program is free of charge and is offered in the Cancer Center, under the direction of Lee B Riley, MD, PhD, FACS, Medical Director for Oncology Services Fellowship-trained radiation oncologists at St Luke's Cancer Center have extensive experience with advanced forms of radiation therapy to treat tumors of the prostate, breast, lung, head and neck, brain and spine, as well as GI tumors, GYN cancers, lymphoma and metastatic cancers Radiation oncology technologies at St Luke's Cancer Center are leading edge, allowing tighter tumor margins, minimizing injury to surrounding tissues St Luke's Cancer Center has offered Intensity Modulated Radiation Therapy (IMRT) since September 2000 This advanced form of radiation therapy technology uses computer-generated images to plan and deliver more tightly focused radiation beams to cancerous tumors than is possible with conventional radiation therapy Image-Guided Radiation Therapy (IGRT), for daily motion management, is often used in conjunction with IMRT, creating extremely precise radiotherapy treatments St Luke's was the first hospital in the region to add the Trilogy System in 2006, the most advanced image-guided intensity modulated radio-therapy and radio-surgery system in the world This superior technology is used primarily for the treatment of brain tumors, brain abnormalities and tumors of the lung and spine St Luke's added RapidArc Radiotherapy technology in 2009 This extremely fast, highly precise technology is capable of treating more difficult tumors with intensity modulated radiotherapy (IMRT) A major advancement, RapidArc improves dose conformity while significantly shortening treatment times It delivers treatments two to eight times faster than dynamic treatments with increased precision With RapidArc, beams can be delivered at any angle, so the dose is conformed more closely to the size, shape and location of the tumor, while sparing surrounding healthy tissue Advanced radiation therapy treatments also include high-dose rate brachytherapy, external beam radiation therapy (EBRT) or whole breast irradiation, partial breast irradiation and SIR-spheres for the treatment of liver tumors St Luke's Hospital's Regional Breast Center opened in May 2008, becoming the first in our region to exclusively provide diagnostic mammograms and higher-level breast imaging Same-day diagnostic follow-up and biopsy are provided to streamline the process for anxious patients St Luke's Center for Neuroscience St Luke's has organized all the disciplines and clinical specialties that comprise the neurosciences, as well as all the providers and programs involved in the delivery of neurological and neurosurgical care, into an interdisciplinary and collaborative center to better serve both patients and physicians, and to achieve excellence in research and education Coordinated care is provided for neurology, neurosurgery, physiatry, stroke, pain management, psychology, sleep services, headaches, multiple sclerosis and memory disorders The St Luke's Stroke Center is fully accredited by The Joint Commission St Luke's Center for Neuroscience also provides services related to specific conditions and diseases through a "centers of excellence" model In addition to St Luke's Stroke Center, those centers include St Luke's Multiple Sclerosis Center, St Luke's Memory Disorder Center, St Luke's Headache Center, St Luke's Sleep Disorders Center and St Luke's Balance Center The Center has a dedicated neuroscience inpatient unit at the Bethlehem Campus, allowing for specialized care and collaboration between patients, families and the health care team This multidisciplinary team consists of primary care physicians, neurologists, neurosurgeons, nurses, neuro-radiologists, rehabilitation specialists, case managers and other highly skilled caregivers Women's and Children's Services Despite an increasing national trend of hospitals closing or reducing their obstetrical services, St Luke's remains fully committed to provide comprehensive, quality obstetrical care at both the Allentown and Bethlehem campuses St Luke's is the region's busiest obstetrical program with 3,848 births in FY '09 The Hospital has repeatedly been voted "Leading Birth Center" by readers of Lehigh Valley Style Magazine Recently, St Luke's and Warren Hospital in Phillipsburg, New Jersey established an affiliation for obstetrical and high-risk pregnancy services Warren Hospital's obstetrical services closed in 2009 St Luke's Perinatal Center, with locations in Allentown, Bethlehem, East Stroudsburg, Blandon, Quakertown and Wind Gap, specializes in the diagnosis and treatment of complicated and high-risk pregnancies Annual patient visits exceed 15,000 The Center is staffed by four fellowship-trained, board-certified perinatologists and a board-certified genetic counselor Minimally invasive fetal therapies provided at the Center include fetal blood testing, fetal blood transfusions and fetal surgeries A special inpatient unit at the Bethlehem Campus is dedicated to caring for patients experiencing acute complications during pregnancy The Neonatal Intensive Care Units at the Bethlehem and Allentown Campuses are designed to provide highly specialized care for multiple birth babies, premature babies and full-term babies with medical problems Supervision is provided by four fellowship-trained, board-certified neonatologists The NICU at the Bethlehem Campus is a Level IIIaB facility and the Allentown Campus NICU is a Level II B Both are recognized in the "Vermont Oxford Network," a national network of NICUs formed to evaluate quality and outcomes of neonatal practices Through its affiliation with St Christopher's Hospital for Children in Philadelphia, St Luke's offers a range of pediatric subspecialties including neurology, orthopedics, pulmonary, rheumatology, cystic fibrosis, endocrinology, pediatric surgery and nephrology St Luke's also provides pediatric sub-specialists in gastroenterology, apnea, NICU follow-up care, cardiology and genetics/endocrinology A pediatric inpatient unit is provided at the Bethlehem Campus Leo Heitlinger, M D , serves as Chairman of Pediatrics Active in national pediatric issues, Dr Heitlinger is Chairman of the American Academy of Pediatrics' Section of Gastroenterology, Hepatology and Nutrition Minimally Invasive / Robotic Surgery Program The Minimally Invasive / Robotic Surgery Program was launched in 2002 when St Luke's became the first hospital in Pennsylvania to acquire the daVinci robotic surgical system This state-of-the-art surgical system provides a highly magnified 3-D view of the surgical site and enhances the surgeon's visualization, precision and control Patients who undergo robotic surgery benefit from smaller incisions, shorter hospital stays and faster recovery times St Luke's robotic surgery team is the most experienced in Pennsylvania St Luke's is a national leader in robotic prostatectomies and has developed the first-of-its-kind, limited guarantee for robotic prostatectomies requiring adherence to a rigorous set of clinical guidelines for every surgery, for every patient If these guidelines are not followed, or if a patient develops specific complications directly related to the robotic prostatectomy within 30 days of surgery, the patient and his insurance company will not be billed for services rendered by St Luke's or its urologic surgeons St Luke's Bariatric Surgery Program The St Luke's Bariatric Services Program at the Allentown Campus offers patients three bariatric surgery options-the Roux-En-Y Gastric Bypass, the Laparoscopic Adjustable Gastric Band Procedure and the Laparoscopic Sleeve Gastrectomy The Program is certified by the American Society for Metabolic and Bariatric Surgery (ASMBS)

