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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)	OMB No 1545-0047 <div> <div>2009</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization Virginia Mason Medical Center		D Employer identification number 91-0565539
		Doing Business As		E Telephone number (206) 223-6600
		Number and street (or P O box if mail is not delivered to street address) 1100 Ninth Avenue	Room/suite	G Gross receipts \$ 920,431,975
		City or town, state or country, and ZIP + 4 Seattle, WA 98101		
		F Name and address of principal officer Gary Kaplan 1100 Ninth Avenue Seattle, WA 98101		

I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	
J Website: ▶ www.viriniamason.org			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1934	M State of legal domicile WA






Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities 0 Virginia Mason Medical Centers the Medical Center mission is to improve the health and well-being of the patients it serves through the delivery of high quality, cost-effective care to its patients The Medical Center provides integrated health services through a teaching hospital and multi-specialty group practice, offering both primary and specialized care	
	2	Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	3 <u>1</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 <u>1</u>
	5	Total number of employees (Part V, line 2a)	5 <u>5,73</u>
	6	Total number of volunteers (estimate if necessary)	6 <u>2,20</u>
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a <u>8,308,36</u>
	b	Net unrelated business taxable income from Form 990-T, line 34	7b <u>2,569,36</u>

Revenue		Prior Year	Current Year	
	8	Contributions and grants (Part VIII, line 1h)	17,809,386	7,802,755
	9	Program service revenue (Part VIII, line 2g)	723,281,494	789,943,130
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12,596,026	9,920,676
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,062,070	7,098,864
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	759,748,976	814,765,425
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . .	5,383,371	5,364,987
	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)	420,717,165	457,117,541
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) \blacktriangle^0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	303,204,195	303,605,772
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	729,304,731	766,088,300
	19	Revenue less expenses Subtract line 18 from line 12	30,444,245	48,677,125
Net Assets or Fund Balances		Beginning of Current Year	End of Year	
	20	Total assets (Part X, line 16)	782,041,567	846,953,582
	21	Total liabilities (Part X, line 26)	586,491,491	589,236,659
	22	Net assets or fund balances Subtract line 21 from line 20	195,550,076	257,716,923

Part II Signature Block

Sign Here	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	
	Signature of officer	2010-11-14 Date
	Gary Kaplan Chairman and CEO Type or print name and title	

Paid Preparer's Use Only	Preparer's signature  Sue Robison		Date 2010-11-14	Check if self-employed  <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4  KPMG LLP 801 2nd Avenue Suite 900 Seattle, WA 98104				EIN 
					Phone no  (206) 913-4000

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

Part III Statement of Program Service Accomplishments

1

Briefly describe the organization's mission

Virginia Mason Medical Centers the Medical Center mission is to improve the health and well-being of the patients it serves through the delivery of high quality, cost-effective care The Medical Center provides integrated health services through a teaching hospital licensed for 336 beds and multi-specialty group practice of more than 364 physicians, offering both primary and specialized care, through a regional network of neighborhood clinics and ambulatory surgery centers

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 501(c)(4) organizations and section 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 \$ 643,013,244 including grants of \$) (Revenue \$ 796,191,917)

Health Care Services The Medical Center is a tertiary regional referral center which serves a patient community that includes Seattle and its surrounding suburbs, Western Washington and Alaska The main campus located in Seattle includes a hospital, an outpatient clinic, centers of excellence including the Center for Hyperbaric Medicine, Digestive Disease Institute, Floyd Delores Jones Cancer Institute, Heart Institute, Neuroscience Institute and Urology The Medical Center also operates seven regional clinics, and Bailey-Boushay House, a 35-bed skilled nursing facility During 2009, the Medical Center recorded 16,759 hospital inpatient admissions, 24,543 emergency room visits and 843,294 clinic visits The Medical Center provided charity care and unreimbursed Medicaid services to a total of 9,493 patients Continued on Schedule O

4b

(Code) (Expenses \$ 20,171,096 including grants of \$ 1,537,400) (Revenue \$ 253,915)

Education and Research The Medical Center is an independent academic medical center with a graduate medical education program that trains over 110 residents in five accredited programs in internal medicine, surgery, transitional year, radiology, and anesthesiology In addition, the Medical Center trains a number of fellows in areas such as Pain Management, Regional Anesthesia, Urology, Sports Medicine, Gynecology and Gastroenterology The Medical Center also provides training in clinical nursing education, allied health fields, continuing medical education and grand rounds In addition, the Medical Center conducts medical research through its affiliate Benaroya Research Institute at Virginia Mason, a scientific research institute qualified under Section 501c3 of the Internal Revenue Code Continued on Schedule O

4c

(Code) (Expenses \$ 866,864 including grants of \$) (Revenue \$ 596,163)

Community Health Education and Services The Medical Center contributes to improving the health of the community through sponsorship of community health education and services Community health education includes classes, forums, presentations and other programs held during the day and evening in the Medical Center neighborhood clinic communities and the Seattle main campus The Buse Diabetes Teaching Center provides a nationally recognized education program which includes classes covering every aspect of diabetes care including how to support long term health lifestyle habits and avoid long-term complications The education programs are open to everyone with diabetes and their family members Scholarships are available In 2009, the Medical Center provided 129,000 of support for the Teaching Center Continued on Schedule O

4d










Other program services (Describe in Schedule O)

(Expenses \$ 4,165,529 including grants of \$ 3,827,587) (Revenue \$)

4e

Total program service expenses \$ 668,216,733

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 similar funds or 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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.		
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	Yes
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 	12A	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I 	14b	Yes
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 U S ? 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 U S ? If "Yes," complete Schedule F, Part III	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	1,711	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	5,734	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
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: <input type="text"/> 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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, 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	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body	1a	14	
b	Enter the number of voting members that are independent	1b	13	
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	Yes	
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	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	Yes	
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?	10b	Yes	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
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	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," 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▶OR , GA
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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 ▶ MaryAnne Olmstead 1100 Olive Way Suite 605 Seattle, WA 98101 (206) 625-7371

1b	Total	13,502,960	1,965,857
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2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶807

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	Yes
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	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
Unimark Construction 1221 Fourth Ave Seattle, WA 98101	Construction Services	4,384,449
Skanska USA Building Inc 221 Yale Ave N Suite 400 Seattle, WA 98109	Construction Services	64,483,267
Crothall Services Group Inc 955 Chesterbrook Bld Ste 300 Wayne, PA 19087	Staffing Services	11,950,860
AMN Healthcare Inc File 56157 Los Angeles, CA 900746157	Staffing Services	8,413,863
NBBJ Group File51257 San Francisco, CA 941601257	Construction Services	3,524,545

2

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶52

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	7,802,755				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			7,802,755			
Program Service Revenue			Business Code					
	2a	Operating Revenues	561,499	966,354,441	960,345,960	6,008,481		
	b	Medicare/Medicaid payments	621,300	116,613,765	116,613,765			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			789,943,130			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			5,161,673	2,015	2,550,136	2,609,522
	4	Income from investment of tax-exempt bond proceeds . . .			-8,091			-8,091
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		1,704,378						
		1,440,960						
		263,418						
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)			263,418		-355,562	618,980
	7a	(i) Securities		(ii) Other				
		108,888,006		58,164				
		104,150,766		28,310				
		4,737,240		29,854				
	b	Less cost or other basis and sales expenses						
	c	Gain or (loss)						
	d	Net gain or (loss)			4,767,094			4,767,094
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
		a						
		b						
b	Less direct expenses		b					
c	Net income or (loss) from fundraising events . . .							
9a	Gross income from gaming activities See Part IV, line 19							
	a							
	b							
b	Less direct expenses		b					
c	Net income or (loss) from gaming activities . . .							
10a	Gross sales of inventory, less returns and allowances							
	a		81,715					
	b		46,514					
b	Less cost of goods sold		b					
c	Net income or (loss) from sales of inventory . . .			35,201		35,201		
Miscellaneous Revenue		Business Code						
11a	Cafeteria		722,100	2,927,343			2,927,343	
b	Parking		721,110	3,642,178		70,106	3,572,072	
c	Medical Records		561,499	166,882			166,882	
d	All other revenue			63,842			63,842	
e	Total. Add lines 11a-11d			6,800,245				
12	Total revenue. See Instructions			814,765,425	783,936,664	8,308,362	14,717,644	