Identifier	Return Reference	Explanation
F990_P03_S00_L04c	Form 990, Part III, Line 4c	Statement of Program Services Accomplishments (Line 4a - cont) Radiology Services St Luke's Radiology Services provides university-level services Since 1999, St Luke's has invested more than $60 million in the acquisition of radiological equipment and technology St Luke's has entered into an enterprise agreement with GE Healthcare (GE), making St Luke's one of only a few hospitals in the country partnering with GE to develop new imaging technology through the use of all-digital systems In addition, St Luke's is an international show site for GE Physicians from all over the world visit the Hospital to observe procedures being performed utilizing this advanced equipment St Luke's radiologists and staff train other physicians, staff and GE Applications Technologists in the use of this equipment These advanced technologies have been an integral component in a successful radiology physician recruitment outcome The Radiology Department has expanded from six physicians in 1999 to 35 in 2009, despite the most severe radiologist shortage in the history of U S medicine Technological radiology advances available at St Luke's Hospital include VCT 64-slice GE CT scanners, digital mammography units, P E T /CT, a revolutionary diagnostic tool for the simultaneous identification of suspicious masses and treatment planning in cancer patients, digital X-Ray machines, and PACS (picture archiving computer system) technology, enabling radiology images to be stored digitally on a web-based server The images are available to be read on a computer screen in a physician's office within minutes of the test's completion Interventional cancer care is provided through image-guided biopsies, radiofrequency ablation, cryoablation, chemoembolization, selective internal radiation therapy, pre-operative tumor embolization and placement of central venous access devices Trauma and Emergency Medicine St Luke's Level I Adult Trauma Center at the Bethlehem Campus ranks among the Top 10 Level I adult trauma centers in the United States for quality as measured by mortality rates (American College of Surgeons' Committee on Trauma, 2009 Report) Fully accredited by the Pennsylvania Trauma Systems Foundation, the Center annually treats 2,300 patients William Hoff, M D , is Section Chief of Traumatology and has a leadership position with the Eastern Association of the Surgery of Trauma, leading the group's efforts to better incorporate mid-level practitioners in trauma care St Luke's employed trauma team includes eight trauma physicians, two orthopedic trauma surgeons, two emergency / critical care fellows, two mid-level practitioner fellows and two aeromedical helicopters The Center's clinical staff is actively involved in published research and supports a Trauma/Critical Care Fellowship Emergency Medicine is provided at both St Luke's Hospital campuses In FY '09 the Bethlehem Campus had a volume of 69,500 patient visits, while the Allentown Campus served 38,109 patient visits, a 12 percent increase in patient volumes from FY '08 The emergency rooms are staffed by physicians board-certified in emergency medicine St Luke's offers an accredited allopathic and osteopathic Emergency Residency Program Behavioral Health Services St Luke's Hospital provides a wide range of both inpatient and outpatient behavioral health services Adults who may need intense structure and care 24 hours-a-day on an inpatient unit have access to a team of psychiatrists, nurses, social workers, occupational therapists and other mental health experts at the Bethlehem Campus Services are provided for a wide range of mental and behavioral health issues, including anger management, anxiety disorders (including phobias), attention deficit disorder with hyperactivity, bi-polar disorder, childhood disorders, chronic pain disorders, depression, eating disorders, emotional eating, fibromyalgia, grief and bereavement, headaches and migraines, healthy relationships, obsessive compulsive disorder, panic disorder, parenting skills, post-traumatic stress disorder, stress management and work / life balance Ambulatory Services A wide range of additional ambulatory diagnostic and therapeutic services includes ambulatory surgery, audiology, cardiac rehabilitation, clinical vascular laboratory, continence management, diabetes education, durable medical equipment, retail pharmacies, electroencephalography, endoscopy / GI laboratory, histopathology, intravenous therapy, laboratories, health and fitness, lithotripsy, nutrition counseling, occupational medicine, occupational therapy, physical therapy (25 outpatient locations), renal dialysis, respiratory therapy, sleep medicine, speech therapy and wound care management Educational Programs St Luke's has a long-standing commitment to educate physicians, residents, nurses and other care givers One of only 400 members of the prestigious Council of Teaching Hospitals and Health Systems, St Luke's has twice been named one of the top 25 teaching hospitals in the United States As the most severe physician shortage in our nation's history looms on the horizon, St Luke's offers 152 resident/fellowship positions in 19 fully accredited programs The Internal Medicine Residency Program is the only such program in Pennsylvania to achieve a 100 percent pass rate for 10 consecutive years in board-certifying, post-residency examinations The first of four Temple University School of Medicine Comprehensive Clinical Campuses in Pennsylvania was established at St Luke's Bethlehem Campus in 2006 In October 2009, St Luke's and Temple University announced the creation of The Medical School of Temple University / St Luke's Hospital & Health Network to be located at St Luke's Bethlehem Campus The region's first medical school program has been approved by the Liaison Committee on Medical Education and will enroll its initial class in August 2011 St Luke's School of Nursing, founded in 1884, is the nation's oldest, hospital-based, continuously operating diploma nursing school The program is fully accredited and graduates achieve a 92 percent pass rate on RN board exams St Luke's also maintains a partnership with Moravian College in Bethlehem, to provide an accredited four-year BS in Nursing Program, in which graduates achieve a 91 percent pass rate on RN board exams The partnership also offers accredited RN to BS and accredited MS in nursing programs Community Outreach Services The mission of St Luke's Hospital is to provide compassionate, excellent quality and cost-effective health care to residents of the communities we serve regardless of the patient's ability to pay In FY '09, St Luke's Hospital provided more than $6 9 million in charity care As a non-profit Hospital, St Luke's first consideration in the admission and placement or treatment of any patient is the patient's medical needs Some patients fail to obtain necessary care because of their financial concerns In order to encourage such patients to obtain appropriate care, the Network's Board of Trustees revised its Financial Assistance Program in December 2008 In addition to providing charity care (100 percent financial assistance) for eligible patients, the revised policy offers self-pay patients with income over 400 percent of federal poverty guidelines a discount from medically necessary charges No proof of income is required for this discount St Luke's Hospital operates a wide range of medical and specialty clinics for adults, infants and children at locations in Allentown and Bethlehem The annual budget for this service in FY '09 was $8 2 million, to provide care for more than 116,000 patients St Luke's Health Center at Union Station in Bethlehem provides primary care for patients 18 years and older and selected specialty services for patients 13 years and older Care is provided to qualified patients without health insurance and patients with Medicare, Medicaid and Medicaid HMO Specialty services include cardiology, colon/rectal, dermatology, ear, nose and throat, endocrinology, gastroenterology, HIV/AIDS, neurology, orthopedics, physical medicine / rehabilitation, podiatry, pulmonary, rheumatology, general surgery, travel / immunizations, urology and vascular St Luke's Hospital provides KidsCare Centers in Allentown, Bethlehem and Easton The Centers offer comprehensive sick and well care for children from birth to 18 years of age Appointments are available days, evenings and Saturdays Walk-in service is also provided at certain times which helps reduce costly use of St Luke's Emergency Departments for non-emergency pediatric health concerns Payment options include medical assistance