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	5,364,987	5,364,987		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	9,642,302	5,886,601	3,755,701	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	378,152,184	329,601,755	48,550,429	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	24,585,051	21,428,611	3,156,440	
9	Other employee benefits	21,622,945	18,846,806	2,776,139	
10	Payroll taxes	23,115,059	20,147,349	2,967,710	
11	Fees for services (non-employees)				
a	Management	1,146,097	998,951	147,146	
b	Legal	-229,560		-229,560	
c	Accounting	316,637		316,637	
d	Lobbying	172,146		172,146	
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	0			
g	Other	42,155,445	36,743,166	5,412,279	
12	Advertising and promotion	5,349,267	4,662,482	686,785	
13	Office expenses	141,899,529	123,681,247	18,218,282	
14	Information technology	23,413,397	20,407,384	3,006,013	
15	Royalties	0			
16	Occupancy	18,567,086	16,183,284	2,383,802	
17	Travel	1,820,318	1,586,610	233,708	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	376,646	328,289	48,357	
20	Interest	5,286,132	4,607,453	678,679	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	28,598,137	24,926,462	3,671,675	
23	Insurance	5,695,576	4,964,329	731,247	
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	Taxes	11,108,563	11,108,563		
b	Medical Purchase Services	545,703	475,641	70,062	
c	Dues and Subscriptions	2,084,987	1,817,298	267,689	
d	Bad Debt Expense	8,866,354	8,866,354		
e	Disposal of Equipment	27,807		27,807	
f	All other expenses	6,405,505	5,583,111	822,394	
25	Total functional expenses. Add lines 1 through 24f	766,088,300	668,216,733	97,871,567	0
26	Joint costs. Check here <input checked="" type="checkbox"/> 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			22,961,371	1	19,422,509
	2	Savings and temporary cash investments			54,999,898	2	106,402,722
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			73,082,239	4	71,221,903
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				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				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			11,353,870	8	12,821,963
	9	Prepaid expenses and deferred charges			4,323,739	9	3,495,923
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	688,306,435			
	b	Less accumulated depreciation	10b	293,705,526	314,989,270	10c	394,600,909
	11	Investments—publicly traded securities			101,576,153	11	119,738,846
	12	Investments—other securities See Part IV, line 11			2,605,783	12	
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			196,149,244	15	119,248,807
	16	Total assets. Add lines 1 through 15 (must equal line 34)			782,041,567	16	846,953,582
Liabilities	17	Accounts payable and accrued expenses			111,713,644	17	107,353,555
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			336,407,941	20	334,025,218
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			32,136,696	23	32,025,044
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			106,233,210	25	115,832,842
	26	Total liabilities. Add lines 17 through 25			586,491,491	26	589,236,659
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			177,209,470	27	237,225,094
	28	Temporarily restricted net assets			14,146,664	28	16,558,901
	29	Permanently restricted net assets			4,193,942	29	3,932,928
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			195,550,076	33	257,716,923
	34	Total liabilities and net assets/fund balances			782,041,567	34	846,953,582

Part XI **Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . .		No
b Were the organization's financial statements audited by an independent accountant? 	Yes	
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . .	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
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? 	Yes	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Virginia Mason Medical Center

Employer identification number
91-0565539

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

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **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).**

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 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

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

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box 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?

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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

Section C. Computation of Public Support Percentage

14	Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	0 %
15	Public Support Percentage for 2008 Schedule A, Part II, line 14	15	

16a

33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

b

33 1/3% support test—2008. 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—2009. 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—2008. 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 a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part IIISupport 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						
14First 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						

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	0 %
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	0 %
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. 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		
b33 1/3% support tests—2008. 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		
20Private 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. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2009

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), then

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

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

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

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization Virginia Mason Medical Center	Employer identification number 91-0565539
---	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

Part II-A

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

A

Check

☒

if the filing organization belongs to an affiliated group

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)		152,146	152,146												
b Total lobbying expenditures to influence a legislative body (direct lobbying)		20,000	117,276												
c Total lobbying expenditures (add lines 1a and 1b)		172,146	269,422												
d Other exempt purpose expenditures		765,916,154	812,509,474												
e Total exempt purpose expenditures (add lines 1c and 1d)		766,088,300	812,778,896												
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000	1,000,000												
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000	250,001												
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	230,864	199,415	129,287	269,422	828,988
d Grassroots non-taxable amount	250,000	250,000	250,000	250,001	1,000,001
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,002
f Grassroots lobbying expenditures	171,257	199,415	129,287	152,146	652,105

Part II-B

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

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

Part III-A

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

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

Part III-B

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

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).		
		2a	
		2b	
	a Current year	2c	
	b Carryover from last year		
	c Total		
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

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
II-A	A	Virginia Mason Medical Center, EIN 91-0565539, 1100 Ninth Avenue, Seattle, WA 98101 Election Member, Grassroots Lobbying Expenditures 152,146, Direct Lobbying Expenditures 20,000, Excess Lobbying Expenditures 0 Tax year ending December 31, 1998 was the first year in which Virginia Mason Medical Center made the election under Section 501h The election was not revoked before the start of the tax year ending December 31, 2009 Virginia Mason Medical Center pays membership dues to Washington State Hospital Association, a portion of which are used for legislative and lobbying activities Virginia Mason Medical Center also pays membership dues to other professional health care organizations, a portion of which may be used for legislative and lobbying activities
II-A	A	Virginia Mason Health System, EIN 91-1351110, 1100 Ninth Avenue, Seattle, WA 98101 Non-electing member, 37,026 Direct Lobbying Expenditures, Excess Lobbying Expenditures 0
II-A	A	Benaroya Research Center at Virginia Mason, EIN 91-0653422, 1201 Ninth Avenue, Seattle, WA 98101 Non-electing Member, 60,250 Direct Lobbying Expenditures, Excess Lobbying Expenditures 0
II-A	A	Virginia Mason Institute, EIN 26-3763656, 1100 Ninth Avenue, Seattle, WA 98101 Non-electing member, 0 Lobbying Expenditures, Excess Lobbying Expenditures 0

SCHEDULE D
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization Virginia Mason Medical Center	Employer identification number 91-0565539
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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 for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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 a 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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

▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2009

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

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 the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
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	9,444,928	13,624,798		
b	Contributions	230,704	500,931		
c	Investment earnings or losses	2,265,200	-4,680,801		
d	Grants or scholarships	277,142			
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance	11,663,690	9,444,928		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 60 470 % %

b

Permanent endowment ▶ 30 840 % %

c

Term endowment ▶ 8 690 % %

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) Yes	
(ii) related organizations	3a(ii) Yes	
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) Accumulated depreciation	(d) Book value
1a Land		36,370,602		36,370,602
b Buildings		199,080,677	99,133,694	99,946,983
c Leasehold improvements		20,044,740	7,118,350	12,926,390
d Equipment		265,548,212	187,000,109	78,548,103
e Other		167,262,204	453,373	166,808,831
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				394,600,909

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	814,765,425
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	766,088,300
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	48,677,125
4	Net unrealized gains (losses) on investments	4	8,380,075
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	5,601,841
9	Total adjustments (net) Add lines 4 - 8	9	13,981,916
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	62,659,041

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	828,308,734
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	8,380,075
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	10,039,428
e	Add lines 2a through 2d	2e	18,419,503
3	Subtract line 2e from line 1	3	809,889,231
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	4,876,194
c	Add lines 4a and 4b	4c	4,876,194
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	814,765,425

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	765,649,693
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	4,437,589
e	Add lines 2a through 2d	2e	4,437,589
3	Subtract line 2e from line 1	3	761,212,104
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	4,876,196
c	Add lines 4a and 4b	4c	4,876,196
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	766,088,300

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
V	4	Support health care mission of Virginia Mason Medical Center and research mission of Benaroya Research Institute at Virginia Mason
X	2	The Medical Center adopted Financial Accounting Standards Board FASB Interpretation No 48, Accounting for Uncertainty in Income Taxes FIN48, included in FASB Accounting Standards Codification ASC Subtopic 740-10-Income Taxes-Overall FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprises financial statements in accordance with FASB Statement No 109, Accounting for Income Taxes
X	2 continued	FIN 48 also prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return Only tax positions that meet the more-likely than-not recognition threshold at the effective date may be recognized or continue to be recognized upon adoption
X	2 continued	In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition This guidance did not have a significant impact to the consolidated financial statements in 2009 or 2008
XI	8	Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements-Other Adjustments - Donated Capital 500,000 Additional Pension Adjustment 3,692,453 Restricted Capital Transfers 917,194 Virginia Mason Institute Revenues 2,328,225 Virginia Mason Institute Expenses 1,836,033 Endowment Reclass 2
XII	2d	Reconciliation of Revenue per Audited Financial Statements with Revenue per Return-Amounts included in Audited Financial Statements not on Form 990, Part VIII Line 12, Other - Donations Transfers 2,601,556 Virginia Mason Institute Revenues 2,328,225 Donated Capital 500,000 Additional Pension Adjustment 3,692,453 Restricted Capital Transfers 917,194
XII	4b	Reconciliation of Revenue per Audited Financial Statements with Revenue per Return-Amounts included on Form 990, Part VIII, Line 12 not in Audited Financial Statements line 1, Other - Non-operating expenses 5,579,198 Financial Reclasses 756,663 Rental expenses 1,440,960 Loss on Disposal of Equipment 27,807 Inventory Cost of Goods Sold 46,514
XIII	2d	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return-Amounts included in Audited Financial Statements not on Form 990, Part IX Line 25, Other - Donations Transfers 2,601,556 Virginia Mason Institute Expenses 1,836,033
XIII	4b	Reconciliation of Expenses -Amounts included on Form 990, Part IX, Line 25 not in Audited Financial Statements line 1, Other - Non-operating expenses 5,579,198 Financial Reclasses 756,663 Rental expenses 1,440,960 Loss on Disposal of Equipment 27,807 Inventory Cost of Goods Sold 46,514 Endowment Reclass 2

Totals ▶

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

[illegible]**Schedule F (Form 990) 2009**

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Schedule F-1 (Form 990) if additional space is needed.

[illegible]

Complete this part to provide the information required in Part I, line 2, and any additional information.

Schedule F (Form 990) 2009

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Virginia Mason Medical Center

Employer identification number
91-0565539

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
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 <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____</div> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input checked="" type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____</div> 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"?	3a	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)		3,566	8,527,675		8,527,675	1 110 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		5,127	26,306,663	20,343,127	5,963,536	0 780 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs		8,693	34,834,338	20,343,127	14,491,211	1 890 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,087,439	104,530	982,909	0 130 %
f Health professions education (from Worksheet 5)	17	490	9,308,688	3,717,168	5,591,520	0 730 %
g Subsidized health services (from Worksheet 6)	3	1,113	1,269,633	1,192,722	76,911	0 010 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			2,115,091		2,115,091	0 280 %
j Total Other Benefits	20	1,603	13,780,851	5,014,420	8,766,431	1 150 %
k Total. Add lines 7d and 7j	20	10,296	48,615,189	25,357,547	23,257,642	0

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing			50,500		50,500	0.010 %
2Economic development						
3Community support			239,170		239,170	0.030 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy			60,987		60,987	0.010 %
8Workforce development						
9Other						
10Total			350,657		350,657	0.050 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2Enter the amount of the organization's bad debt expense (at cost)	2	4,493,468	
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4Provide 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, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	124,262,798	
6Enter Medicare allowable costs of care relating to payments on line 5	6	137,654,438	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-13,391,640	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9aDoes the organization have a written debt collection policy?	9a	Yes	
9bIf "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	Yes	

Part IVManagement Companies and Joint Ventures

(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 %
1National Purchasing Partners	Market Group Purchasing Program	50.000 %		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V

Facility Information

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)
Virginia Mason Medical Center 1100 Ninth Avenue Seattle, WA 98101	X	X		X			X		Hospital Based Clinic
Virginia Mason Lynnwood 19116 33rd Ave W Lynnwood, WA 98036									Outpatient Clinic
Virginia Mason Sand Point Pediatrics 4575 Sand Point Way NE Suite 108 Seattle, WA 98105									Outpatient Clinic
Virginia Mason Kirkland 11800 NE 128th St Suite 300 Kirkland, WA 98034									Outpatient Clinic
Virginia Mason Bellevue 222 112th Ave NE Bellevue, WA 98004									Outpatient Clinic
Virginia Mason Issaquah 100 NE Gilman Blvd Issaquah, WA 98027									Outpatient Clinic
Virginia Mason Winslow 380 Winslow Way E Bainbridge Island, WA 98110									Outpatient Clinic
Virginia Mason Federal Way 33501 First Way S Federal Way, WA 98003									Outpatient Clinic
Bailey Boushay House 2720 East Madison Seattle, WA 98112									Skilled Nursing Facility

Part VI Supplemental Information

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

Charity Care discounts that are less than 100 will be taken after any uninsured discounts are applied Additional full or partial Charity Care may be provided to patients with gross family incomes from 201 to 300 of the federal poverty level when circumstances as determined by the Medical Center indicate that full payment may cause financial hardship so as to significantly harm the patient or patients family Additional full or partial discounts may be provided to patients who are not otherwise eligible for Charity Care, i e , with gross family incomes above three hundred percent 300 of the federal poverty guidelines adjusted for family size Such discounts may be provided to patients with catastrophic costs or conditions when circumstances as determined by the Medical Center indicate that full payment may cause extraordinary financial hardship to the patient or the patients family The Medical Center shall determine, on a case by case basis, whether a patient qualifies as Medically Indigent pursuant to its policy and shall, through Patient Financial Services, determine the amount of the discount, if any Determinations shall be made expeditiously after submission of financial information by the patient, but shall not be subject to any appeal rights

Bad Debt of 70,998 was included on Form 990, Part IX, line 25 but was subtracted from subsidized health services for purposes of calculating the percentage in Part I, Line 7

The Medical Center used the direct expenses and revenues of the hospital to calculate the cost-to-charges ratio for the amounts included in the table reflected in Part I The cost-to-charge ratios used was derived using Worksheet 2, Ratio of Patient Care Cost-to-Charge ratio per the instructions

Uninsured patients will receive a 25 discount off billed charges for designated services provided by the Medical Center Management of Patient Financial Services maintains a list of designated services eligible for the discount Uninsured Patients will not receive the uninsured discount on non-Medically Necessary Care In addition to the uninsured discount, Uninsured Patients may apply for charity care Uninsured Patients who do not appear to qualify for charity care through an initial determination conducted by the Medical Center will be required to pay a deposit based on deposit guidelines established by the Medical Center Underinsured Patients are not eligible for the uninsured discount If an account was determined to be eligible for partial charity, it would be reduced at the full service collection agency If an account was determined to be charity, the Medical Center would cancel the account at the full service collection agency and adjust the Medical Centers books to charity An account is considered bad debt if 1 the Medical Center has no active address and 2 self pay portion is aged beyond 120 days and the Medical Center approved payment arrangements have not been established If the patient indicates to the Medical Center or the agency that there is a financial hardship, the Medical Center would evaluate them for charity at that point in time Charity would be applied to an assigned balance The costing methodology that was used for bad debts was the cost-to charge ratio of direct expenses and revenue as derived using Worksheet 2, Ratio of Patient Care Cost-to-Charges The Medical Centers financial statement includes the following statement on estimated uncollectibles The Medical Center provides an allowance for potential uncollectible patient accounts receivables whereby such receivables are reduced to their estimated net realizable value The Medical Center estimates this allowance based on the aging of accounts receivable, historical collection experience by payor, and other relevant factors There are various factors that can impact the collection trends, such as changes in the economy, which in turn have an impact on employment rates and the number of uninsured and underinsured patients, the increase burden of co-payments to be made by patients with insurance, and business practices related to collection efforts These factors continuously change and can have an impact on collection trends and the estimation process

The Medical Centers calculation of the Medicare shortfall related to Hospital based inpatient and outpatient services is 13,391,640 The Medical Center employs over 400 physicians who provide professional services to patients which is not covered in this number In addition, the Medical Center operates satellite clinics and ambulatory surgery centers which are not reported in the Medicare cost report For all of its patient services, the Medical Center utilizes a comprehensive electronic cost reporting package which uses the directly assigned general ledger costs and allocates all overhead costs to operating costs centers using a model inspired by the Medicare cost report This model shows that 46 million of Medicare revenue is not included in the traditional cost report with related costs of 59 million for a shortfall of 26 million primarily due to shortfall of Medicare professional fees versus costs

As outstanding balances age, statement messages, collection letters and/or telephone calls may be used at appropriate intervals determined by the Medical Center Delinquent accounts may be forwarded to a third party where a series of collection contacts letters and phone calls will be initiated Delinquent self pay accounts that have not been paid in full or established an approved installment payment plan may be referred to a full service collection agency This occurs approximately 130 days from determination of patient responsibility Patient Financial Services management team has responsibility for determining under what circumstances a balance may be referred for collection agency resolution The Medical Center recognizes there are occasions when a patient is not financially able to pay their medical bill in full Those patients who indicate they are experiencing financial hardship will be offered the opportunity to apply for charity care assistance The account activity will be suspended pending eligibility determination If the patients income is greater than 300 of the current years FPG, charity is denied and alternative payment arrangements are discussed If the patients income is less than 300 of the current years FPG, the patient will complete the charity application and send supporting documentation If charity determination is approved, the charity care discount is applied to the outstanding account based on the FPG determination and a confirmatory letter is sent to the patient If charity is denied, the Medical Center will send a denial letter to the patient

The Medical Center includes a skilled nursing facility, seven outpatient clinics, and one hospital-based outpatient clinic