Identifier	Return Reference	Explanation
F990_P03_S00_L04d	Form 990, Part III, Line 4d	Statement of Program Services Accomplishments (Line 4a - cont) St Luke's Dental Clinics are located in Union Station in South Bethlehem and in Easton and serve both pediatric and adult patients Services include comprehensive exams/cleanings, crowns and porcelain veneers, emergency treatment, fillings, full and partial dentures, implants, night guards / grinding therapy, periodontal treatment, root canal treatment, sealants and fluoride treatments, simple extractions, sleep apnea / snoring therapy and tooth whitening / bleaching Payment options include medical assistance and state-funded insurance plans St Luke's Community Health Department's mission is to improve the health status of the community, especially for individuals with limited resources The Department's FY '09 budget more than $500,000 St Luke's provides the administrative leadership, staff and financial support for the Bethlehem Partnership for a Healthy Community Established in 1996 by the Board of Trustees of St Luke's Hospital & Health Network, the Partnership is a national model for collaborative efforts to improve access to health care services Currently more than 140 participating / funding agencies, representing local business, government, educational and community organizations, are actively involved in Partnership programs Through community partnerships with shared responsibilities, the Partnership strives to enhance the physical, mental, emotional and spiritual wellness of individuals in the community St Luke's Hospital recently received the Inez and Edward Donnelly Award for Children's Advocacy, an honor bestowed by Community Services for Children, an Allentown-based agency that provides Head Start and other programs, in recognition of St Luke's KidsCare Centers and school-based programs provided the Partnership Under St Luke's leadership, Partnership achievements for FY '08 / FY '09 include Mobile Youth Health Center traveled to area high schools and adolescent shelters providing nearly 2,500 visits to more than 1,300 individual uninsured students, Mobile Dental Center provided dental care to 2,200 low-income, at-risk children enrolled in various school districts and various community agencies, secured federal HRSA grant and private donations to open dental clinic in Easton for children and adults, worked with Bethlehem Area School District to secure funding to equip new dental exam room at Broughal Middle School, provided eye exams and glasses to 1,295 students enrolled in eight school districts across the Greater Lehigh Valley and Children's Home of Easton, provided free health screenings, prevention education and referral services to 600 community members living in low-income neighborhoods The Health Career Exploration Program - offered in partnership with the local CareerLink and coordinated through the Bethlehem Partnership, accepts low-income youth into a year-long mentored job experience that provides subsidized employment in the health care setting Academic and job skill training is included Up to 15 youth employees are based in either the Allentown or Bethlehem Campus each year Other outreach efforts include programs designed to reduce minority health disparities such as a network of community health centers, access to culturally and linguistically responsive services and specific community-based services These initiatives are an extension of the Partnership's approach to set long-term strategies aimed at achieving measurable improvement in the health status of the Lehigh Valley's local minority community As part of the Partnership for a Tobacco Free Northeast Initiative funded by the PA Department of Health, St Luke's Hospital is committed to addressing the number one cause of premature death and disability in our country The Community Health Department offers comprehensive smoking cessation assessment, counseling and pharmacotherapy at the Allentown Family Health Center Staff also participates in health fairs and other education programs to encourage those addicted to nicotine to "kick the habit " All St Luke's facilities are smoke-free and St Luke's does not hire those who test positive for nicotine St Luke's provided HIV prevention education to 10,600 individuals in FY '08 and '09, HIV testing and counseling to more than 400 community members and improved in all national quality indicators for HIV care St Luke's has developed a comprehensive continuum of services for the prevention and treatment of HIV disease to improve the health of local residents The HIV initiative includes outreach, education, counseling and testing services, risk reduction counseling, and primary and HIV specialty care for HIV+ individuals HIV Prevention Education programs are provided to middle school students on a regular basis, and case management and social services are provided to HIV+ patients receiving care at St Luke's Hospital in Allentown and Bethlehem Additional community outreach is provided through a partnership between St Luke's Hospital and Lehigh University formed in 2009 This partnership developed and implemented Reading Rocks!, a reading supplemental/mentoring program for at-risk students at Donegan Elementary School in South Bethlehem Program highlights include distribution of more than 12,000 books collected through Reading Rocks!, student-athlete mentors for at-risk students, and opportunities for students and parents to celebrate reading achievements During the program's first year, 75 percent of students improved reading by at least one grade level and 66 percent improved their reading report grade by at least one level As part of its community outreach, St Luke's annually offers nearly 800 free events including a full range of health screenings, immunizations, educational programs, health fairs, first aid services and tours of hospital facilities St Luke's employees also sponsor an annual children's winter coat drive, purchasing new coats and other articles of clothing for more than 150 children in need The hospital also provides complimentary first aid kits to non-profit youth athletic organizations Both St Luke's Allentown and Bethlehem campuses provide a subsidized home ownership program, a benefit for employees who purchase a home in the immediate neighborhood surrounding the hospitals Additionally, employees at both campuses are involved in various community outreach initiatives providing such support as food/supply collections for homeless children and families affected by domestic violence Also, a number of managers and senior level administrators serve on local community boards