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

At Virginia Mason, we are committed to improving the health and well being of not only our patients, but also the people who reside in the communities we serve Healing illness is our first priority, and that priority extends beyond our walls In 2009, the Medical Center enhanced its community needs assessment by utilizing data from Public Health - Seattle King County, United Way of King County, Snohomish County Health District, Kitsap County Health District, Northwest Area Foundation and Washington State Department of Health Local Public Health Indicators, and the U S Department of Health and Human Services Healthy People 2010 leading health indicators Virginia Masons community is defined as King County, South Snohomish County, Kitsap County and North Pierce County Within King County, areas are identified as Seattle, north, south and east In several instances, the geographic areas are further broken down by city and neighborhood Assessment Goals Virginia Masons Community Needs Assessment serves as the foundation for the Community Benefit Program which strives to achieve three basic goals 1 Improve our communitys health status and overall quality of life, 2 Reduce health disparities within the community, and 3 Increase access to preventive services Our community benefit program focuses our resources on the needs of the community and the strengths of Virginia Mason For example, our support of Bailey-Boushay House assists community members with HIV/AIDS, the uninsured, homeless, those with drug addiction and mental health distress - all needs identified in our assessment Likewise, we provide access to care for the uninsured through our partnership with Eastgate Community Clinic, while also supporting our graduate medical education program with a superior learning environment for our residents continuity clinic experience As the first healthcare facility to implement a mandatory staff influenza vaccine policy, Virginia Mason is viewed as a leader in protecting patients and staff from this potentially deadly virus In 2009, Virginia Mason expanded on its commitment to reducing influenza in our community by participating in the King County United Way Community Resource Exchange and delivering free flu shots to Seattles homeless population A thorough review of the 2009 assessment was conducted by the Medical Center community benefit guidance team, and recommendations for refinements to our community benefit program based on the needs assessment was presented to the Medical Center Senior Council and VMMC Board of Directors for approval

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

The Medical Center 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 Medical Centers charity care policy at various points beginning with scheduling and continuing through the patient billing process At scheduling, if a patient indicates they are without insurance and unable to pay for the services, their account is flagged for a Patient Account Specialist to contact them to discuss assistance At arrival for an appointment, the Medical Centers admissions lobby areas have signage regarding availability of charity care, a copy of the charity care policy and information regarding who to contact for assistance During the arrival process, the Medical Centers hospital and clinic admissions personnel will confirm ability to pay If financial need or financial hardship is indicated, Medical Center Financial Counselors will work with the patient to determine whether Medicaid, state program options, or charity care would be appropriate The Medical Centers charity policy and financial assistance contact information is also included in patient bills The Medical Centers Patient Guide to Fees and Billings includes information on charity availability and contact information to initiate an assessment The brochure is available in all patient lobbies for the patient to pick up The brochure is also sent out by Patient Account Services staff based on patient expressed concerns either via phone or letter The Medical Centers website also includes information about charity availability and the contact information to initiate an assessment

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

Virginia Masons community is defined as King County, South Snohomish County, Kitsap County, and North Pierce County Within King County, areas are identified as Seattle, north, south, and east In several instances, the geographic areas are further broken down by city neighborhood The Medical Center services a geographic area that is considered both urban and suburban The Medical Centers communities of King County, Snohomish County, Kitsap County, and Pierce Counties has a combined population of 3,568,314 per the 2000 US Census The demographics of these counties are 78 White, 5 African American, 8 Asian, Native Hawaiian and other Pacific Islander, 5 Hispanic or Latino, 1 American Indian and Alaskan native, and 3 other races The average income of these four counties is 86,000 with approximately 9 of the population below the federal poverty income guideline About 14 percent of the communitys patients are underinsured There are 43 hospitals serving these four counties King County has 26 hospitals and specialty centers, Kitsap County has 2 hospitals, Pierce County has 9 hospitals, and Snohomish County has 6 hospitals Several of these counties have federally-designated medically underserved areas or population present in the community per the Department of Health data Kitsap County is federally-designated for low income inthe Bremerton/Port Orchard communities Pierce County is federally-designated geographically in the communities of Longbranch, Buckley, and Eatonville/Roy Snohomish County is federally- designated geographically in the Skykomish, Sultan, Gold Bar, Index, Darrington and Tulalip communities Snohomish County is also federally designated for low income and homeless in the North Everett community

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

The Medical Center supports community building activities by providing operational support to a daycare program which provides daycare for vulnerable populations, as well as organizations providing behavioral health services and cancer prevention and treatment services In addition, Virginia Mason is providing support to the establishment of a medical respite care facility developed and operated by Public Health - Seattle and King County and the Seattle Housing Authority This medical care respite facility will provide temporary housing for homeless people who need a safe place to heal after being treated and discharged from local hospitals

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)

Virginia Masons community benefit program is designed to improve our communitys health status and overall quality of life, reduce health disparities within the community and increase access to preventive services To accomplish this, our organization contributes time, energy and money in the areas of improving health, providing free and subsidized care, health professionals education and research Uncompensated Care As a non-profit organization, Virginia Mason is committed to serving patients who are uninsured, underinsured, or otherwise unable to pay for their medical care Under Virginia Masons charity care policy, free or reduced-cost medically necessary care after all health insurance has been exhausted is provided to individuals making up to 300 percent of the federal poverty level in keeping with the Washington State Hospital Association voluntary guidelines on billing the uninsured In 2009, Virginia Mason provided charity care to 3,566 patients at a cost of 8,527,675 In addition, Virginia Masons unreimbursed Medicaid was provided at a cost of 5,963,536 Community Health Improvement Services Improving health and qualify of life extends beyond diagnosis and treatment It also requires community health education and outreach services Health improvement and outreach services provided by Virginia Mason include the following 1 community health education, such as classes in the Buse Diabetes Teaching Center 2 free health screenings at community health fairs 3 free flu shots and health screenings for the homeless in conjunction with United Way of King Countys Community Resource Exchange 4 sponsorship of many professionally facilitated support groups, including diabetes prevention and management 5 bereavement support through our Separation and Loss Services and 6 leadership roles in several community organizations, which focus on health care Health Professions Education Virginia Mason strongly supports medical education to ensure our patients and the community benefit from advances in medical care Virginia Mason is a premier teaching hospital that offers postgraduate education programs through its Graduate Medical Education Department GME All GME postgraduate training programs are fully approved by the Accreditation Council on Graduate Medical Education ACGME Virginia Mason trains more than 100 residents and fellows annually VMs GME program is partnered with Public Health - Seattle King County Health Services Division, providing 12 residents for the Eastgate Public Health Center, as well as providing residents at the Carolyn Downs Family Medical Center, Pike Market Medical Clinic and North Public Health Center Virginia Masons collaboration with the Eastgate Public Health Center combines the Medical Centers commitment to teaching and community benefit through an innovative public-private program which allows residents to be more involved in the care of the underserved and uninsured The Eastgate clinic is the largest of three county public health clinics in east King County and offers a variety of primary care services to adults and children Approximately 50 percent of patients seen at the clinic do not have insurance or the means to pay, and approximately the same percentage do not speak English and require interpretive services This resident clinic improves overall health in the community and gives back to our community in a meaningful way Virginia Mason serves as an internship site for students in a variety of other health programs, such as nursing, pharmacy, respiratory therapy and laboratory technology Also, Virginia Mason provides a 0.5 FTE faculty member every fall, winter and spring quarter for undergraduate clinical nursing instruction for the University of Washington School of Nursing Subsidized Health Services Every community needs certain health care services that typically cost more to deliver than the provider of these services receives These subsidized health services include 1 Bailey-Boushay House BBH, a nursing residence and Adult Day Health center for people living with HIV/AIDS and 2 Tender Loving Care, a day-care program for mildly ill children Research Virginia Mason conducts medical research through its affiliate, Benaroya Research Institute at Virginia Mason BRI BRI is a non-profit biomedical research institute that works to unlock the mysteries of the immune system Its team of world-renowned scientists is focused on identifying causes and cures for devastating diseases including diabetes, arthritis, heart disease and cancer In 2009, the Medical Center provided 1,537,000 to support research activities at BRI Environmental Improvements Virginia Masons environmental stewardship initiative, EnviroMason, provides the framework for making unique energy and waste management decisions, such as setting policies on reliability and use, making efficiency improvements, supporting capital planning and infrastructure design, and encouraging employee participation and innovation The goal of EnviroMason is to reduce waste, recycle and conserve resources of our community For example, in 2009, Virginia Mason diverted 335 tons of MSW from local landfills and 144 tons of food waste from public sewer systems by avoiding use of garbage disposals Virginia Mason became the first hospital in the Pacific Northwest to eliminate garbage cans and Styrofoam use and begin composting food waste The organization was able to reduce kitchen garbage waste by 75 percent and reduce water use by 72 percent Virginia Mason composts 15 tons of food and material waste per month, saves about 160,000 gallons of water in the hospital kitchen each year, and recycles about 250 pounds of plastic and tin each day Cardboard recycling has increased by nearly 300 percent Also, nearly 100 percent of cafeteria product purchases today are compostable In addition, Virginia Mason has invested more than 3 million in energy conservation endeavors, including efficient lighting, advanced chiller plant installations and upgrades, and extensive water and energy and conservation measures Virginia Mason has one of the highest medical center surgery volumes in the region and about 30 percent of the organizations waste could once be traced to operating rooms OR Even though general perceptions are that operating rooms have unique biohazard and blood contamination challenges, only about 15 percent of surgical waste requires special processing Virginia Mason was the first hospital in the region to recycle in the OR Team members sort recyclable products from trash before surgeries even begin About 80 percent of waste, such as clear plastics, blue surgical wrap, aluminum and other materials generated in Virginia Masons operating rooms is recycled This represents about 800 pound of recycled material each week Medical Staff Virginia Mason has 739 members on its active hospital staff, including Virginia Mason physicians, 227 Group Health physicians, 45 Pacific Medical Centers physicians, and 52 other community providers Accountability to the Community The Medical Center is accountable to the public through its Board, the voting members of which are community members who represent the diverse populations and needs of communities served by the Medical Center The Medical Center is also accountable to the community through its sole voting member, the Health System whose Board is comprised primarily of community members In furtherance of its commitment to responsible governance practices, the Medical Centers Audit and Compliance Committee, composed entirely of community members of the organizations Board, is charged with the overseeing the selection and discharge of the Medical Centers independent financial auditors and oversight of the Medical Centers compliance programs In addition, the Medical Center has chartered a Governance Committee, responsible for reviewing and evaluating the organizations corporate governance policies and guidelines, and providing oversight of procedures for disclosure and management of conflict of interest The voting members of the Governance Committee are independent community members of the Medical Centers board As a further mechanism for community involvement and leadership, Virginia Mason have established a Board of Governors, an advisory body of community representatives The Board of Governors regularly participates in extensive tours of various areas of the Medical Center facilities and becomes involved in forums for in-depth discussion of issues of importance to these organizations and the communities they serve Bailey-Boushay House, a division of the Medical Center which provides day health and skilled nursing facility services to individuals living with HIV/AIDS, also has an advisory board comprised primarily of representatives of the community who provide input and guidance on serving the community Use of Financial Surpluses All financial surpluses from operation of the Medical Center are used exclusively to f

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 communities served

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

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DLN: 93493319015120

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Virginia Mason Medical Center

Employer identification number
91-0565539

Part IGeneral 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 IIGrants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to 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 (Form 990) if additional space is needed▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
See Additional Data Table							

2

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

30

3

Enter total number of other organizations

2

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to 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

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

[illegible]

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

Virginia Mason Medical Center

Employer identification number

91-0565539

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div>		
	<div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div>		
	<div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div></div>		
	<div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all 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		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div>		
	<div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div>		
	<div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
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	No
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 accrued 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
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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.

[illegible]

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
I	1a	In recognition of her qualifications and prior experience with Virginia Mason Medical Center, the Medical Center entered into an employment agreement with its CFO pursuant which she received a cash payment designed to equal the retirement contributions made to employees with similar experience. To render it tax neutral to the employee, the payment was increased for the assumed federal income tax liability. The payment will end on April 2013.
I	1a	Social club dues are provided to two members of the senior leadership team who use the club memberships for business purposes. These payments are treated as non-taxable.
I	1b	The payment to the CFO referred to above was negotiated as part of an employment agreement which was reviewed and approved by the Medical Centers Board of Directors Compensation and Benefits Committee, a committee composed of independent board members to whom the Board has delegated authority to approve compensation and benefits for executive leaders of the Medical Center.
I	1b	All invoices for payment of social club dues and associated monthly expenses are paid pursuant to the Medical Center Business Expense Policy and Social Club Dues Policy.
I	4a	Mr. J. Michael Rona, former President of the Medical Center, received compensation which includes a severance payment of \$436,234 pursuant to the terms of two severance pay plans designed to provide payment contingent on service from employment in specified circumstances. The terms of these plans were previously approved by the Medical Centers Board Compensation and Benefits Committee, a committee composed of independent board members to whom the Board has delegated the authority to approve all compensation and benefits for the executive leaders of the Medical Center. To ensure that such benefit plans are market competitive and reasonable, the Committee receives support and advice, including appropriate market comparability data, from an independent compensation consultant with expertise in the health care industry and access to relevant market data. Mr. Rona joined the Medical Center in 1981 and served as its President from 1991 to 2007.
I	4b	The Medical Center has a Supplemental Executive Retirement Plan (SERP). The SERP is a 457(f) nonqualified deferred compensation plan pursuant to which plan benefits are subject to a substantial risk of forfeiture. The plan was approved by the Board's Compensation and Benefits Committee, a committee composed of independent board members to whom the Board delegates the authority to approve compensation and benefits for the Medical Center's most senior executives. The Committee receives advice from an independent compensation consultant to ensure that compensation and benefits, including the SERP, are market competitive and reasonable. Supplemental Executive Retirement Plans such as this are customary for senior executives in the health care industry.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2009
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	
Name of the organization Virginia Mason Medical Center	Employer identification number 91-0565539

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A Washington Health Care Facilities Authority	91-1108929	93978EH54	12-03-2007	316,302,277	Refund/Redeem, acquire, construct, remodel facility purchase equipment		X		X

Part II Proceeds

		A	B	C	D	E	
1	Total proceeds of issue	316,302,277					
2	Gross proceeds in reserve funds	25,471,181					
3	Proceeds in refunding or defeasance escrows	86,774,645					
4	Other unspent proceeds	204,056,451					
5	Issuance costs from proceeds	6,230,082					
6	Working capital expenditures from proceeds						
7	Capital expenditures from proceeds	141,664,767					
8	Year of substantial completion	2011					
		Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?	X					
10	Were the bonds issued as part of an advance refunding issue?	X					
11	Has the final allocation of proceeds been made?		X				
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X					

Part III Private Business Use

		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?		X								
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X								

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?		X								
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
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?	X									
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		0 001 %								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		0 %								
6	Total of lines 4 and 5		0 001 %								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
2	Is the bond issue a variable rate issue?		X								
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X								
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X								
b	Name of provider			Trinity Plus Funding Company LLC							
c	Term of GIC			0000000017 000000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X								
5	Were any gross proceeds invested beyond an available temporary period?		X								
6	Did the bond issue qualify for an exception to rebate?		X								

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

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Name of the organization
Virginia Mason Medical Center

Employer identification number
91-0565539

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization 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.
Complete if the organization 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?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization 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.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Julia Miller-Lemon	Daughter of Bob Lemon	38,569	Employee		No
Joan Lange	Sister of Bob Lemon	65,934	Employee		No

SCHEDULE O

(Form 990)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization Virginia Mason Medical Center	Employer identification number 91-0565539
---	--

Identifier	Return Reference	Explanation
Form 990 III	1	Virginia Mason also operates Bailey-Boushay House, a skilled nursing facility and day health center serving the HIV/AIDS community The Medical Centers patient care services are integrated with and enhanced by education and research activities which include a graduate medical education program providing training to over 110 residents, fellows and medical students each year In addition, the Medical Center sponsors training programs for pharmacy and a variety of other health services such as nursing, respiratory therapy, physical therapy, speech and language therapy and laboratory technology
Form 990 III	4a	The Medical Center is committed to subsidizing certain health services due to the demonstrated need for these services in the community Since 1992, the Medical Center has addressed the treatment of HIV/AIDS by operating Bailey-Boushay House Bailey-Boushay, a 35-bed skilled nursing facility The first facility in the nation built specifically for the care of people living with AIDS, Bailey-Boushay now also serves other individuals who need intensive nursing care, many of whom are Medicaid recipients In addition to the care provided to its residential population, Bailey-Boushay provides day health services to 213 clients annually, allowing them to live independently with HIV/AIDS The Medical Center also offers emergency services 24 hours a day, 7 days a week The department is staffed by board-certified emergency physicians, physician assistants and certified emergency nurses
Form 990 III	4a continued	The Medical Center is committed to providing necessary medical services regardless of a patients ability to pay and without discrimination as to race, color, creed, national origin, religion, sex, sexual orientation, disability, age, source of income, or any other class protected by federal or applicable state law, or who have an emergency medical condition The Medical Center is a participating hospital in the Washington State Medicaid Contracting Program Charity care is provided according to a sliding fee scale for patients with gross family incomes at or below 300 of the Federal poverty guidelines adjusted for family size as follows 1 Below the Federal Poverty Level Medicaid and/or 100 discount 2 100 - 200 of Poverty Level 100 Discount 3 201 - 250 of Poverty Level 50 Discount 4 251 - 300 of Poverty Level 30 Discount
Form 990 III	4a continued	Full or partial charity care may be provided to patients with gross family incomes from 201 to 300 of the federal poverty level when circumstances indicate that full payment may cause financial hardship so as to significantly harm the patient or patients family Patients without health insurance are eligible for a twenty-five percent 25 discount on medically necessary services under the Medical Centers Discounts for Uninsured Patients Policy Charity care was provided at a cost of 8,527,675 during the year, along with 16,425,000 of Medicaid contractual allowances Charity care does not include bad debts which is the amount the Medical Center is not paid by patients deemed able to pay their bills
Form 990 III	4b	The Medical Centers graduate medical education program maintains education affiliation agreements with community clinics under which the Medical Centers residents provide care to patients at clinics serving low-income and uninsured patients The Medical Center has an affiliation with Eastgate Public Health Clinic operated by Seattle King County Public Health to provide a resident clinic 4-days a week under the supervision of Medical Center physicians This affiliation has expanded access to health care for King County residents and enhanced the educational opportunities of internal medicine residents
Form 990 III	4b continued	The Clinical Nursing Education CNE program offered 24 CNE events in 2009 to 881 attendees Participants include nurses primary audience and advanced practice registered nurses CNS, CNL, ARNP, as well as physical, occupational and respiratory therapists, social workers, pharmacists and pharmacy interns, educators, nursing students, dietitians, specialized technicians, medical assistants and physicians The Medical Center also serves as an internship site for students in a variety of allied health programs such as nursing, pharmacy, respiratory therapy, physical therapy, occupational therapy, social work, sleep disorders, speech and language therapy, radiology and laboratory technology Successful relationships have been built with vocational training programs for medical assistants as well
Form 990 III	4b continued	The Medical Center provides strong support for continuing medical education CME The Medical Centers CME program is accredited by the Accreditation Council for Continuing Medical Education ACCME and has received Exemplary Compliance ratings in six key elements, which puts the Medical Centers program in the top one percent of CME programs in the country In 2009, the CME department provided 7 Category 1 full day courses to 310 attendees In 2009, a total of 1,687 AMA PRA Category 1 credits were awarded to all participants
Form 990 III	4b continued	In addition to the multi-day, full or half-day continuing education courses, 37 one-hour Grand Rounds presentations were presented at the Medical Center, averaging 118 attendees for each presentation In 2009, 3,203 AMA PRA Category 1 credits were awarded for Grand Rounds These programs were broadcast via videoconference to Alaska and Eastern Washington healthcare systems in 32 off-site locations In 2009, the Medical Center also offered a total of 289 Cancer Care conferences, 41 Cardiac Catheterization conferences, 48 Neuroscience Imaging conferences and 13 competencies and Incident conferences one-hour each accredited continuing medical education conferences serving a total of 205 physicians In 2009, 2,148 AMA PRA Category 1 credits were awarded to conference participants