Identifier	Return Reference	Explanation
F990_P06_S0A_L06	Form 990, Part VI, Section A, Line 6	Form 990, Part VI, Section A, Line 6 St Lukes Hospital of Bethlehem Pennsylvania is a not-for-profit organization with members who, in accordance with the governing documents, elect and/ or appoint the members of the governing body of the organization and have the right to participate in the significant decisions of the governing body

Identifier	Return Reference	Explanation
F990_P06_S0A_L07a	Form 990, Part VI, Section A, Line 7a	Form 990, Part VI, Section A, Line 7a St Lukes Hospital of Bethlehem Pennsylvania is a not-for-profit organization with members who, in accordance with the governing documents, have the right to elect and/ or appoint one or more of the members of the organizations's governing body, whether periodically or as vacancies arise

Identifier	Return Reference	Explanation
F990_P06_S0A_L07b	Form 990, Part VI, Section A, Line 7b	Form 990, Part VI, Section A, Line 7b St Lukes Hospital of Bethlehem Pennsylvania is a not-for-profit organization with members who, in accordance with the governing documents, have the right to participate in, or approve of, the significant decisions of the governing body

Identifier	Return Reference	Explanation
F990_P06_S0A_L10	Form 990, Part VI, Section A, Line 10	Form 990, Part VI, Section A, Line 10 The Form 990 "Return of Organization Exempt From Income Tax" was presented to and discussed with the Finance Committee of the Board of St Luke's Health Network during the April meeting The Form 990 was subsequently reviewed by the full Board of Directors of St Luke's Hospital of Bethlehem, PA during the April meeting