Identifier	Return Reference	Explanation
Form 990 III	4b continued	Approximately 17 of our physicians have faculty appointments at the University of Washington, including 5 at the professorship level The Medical Center also maintains a medical library to support its education and research activities

Form 990 III 4c The Medical Center provided 6,000 toward support of Separation and Loss which provides services for adults and children ages 7-18 whose loved one has died as the result of a sudden, violent death by criminal act homicide, including terrorism or suicide or other types of violent death. Services available include therapy groups, short-term therapy, psychiatric coconsultation and medication management, community, workplace, family and school crisis response and professional training. Form 990 III 4c continued The Medical Center also supports Tender Loving Care TLC a day-care program for mildly ill children in King County. The program offers a cost-effective alternative for working parents with children who are mildly ill. TLC is open to the general public for a set fee and to employees of companies that contract for the service as part of their employee benefit package. The staff at TLC includes a full-time registered nurse and a team of teachers experienced in early childhood education and child development, as well as infection control and caring for mildly ill children. The Medical Center provided 248,000 toward the operating costs of TLC in 2009. Form 990 III 4d The following is a description of selected recipients and is not all-inclusive. 1 The Medical Center supported the Heart Ball, Go Red for Women Heart Awareness and the Annual HeartWalk which benefited the American Heart Association AHA in 2009. AHA's mission is to reduce coronary heart disease, stroke and risk by 25 by 2010. 2 SEAFAIR and the Medical Center partnered to sponsor the BRI Triathlon, benefitting autoimmune research. 3 The Medical Center was a sponsor of the JD RF Gala to benefit the Juvenile Diabetes Research Foundation JD RF. The JD RFs mission is to find a cure for diabetes and its complications through the support of research. Form 990 III 4d continued 4 The Medical Center was a sponsor of the Winslow Relay for Life, a two-day event that benefits the American Cancer Society. The American Cancer Society is a nationwide community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. 5 The Medical Center was a sponsor of Celebrity Waiters Luncheon to benefit Leukemia and Lymphoma Society LLS. LLSs mission is to cure leukemia, lymphoma, Hodgkins disease and myeloma, and to improve the quality of life of patients and their families. Form 990 III 4d continued 6 The Medical Center is a program partner to King County Project Access and donated specialty services for the uninsured. King County Project Access provides a workable solution to one of the most pressing health care problems facing low-income and uninsured people in our community-access to specialty care services. Form 990 III 4d continued 7 The Medical Center was a sponsor of Pancreatic Cancer Survivor Gala to benefit Pancreatic Cancer Action Network. Pancreatic Cancer Action Network is a nationwide network of people dedicated to working together to advance research, support patients and create hope for those affected by pancreatic cancer. 8 The mission of United Way is to improve peoples lives by mobilizing the caring power of communities. The Medical Center provided support to the United Ways fundraising effort with 31,000 in 2009. The Medical Center also provided free flu shots for the King County homeless population at the United Way Community Resource Exchange in October of 2009. Form 990 VI 2 Family relationship between key employees Michael Glenn, MD and Lucy Glenn, MD.

Identifier	Return Reference	Explanation
Form 990 VI	6, 7	Virginia Mason Health System VMHS is the sole corporate member of Virginia Mason Medical Center. VMHS as the sole voting member has the following approval rights: 1 Election and Approval of Directors and Officers of the Board of Directors. 2 Approval of the appointment of the Chief Executive Director. 3 Removal of Directors and Officers of the Board of Directors. 4 Approval of all long-range plans proposed by the Board of Directors. 5 Approval of the annual capital and operating budgets proposed by the Board of Directors. 6 Approval of the borrowing of funds where the amount is in excess of Ten Million Dollars. 7 Approval of the sale, lease, exchange, mortgage, pledge or disposal of all or substantially all of the property and assets. 8 Approval of all amendments to the Articles of Incorporation or Bylaws.

Form 990 VI 6, 7 continued 9 All other rights and powers as specified in the Washington Nonprofit Corporation Act Form 990 VI 11a The Audit and Compliance Committee, a committee composed of independent community members of the Medical Center Board of Directors ACC is responsible for oversight of the annual VMMC Form 990 and 990-T preparation process including 1 selection, engagement, and performance of an independent tax preparer, 2 review of the annual draft form 990 and 990T tax returns, and 3 recommend the final form 990 and 990-T tax returns for approval to the VMMC Board of Directors At the ACC September meeting, management provided the ACC with an initial draft of the Form 990 and the tax preparer presented an overview of the Form 990 preparation process Following the September meeting, the ACC Chair updates the VMMC Board on the Form 990 preparation In October, a revised draft of the Form 990 is provided to the ACC Chair for further review and comment Form 990 VI 11a continued The final draft Form 990 is reviewed and approved by the ACC in November, and provided to the VMMC Board for review of the final Form 990 prior to filing The final Form 990 and 990-T tax returns are provided to each member of the VMMC Board of Directors via electronic delivery by posting on a secure website which allows online viewing of Board documents Form 990 VI 12c The Governance Committee of the Board has accountability for oversight of the process for disclosure, evaluation and management of conflicts of interest involving any member of the Board, executive leadership or key employees Covered Person Pursuant to the Conflicts of Interest Policy, an annual conflict of interest questionnaire is distributed to all Covered Persons In addition, a Covered Person has a on-going duty to disclose the existence of a conflict of interest at any time an actual or potential conflict arises Form 990 VI 12c continued Each Covered Person is required upon appointment and annually thereafter to sign a statement that affirms that such person has 1 received a copy of the Conflicts of Interest Policy 2 has read and understands the Policy 3 has agreed to comply with the Policy and 4 understands that Virginia Mason is a charitable organization and that in order to maintain its federal tax exemption must engage primarily in activities that accomplish its tax-exempt purposes Form 990 VI 12c continued Written disclosures are reviewed by the Governance Committee to determine if an actual or potential conflict of interest exists and if so, how it should be managed The Governance Committee informs the Covered Person in writing regarding the determination the Conflict of Interest Management Plan No Covered Person with an actual or potential conflict of interest shall engage in an activity on Virginia Masons behalf related to the disclosed actual or potential Conflict of Interest unless such activity is permitted by the Conflict of Interest Management Plan or until the Covered Person has undertaken all steps set forth in the Management Plan to manage, reduce or eliminate the conflict All Covered Persons have a duty to disclose the existence of any actual or potential conflict of interest with respect to meeting agenda items Form 990 VI 12c continued The Conflicts of Interest Policy requires that copies of the Conflict of Interest Questionnaires completed annually by each Covered Person and any Conflict of Interest Management Plan be maintained In addition, the minutes of the board and all committees with board-delegated powers shall document the disclosure and resolution of any actual or potential conflict of interest disclosed at such meeting

Identifier	Return Reference	Explanation
Form 990 VI	15	The Compensation and Benefits Board Committee, a committee composed solely of independent directors none of whom have a conflict of interest, is accountable for setting reasonable total compensation packages for each executive, including the CEO, officers and key employees Executives consistent with Virginia Masons philosophy and principles The Board develops and approves annual goals and performance criteria which are used in determining merit increases and variable compensation opportunities for the Virginia Mason Executives The Committee assesses performance against these goals The Committee selects and engages a qualified independent compensation consultant to review and analyze the total compensation and benefits packages to the Executives

Form 990 VI 15 continued The Committee as part of its analysis obtains from the compensation consultant appropriate comparability data including total compensation paid by similarly situated for profit and nonprofit health care organizations for positions that are functionally comparable to each of the Executives With respect to those Executives below the level of Chair/Chief Executive Officer, the Committee requests that the Chair/Chief Executive Officer work with the compensation consultant to formulate a compensation recommendation for each such Executive, consistent with Virginia Masons compensation philosophy and principles Form 990 VI 15 continued Consistent with Virginia Masons compensation philosophy and principles, the Committee approves total compensation packages for each of the Executives based on information presented to the Committee, reasonableness and the best interests of Virginia Mason The Committees decisions regarding compensation for each Executive are documented in written resolutions and minutes of the Committee The Committee promptly reports its action to the Board which reports are reflected in the Boards minutes Form 990 VI 19 The organizations Articles, Bylaws and Conflicts of Interest Policy are made available on its public web site Financial Statements are made available upon request Schedule K I Column C 93978EG30, 93978EH39, 93978EH47, 93978EH70, 93978EH62, 93978EG48, 93978EG55, 93978EG63 Schedule K I Column F The proceeds of the reoffered 1997B Bonds together with the proceeds of the Series 2007 Bonds will be used for the purpose of providing part of the funds necessary to 1 refund, on an advanced and current basis, and to redeem the Authoritys Revenue Bonds, Series 1997A, 2 reissue, refund, on a current basis, and replace the Series 1997B Bonds as a variable rate obligation, 3 reimburse the Medical Center for, or pay, the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities, 4 pay interest on the Series 2007 Bonds during construction, 5 fund the initial deposits into respective debt service reserves for the Series 2007 Bonds, 6 pay the cost of credit enhancement, if any, and 7 pay issuance costs Schedule K I Column F The 1997A Bonds were originally issued August 1, 1997 These bonds were issued to 1 refund on a current basis all of the Authoritys outstanding Revenue bonds, Series 1987, issued in an original aggregate principal amount of 100,395,000 2 fund the initial deposit to the Reserve Account for the Bonds 3 pay the premium for the Insurance Policy and 4 pay certain of other costs of issuing the Bonds The 1997B bonds were originally issued August 1, 1007 The original bond proceeds were use to 1 finance or reimburse the Medical Center for the costs of constructing, remodeling and/or acquiring Health Care Facilities 2 fund the initial deposit to the Reserve Account for the Bonds 3 pay the premium for the Insurance Policy and 4 pay certain of the other costs of issuing the Bonds

<div>SCHEDULE R (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div>	<div>Related Organizations and Unrelated Partnerships</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37. ▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2009
	<div>Name of the organization Virginia Mason Medical Center</div>	

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)					
(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
1000 Madison LLC 1100 Ninth Avenue Seattle, WA 98101 20-4018216	Real Estate	WA	1,125,749	24,066,356	N/A
1005 Spring Street LLC 1100 Ninth Avenue Seattle, WA 98101 20-4816736	Real Estate	WA	1,322,803	5,943,724	N/A
Health Resource Services LLC 1100 Olive Way Seattle, WA 98101 26-2800944	Group Purchasing	WA	6,412,990	4,420,234	N/A

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)					
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Virginia Mason Health System 1100 Ninth Avenue Seattle, WA 98101 91-1351110 Virginia Mason Institute	Fundraising	WA	501c3	7	N/A
1100 Ninth Avenue Seattle, WA 98101 26-3763656	Education/Research	WA	501 c 3	9	N/A

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)		(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
								Yes	No		Yes	No
National Purchasing Partners LLC	Group Purchasing	WA	N/A		Unrelated	2,550,136	4,633,110	No			Yes	
1100 Olive Way Seattle, WA98101 20-3470995												

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

No

1l

No

1m

No

1n

No

1o

Yes

1p

Yes

1q

No

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	(b) Transaction type(a-r)	(c) Amount involved
(1)	Virginia Mason Health System	b	3,827,587
(2)	Virginia Mason Health System	c	13,336,336
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2009

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

TY 2009 Affiliated Group Schedule

Name:

Virginia Mason Medical Center

EIN:

91-0565539

Software ID:

09000123

Software Version:

2009.0.12

Affiliated Group Business Name:		Virginia Mason Medical Center
Address. Either US or Foreign Type:		1100 Ninth Avenue Seattle, WA 98101
EIN:		91-0565539
Electing Organization Checkbox:		<input checked="" type="checkbox"/>
Total Grassroots Lobbying:	152,146	
Total Direct Lobbying:	20,000	
Total Lobbying Expenditures:	172,146	
Other Exempt Purpose Expenditures:	765,916,154	
Total Exempt Purpose Expenditures:	766,088,300	
Lobbying Nontaxable Amount:	942,554	
Grassroots Nontaxable Amount:	235,639	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		Benaroya Research Institute at Virginia Mason
Address. Either US or Foreign Type:		1201Ninth Avenue Seattle, WA 98101
EIN:		91-0653422
Electing Organization Checkbox:		<input type="checkbox"/>
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	60,250	
Total Lobbying Expenditures:	60,250	
Other Exempt Purpose Expenditures:	28,666,571	
Total Exempt Purpose Expenditures:	28,726,821	
Lobbying Nontaxable Amount:	35,344	
Grassroots Nontaxable Amount:	8,836	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	24,906	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		Virginia Mason Institute
Address. Either US or Foreign Type:		1100 Ninth Avenue Seattle, WA 98101
EIN:		26-3763656
Electing Organization Checkbox:		<input type="checkbox"/>
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	1,836,032	
Total Exempt Purpose Expenditures:	1,836,032	
Lobbying Nontaxable Amount:	2,259	
Grassroots Nontaxable Amount:	565	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		Virginia Mason Health System
Address. Either US or Foreign Type:		1100 Ninth Avenue Seattle, WA 98101
EIN:		91-1351110
Electing Organization Checkbox:		<input type="checkbox"/>
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	37,026	
Total Lobbying Expenditures:	37,026	
Other Exempt Purpose Expenditures:	16,090,717	
Total Exempt Purpose Expenditures:	16,127,743	
Lobbying Nontaxable Amount:	19,843	
Grassroots Nontaxable Amount:	4,961	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	17,183	
Share Of Excess Lobbying:	0	

Additional Data

Software ID:

Software Version:

EIN: 91-0565539

Name: Virginia Mason Medical Center

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Carolyn Corvi Chairman	2 00	X		X				0	0	0
Joshua Jay Green III Director	2 00	X						0	0	0
Tod Hamachek Director	2 00	X						0	0	0
Robert Bob Lemon Director	2 00	X						0	0	0
Alfred A I E Lopus Director	2 00	X						0	0	0
Dorothy H Mann PhD Director	2 00	X						0	0	0
David Moffett Treasurer	2 00	X		X				0	0	0
James Jamie Orlikoff Director	2 00	X						0	0	0
Richard Dick J Robbins Director	2 00	X						0	0	0
Evelyn Cruz Sroufe Vice Chairman	2 00	X		X				0	0	0
Thomas Van Dawark Director	2 00	X						0	0	0
James Jim Young Secretary	2 00	X		X				0	0	0
Gary Kaplan MD Chairman, CEO	50 00			X				1,338,271	0	676,337
Suzanne Anderson Senior Vice President, CIO/CFO	50 00			X				554,794	0	49,206
Katerie Chapman Vice President	50 00				X			216,794	0	32,158
Lucy Glenn MD Chief of Radiology	50 00				X			644,109	0	31,478
Michael Glenn MD Physician in Chief, Medical Director, Clinic	50 00				X			697,823	0	80,410
Fred Govier MD Chief of Surgery	50 00				X			660,904	0	88,922
Kate Reed Senior Vice President, Clinic Administrator	50 00				X			336,263	0	35,246
Andrew Jacobs MD Chief Medical Officer	50 00				X			541,179	0	111,909
Joyce Lammert MD Chief of Medicine	50 00				X			459,581	0	52,203
Brian McDonald MD Chief of Satellites	50 00				X			373,550	0	55,932
Julie Morath RN Director	2 00	X						0	0	0
Sarah Patterson Executive Vice President, COO	50 00				X			550,510	0	88,839
William Poppy Senior Vice President, CTO	50 00				X			495,438	0	47,989