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	Form 990, Part VI, Section B, Line 12c BOARD OF TRUSTEES POLICY MANUAL, CONFLICT OF INTEREST POLICY Section2 Duty to Disclose Financial and Conflicting Interests Every Person Covered by this Policy shall submit in writing to the President/CEO at least each calendar year a Conflict of Interest Disclosure Statement listing all Financial and Conflicting Interests which shall be shared with the Chairman of the Board Each statement must be resubmitted with any necessary changes each year or as any additional Conflicting of Financial Interests arise The Chairman of the Board shall become familiar with all such Disclosure Statements to guide his/her conduct should a conflict arise The Vice Chairman of the Board and the President/CEO of SLHN shall also become familiar with the Disclosure Statement filed by the Chairman of the Board The Chairman of the Board shall share with each Chairperson of a Board Committee the Statements submitted by members of such Board Committee Section 3 Procedures to be Folllowed at Meetings Whenever th Board of a Board Committee is considering a transaction or arrangement with any organization with any organization, entity or individual in which a Person Covered by this Policy has a Financial of Conflicting Interest, the following shall occur (a) If the Interested Person is present, the Interested Person must disclose the Financial or Conflicting Interest to the Board and/or the affected Board Committee If the Interested Person is not present, the Chairman of the Board or the Chairperson of the affected Board Committee must disclose the Financial or Conflicting Interest to the Board and/or the affected Board Committee (b) If the Interest Person is present, the Chairman of the Board or the Chairperson of the Board Committee may ask the Interested Person to excuse himself from the meeting during discussion of the matter that gives rise to the potential conflict If asked, the Interested Person shall excuse himself from the meeting, although he or she may make a statement or answer any question on the matter before leaving (c) The Interested Person will not vote on the matter that gives rise to the potential conflict (d) The Board or the Board Committee must approve the matter referenced in Section 3(c) by a majority vote of the persons present at the meeting that has a quorum The Interested Person's attendance shall count for the purposes of determining whether a quorum exists In addition, if an Interested Person is a member of the Board and has a Financial Interest in a transaction or arrangement, the follow should be observed in addition to the provisions described above (e) If appropriate, the Chairman of the Board may appoint a person other than an Interested Person or a committee to investigate alternatives to the proposed transaction or arrangement (f) In order to approve the proposed arrangement, the Board of Trustees must first find, by a majority vote of the Trustees present at the meeting, without the vote of the Interested Person, that the proposed arrangement is in SLHN's best interest and is of benefit, that the proposed arrangement is fair and reasonable to SLHN, and that, after reasonable investigation, SLHN cannot obtain a more advantageous arrangement through reasonable efforts under the circumstances

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	Form 990, Part VI, Section B, Line 15, Compensation Review Executive compensation for the health network consists of fixed salary, at-risk compensation and other deferred compensation arrangements Total compensation for network executives is approved annually by the network's Board of Trustees The recommended compensation is established though a multi-faceted approach including use an independent consultant engaged on an ongoing basis by the Board of Trustees and who works directly with the Executive Compensation Committee of the board Also, included is the review of 990s and compensation surveys of other comparable health care organizations Bonus/Incentive The at-risk compensation is approved by the Executive Compensation Committee of the board and is based on several qualitative and quantitative components, including Joint Commission, Pennsylvania Department of Health and Pennsylvania Trauma Systems Foundation accreditations, evidence-based hospital process of care measures, outcome measures, such as patient satisfaction, mortality rate, and length of stay , efficiency measures as demonstrated by cost-per-adjusted discharge and net income The at-risk compensation reported on the 2008 Form 990, Schedule J, is related to fiscal year 2008 (July 2007-June 2008) performance and reported on the 2008 W-2 There was no at-risk compensation paid or accrued for fiscal year 2009 (July 2008-June 2009) performance Other Compensation Other compensation is primarily the recognition of deferred compensation benefits that had accumulated over years of service and was reported and distributed in accordance with vesting requirements and Internal Revenue Service rules and regulations During the reporting period, IRS requirements changed and certain executives vested each of which triggered the distribution of deferred compensation that had accumulated over a 10-15 year period and resulted in taxable compensation Deferred Compensation Deferred compensation represents retirement benefits earned during the reporting period, yet not recognized as compensation on the employee's 2008 W-2 Nontaxable Benefits Health and welfare benefits Compensation Reported on prior 990 Total compensation reported on prior 990's represented recognition of deferred compensation benefits that had accumulated over years of service and was reported and distributed in accordance with vesting requirements and Internal Revenue Service rules and regulations The amount was reported in Schedule J, column 3-other compensation