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Steve Rupp MD Chief of Perioperative Services and Anesthesiology	50 00				X			579,434	0	43,783
Donna Smith MD Medical Director, Hospital	50 00				X			442,557	0	48,312
Charleen Tachibana RN Senior Vice President, Hospital Administrator	50 00				X			404,106	0	49,690
Christopher L Fellows MD Physician	50 00					X		1,040,689	0	68,509
Ulrike I Ochs MD Physician	50 00					X		860,825	0	86,150
Richard A Kozarek MD Physician	50 00					X		672,210	0	123,031
Paul B Griggs MD Physician	50 00					X		676,502	0	74,619
Edwin Rhim M D Physician	50 00					X		713,333	0	31,245
J Michael Rona Former Director, President, and Key Employee	1 00						X	436,656	0	0
Robert Mecklenburg MD Physician, Former Board Director	25 00						X	421,270	0	53,801
Lonnie Edelheit PhD Director	2 00	X						0	0	0
Craig Goodrich Senior Vice President, Former Key Employee	50 00						X	386,162	0	36,088

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Taxes	11,108,563	11,108,563		
Medical Purchase Services	545,703	475,641	70,062	
Dues and Subscriptions	2,084,987	1,817,298	267,689	
Bad Debt Expense	8,866,354	8,866,354		
Disposal of Equipment	27,807		27,807	

Additional Data

Software ID:

Software Version:

EIN: 91-0565539

Name: Virginia Mason Medical Center

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
Funds Held By Trustee	98,736,034
Interest Receivable Swap	200,000
Long Term Receivable	439,258
BB Cemetry Plots/Niches Donated Assets	18,232
Parking Rights	346,926
Winthrop Apartment	227,800
Equity Investment-HSCA	358,389
Deferred Financing Costs	9,920,094
Partnership Interest in National Purchasing Partners	2,652,151
Beneficial Interest	6,331,350
Start Up Costs-Madison	18,573

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

1 (a) Description of Liability	(b) Amount
Due to affiliates	10,169,645
Estimated Third Party Payor Settlement	11,953,838
Reserve for Professional Liability Claims	22,081,900
Accrued Retirement Expenses	67,905,466
Asbestos Abatement	1,209,977
Deferred Rent Credits	2,419,501
Deferred Revenue	92,515
Retainage Payable	

Software ID: 09000123
Software Version: 2009.0.12
EIN: 91-0565539
Name: Virginia Mason Medical Center

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
Virginia Mason Health System1100 Ninth Avenue Seattle, WA 98101	91-1351110	501c3	3,188,909				Operating Support
Benaroya Research Institute at Virginia Mason1201 Ninth Avenue Seattle, WA 98101	91-0653422	501c3	1,537,400				Operating Support
University of Washington Foundation1325 4th Ave Ste 2000 Seattle, WA 98101	94-3079432	501c3	134,000				General Support
Living Legacy Foundation11245 SE 6th St Ste 100 Bellevue, WA 98004	16-1645215	501c3	64,838				General Support
JDRF Seattle Guild1200 Sixth Avenue Suite 605 Seattle, WA 98101	23-1907729	501c3	57,000				General Support
The Matt Talbot Center2313 Third Ave Seattle, WA 98121	91-1099134	501c3	51,000				Supporting Donation
Lourdes Counseling Center1175 Carondelet Drive Richland, WA 99302	91-1528577	501c3	49,940				General Support
United Way of King County720 Second Ave Seattle, WA 98104	91-0565555	501c3	31,000				General Support
American Cancer Society1313 Broadway Ste 100 Tacoma, WA 98402	13-1788491	501c3	23,100				General Support
National Multiple Sclerosis Society192 Nickerson St Ste 100 Seattle, WA 98109	04-2178864	501c3	18,000				General Support

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Group Health FoundationPO Box 34936 Dept 4194 Seattle,WA 98124	91-1246278	501c3	15,000				General Support
Seattle Cancer Care Alliance825 Eastlake Ave E PO Box 19023 Seattle,WA 98109	91-1935159	501c3	11,047				General Support
American Diabetes Association1730 Minor Ave Seattle,WA 98101	13-1623888	501c3	10,000				General Support
Enterprise Seattle1301 Fifth AveSuite 2500 Seattle,WA 98101	91-1267597	501c4	10,000				General Support
Harrison Medical Center2520 Cherry Ave Bremerton,WA 98310	91-1997626	501c3	10,000				General Support
Pancreatic Cancer Action Network2141 Rosecrans Ave Suite 7000 El Segundo,CA 90245	33-0841281	501c3	10,000				General Support
YWCA ofSeattle-KC-Snohomish Cty1118 Fifth Avenue Seattle,WA 98101	91-0482890	501c3	10,000				General Support
Northwest Kidney FoundationPO Box 3035 Seattle,WA 98114	91-6057438	501c3	9,720				General Support
American Heart Association710 Second Ave Ste 900 Seattle,WA 98104	13-5613797	501c3	8,500				General Support
American Medical Group Foundation1422 Duke Street Alexandria,VA 22314	54-6059304	501c3	8,333				General Support

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Foundation for Health Care Quality705 Second Ave Suite 703 Seattle,WA 98104	91-1419327	501c3	7,500				General Support
Foundation of the Rotary Club of Mercer IslandPO Box 1 Mercer Island,WA 98040	91-1058004	501c3	7,500				General Support
Country Doctor Community Health Centers2101 E Yesler Way Ste 210 Seattle,WA 98122	23-7100868	501c3	6,000				General Support
American Jewish Committee1402 Third Ave Ste 405 Seattle,WA 98101	13-5563393	501c3	5,000				General Support
American Red Cross1900 25th Ave S Seattle,WA 98144	53-0196605	501c3	5,000				General Support
Greater Issaquah Chamber of Commerce155 NW Gilman Blvd Issaquah,WA 98027	91-6056410	501c6	5,000				General Support
Island Hospital Foundation1211 24th St Anacortes,WA 98221	91-1030686	501c3	5,000				General Support
Jessica June Children Cancer Foundation1600 S Andrews Ave Ft Lauderdale,FL 33316	13-4280980	501c3	5,000				General Support
King County Project Access200 Broadway Ste 100 Seattle,WA 98122	20-4377921	501c3	5,000				General Support
King County Sexual Assault Resource Center200 Mill Ave S Ste 10 Renton,WA 98057	91-0967255	501c3	5,000				General Support

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Robert Vasen Foundation 2807 102nd Ave SE Bellevue, WA 98004	20-8656415	501c3	5,000				General Support
Save the Children54 Wilton Rd West Port, CT 06880	06-0726487	501c3	5,000				General Support

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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				
Gary Kaplan MD	(i) (ii)858,773	441,061	38,437	653,426	22,911	2,014,608	
Suzanne Anderson	(i) (ii)386,792	123,536	44,466	37,509	11,697	604,000	
Katerie Chapman	(i) (ii)159,610	36,605	20,579	14,586	17,572	248,952	
Lucy Glenn MD	(i) (ii)486,420	119,775	37,914	23,856	7,622	675,587	
Michael Glenn MD	(i) (ii)524,343	135,739	37,741	67,542	12,868	778,233	
Fred Govier MD	(i) (ii)491,560	130,106	39,238	65,730	23,192	749,826	
Kate Reed	(i) (ii)294,789	40,034	1,440	10,000	25,246	371,509	
Andrew Jacobs MD	(i) (ii)392,030	109,875	39,274	82,905	29,004	653,088	
Joyce Lammert MD	(i) (ii)345,162	82,605	31,814	42,117	10,086	511,784	
Brian McDonald MD	(i) (ii)284,075	76,601	12,874	40,377	15,555	429,482	
Sarah Patterson	(i) (ii)402,394	123,536	24,580	68,697	20,142	639,349	
William Poppy	(i) (ii)331,598	101,974	61,866	21,642	26,347	543,427	
Steve Rupp MD	(i) (ii)443,497	113,163	22,774	25,134	18,649	623,217	
Donna Smith MD	(i) (ii)332,567	77,755	32,235	48,003	309	490,869	
Charleen Tachibana RN	(i) (ii)270,079	94,183	39,844	38,211	11,479	453,796	
Christopher L Fellows MD	(i) (ii)1,017,915		22,774	44,685	23,824	1,109,198	
Ulrike I Ochs MD	(i) (ii)843,980	75	16,770	66,318	19,832	946,975	
Richard A Kozarek MD	(i) (ii)649,022		23,188	105,143	17,888	795,241	
Paul B Griggs MD	(i) (ii)659,732		16,770	58,260	16,359	751,121	
Edwin Rhim M D	(i) (ii)696,603	50	16,680	9,826	21,419	744,578	
J Michael Rona	(i) (ii)		436,656			436,656	436,234
Robert Mecklenburg MD	(i) (ii)397,909	326	23,035	38,229	15,572	475,071	
Craig Goodrich	(i) (ii)252,890	92,192	41,080	19,500	16,588	422,250	