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	Form 990, Part VI, Section C, Line 19, Public Inspection Pursuant to IRS Regulations, St Lukes Hospital of Bethlehem Pennsylvania, upon request, makes the following documents available for public inspection original and amended, if any, annual information returns, application for tax exemption including its governing instruments, supporting documents, and all IRS correspondence pertaining thereto, and audited financial statements

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493137036110

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST LUKES HOSPITAL OF BETHLEHEM PA

Employer identification number
23-1352213

Part I Identification of Disregarded Entities

(A) Name, address, and EIN 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
ST LUKES HOMESTAR SERVICES LLC 801 Ostrum Street Bethlehem, PA 180151000 26-0369246	Medical equipment and infusion services	PA	12,737,210	3,529,859	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA

Part II Identification of Related Tax-Exempt Organizations

(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
See Additional Data Table					

Part III Identification of Related Organizations Taxable as a Partnership

(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, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No
EIGHTH & EATON PROFESSIONAL BUILDING LP 801 Ostrum Street Bethlehem, PA180151000 26-3017143	Real estate management	PA	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA	Investment	514,048	4,514,673		No			No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(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
ST LUKES HEALTH NETWORK INSURANCE COMPANY 801 Ostrum Street Bethlehem, PA180151000 75-2993150	Risk retention groupo	VT	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA	C	9,830,555	41,944,518	88 %
ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA AMBULATORY SURGERY LTD 801 Ostrum Street Bethlehem, PA18015 23-3018850	Orthopedic services	PA	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA	C	1,010,748	5,589,712	1 00 %
CANCER IMMUNOTHERAPIES LLC 801 Ostrum Street Bethlehem, PA180151000 20-8783508	Research projects	PA	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA	C	0	8,740	1 00 %
ST LUKES EIGHTH & EATON HOLDINGS INC 801 Ostrum Street Bethlehem, PA180151000 23-7192801	Real estate management	PA	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA	C	0	0	1 00 %

Part V Transactions with Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III or IV

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

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

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)	ST LUKES QUAKERTOWN HOSPITAL	h	-11,084,124
(2)	CARBON SCHUYLKILL COMMUNITY HOSPITAL INC	h	-1,511,211
(3)	ST LUKES PHYSICIAN GROUP INC	h	-2,554,935
(4)	LIFESTAR	h	-1,545,469
(5)	QUAKERTOWN REHABILITATION CENTER	h	1,528,218
(6)	VNA OF EASTERN PENNSYLVANIA - HOSPICE AND HOME HEALTH INC	h	-2,865,008
(7)	HOMESTAR MEDICAL EQUIPMENT AND INFUSION SERVICES	h	2,200,494
(1)	**See Additional Data Table**		
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

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) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data Return to Form

Software ID: 08000095
Software Version: v1.00
EIN: 23-1352213
Name: ST LUKES HOSPITAL OF BETHLEHEM PA

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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 501(c)(3))	(F) Direct Controlling Entity
ST LUKES HEALTH NETWORK 801 Ostrum Street Bethlehem, PA 180151000 23-2384282	Parent Corporation	PA	501(c)(3)	11	N/A
ST LUKES QUAKERTOWN HOSPITAL 801 Ostrum Street Bethlehem, PA 180151000 23-1352203	Acute care services	PA	501(c)(3)	3	ST LUKES HEALTH NETWORK INC
CARBON SCHUYLKILL COMMUNITY HOSPITAL INC 801 Ostrum Street Bethlehem, PA 180151000 25-1550350	Acute care services	PA	501(c)(3)	3	ST LUKES HEALTH NETWORK INC
ST LUKES PHYSICIAN GROUP INC 801 Ostrum Street Bethlehem, PA 180151000 23-2389812	Physician services	PA	501(c)(3)	11	ST LUKES HEALTH NETWORK INC
LIFESTAR 801 Ostrum Street Bethlehem, PA 180151000 23-2179542	Patient transport	PA	501(c)(3)	3	ST LUKES HEALTH NETWORK INC
QUAKERTOWN REHABILITATION CENTER 801 Ostrum Street Bethlehem, PA 180151000 23-2543924	Rehabilitation services	PA	501(c)(3)	3	ST LUKES HEALTH NETWORK
VNA OF EASTERN PENNSYLVANIA - HOSPICE AND HOME HEALTH INC 801 Ostrum Street Bethlehem, PA 180151000 24-0795497	Home health services	PA	501(c)(3)	8	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA
HOMESTAR MEDICAL EQUIPMENT AND INFUSION SERVICES 801 Ostrum Street Bethlehem, PA 180151000 23-2318254	Medical equipment and infusion services	PA	501(c)(3)	9	ST LUKES HEALTH NETWORK INC
ST LUKES HOSPITAL AND HEALTH NETWORK AUXILIARY 801 Ostrum Street Bethlehem, PA 180151000 23-2134479	Fundraising	PA	501(c)(3)	3	ST LUKES HOSPITAL OF BETHLEHEM PENNSYLVANIA

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	ST LUKES QUAKERTOWN HOSPITAL	h	-11,084,124
(2)	CARBON SCHUYLKILL COMMUNITY HOSPITAL INC	h	-1,511,211
(3)	ST LUKES PHYSICIAN GROUP INC	h	-2,554,935
(4)	LIFESTAR	h	-1,545,469
(5)	QUAKERTOWN REHABILITATION CENTER	h	1,528,218
(6)	VNA OF EASTERN PENNSYLVANIA - HOSPICE AND HOME HEALTH INC	h	-2,865,008
(7)	HOMESTAR MEDICAL EQUIPMENT AND INFUSION SERVICES	h	2,200,494

Additional Data

Software ID:
Software Version:
EIN: 23-1352213
Name: ST LUKES HOSPITAL OF BETHLEHEM PA

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
Mr David M Lobach Jr , Chairman	1	X						0	0	0
Mr Andrew F S Warner , Vice Chairman	1	X						0	0	0
Rev Dr Douglas Caldwell , Director	1	X						0	0	0
Ms Christine Connar , Director	1	X						0	0	0
Alice P Gast MD , Director	1	X						0	0	0
Samual R Giamber MD , Director	1 00	X						0	405,711	24,583
Ms Jan S Heller , Director	1	X						0	0	0
Kostas Kalogeropoulos , Director	1	X						0	0	0
John J Lukaszczyk MD , Director	1	X						0	0	0
Mrs George A Hurd , Life Trustee	1	X						0	0	0
Mr Douglas A Michels , Director	1	X						0	0	0
Robert A Oster , Director	1	X						0	0	0
Charles Saunders MD , Director	1 00	X						0	0	0
Mr Arthur Scott , Director	1	X						0	0	0
Mr Kenneth R Smith , Director	1	X						0	0	0
Rev Dr Christopher Thomforde , Director	1	X						0	0	0
Donald E Wieand Jr , Director	1	X						0	0	0
Mr Richard Anderson , President & CEO	40	X		X				2,764,270	0	552,702
Mr Joel Fagerstrom , Executive VP & COO	40			X				507,778	0	26,749
Mr Thomas Lichtenwalner , Sr Vice President Finance	40			X				404,770	0	25,804
Mr Robert Zimmel , Sr Vice President Human Resources	40			X				684,430	0	126,873
Mr Robert E Martin , Sr Vice President Strategic Planning	40			X				442,373	0	70,818
Jeffrey Jahre MD , Sr Vice President Medical & Academic Affairs	40			X				652,881	0	24,919
Seymour Traub Esq , Sr Vice President & General Counsel	40			X				345,201	0	24,884
Carol A Kuplen RN MSN , Sr Vice President & Chief Nursing Officer	40			X				338,672	0	62,507
Mr Frank Ford , President Allentown Campus	40				X			292,078	0	56,587
Joseph C Merola MD , Chief of OB/GYN	40					X		660,341	0	114,078
David W Anderson MD , Chief of Pathology	40					X		468,060	0	33,852
James N Anasti MD , Director Resident Education	40					X		396,034	0	29,033
Joel C Rosenfeld , Director of Medical Education	40					X		393,764	0	24,919

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
Frederick Sprissler	40					X		355,404	0	63,180

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a Inpatient/Outpatient program service revenue	622,000	629,144,582	626,896,667	2,247,915	0
b Physician practice revenue	622,000	2,486,515	2,486,515	0	0
c School of Nursing	622,000	2,507,210	2,507,210	0	0
d Dental health revenue	622,000	958,296	958,296	0	0
e Clinical trial revenue	622,000	714,978	714,978	0	0