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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable
- [x] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

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

C Name of organization
Lehigh Valley Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2100 Mack Blvd

City or town, state or country, and ZIP + 4
Allentown, PA 181035622

D Employer identification number
23-1689692

E Telephone number
(610) 402-8000

G Gross receipts $ 1,611,185,597

F Name and address of principal officer
Ronald W Swinfard
2100 Mack Blvd
Allentown, PA 181035622

H(a) Is this a group return for affiliates? [ ] Yes [x] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ www lvhn org

K Form of organization [x] Corporation [ ] Trust [ ] Association [ ] Other ▶ | **L** Year of formation 1971 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Our mission is to heal, comfort and care for the people of our community by providing advanced and compassionate health care of superior quality and value, supported by education and research

2 Check this box ▶ [ ] 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**	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	4
5	Total number of employees (Part V, line 2a)	**5**	6,729
6	Total number of volunteers (estimate if necessary)	**6**	921
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,164,798
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	1,163,798

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	17,072,888	15,059,635
	9 Program service revenue (Part VIII, line 2g)	828,615,879	888,515,783
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-30,902,648	16,086,375
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	20,130,012	18,736,231
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	834,916,131	938,398,024
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	701,214	291,380
	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)	354,671,939	357,740,665
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,433,284		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	514,368,155	536,726,198
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	869,741,308	894,758,243
	19 Revenue less expenses Subtract line 18 from line 12	-34,825,177	43,639,781

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,118,954,205	1,198,817,322
	21 Total liabilities (Part X, line 26)	686,332,000	748,053,844
	22 Net assets or fund balances Subtract line 21 from line 20	432,622,205	450,763,478

Part II Signature Block

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

Sign Here

****** | 2011-05-11
Signature of officer | Date

Joseph G Felkner Sr Vice-President/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-empolyed ▶ [ ]	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶			EIN ▶
			Phone no ▶

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

Our mission is to heal, comfort and care for the people of our community by providing advanced and compassionate health care of superior quality and value, supported by education and research

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 $ 869,540,210 including grants of $) (Revenue $ 913,735,037)

LVH offers a continuum of health care promotion,prevention,diagnosis,treatment and rehabilitation to the community Extensive outpatient and educational services are provided at locations throughout the region and are a part of a healthcare network established by the Hospital to meet the medical, surgical and educational needs of the residents of the Lehigh Valley and beyond The following reflects the general classification of operating acute care beds as of June 30, 2010 Medical/Surgical-365, Obstetrics/Gynecology-37, Medical/Surgical Intensive Care Unit-38, Intensive Coronary Care Unit-12, Neonatal Intensive Care Unit-32, Pediatric Intensive Care Unit-7, Open Heart Unit-9, Burn Unit-18, Trauma/Neuro Intensive Care Unit-14, Neuro Science ICU-14, Transitional Trauma Unit-30, Pediatric Unit-28, Psychiatry (Adult)-52, Psychiatry (Adolescent)-13, Transitional Open Heart Unit-30, and Progressive Coronary Care Unit-32 Total acute care beds - 731 In addition, LVH operates 27 bassinets in its Nursery LVH serves as a referral center for approximately two million residents of surrounding counties in eastern Pennsylvania, with a special focus in the following key areas Neurosciences Services LVH provides treatment for stroke,brain tumors, intracranial hemorrhage, aneurysms, spine disorders and other neurological disorders in the following areas Neurosurgery,Pain Management, Neurology, Neuropsychology, Neuro-Imaging, Interventional Radiology, and Neuro-Oncology Orthopedic Services The Division of Orthopedic Surgery treats musculoskeletal disorders of the upper and lower extremities as well as the spine The program has been nationally recognized by US News & World Report Orthopedic surgeons,greater than 75% fellowship-trained, provide sub-specialty care in the following joint replacement,spinal disorders,sports medicine,hand and wrist surgery,foot and ankle surgery, orthopedic trauma and pediatric orthopedic care Clinical outcomes are monitored for quality assurance and educational purposes Bariatric Services Lehigh Valley Hospital's bariatric surgery program, recognized by the American College of Surgeons Bariatric Surgery Network as a Level 1a Center of Excellence,provides comprehensive, quality-measured, medical and surgical weight management services Led by a board certified bariatric medicine physician and bariatric surgeons, a multidisciplinary team including a nurse practitioner, dieticians, behavior health specialists and exercise physiologists provide pre-operative, operative and post-operative care Behavioral Health Services LVH operates the largest community-hospital based acute-care inpatient mental health program for adolescents and adults in the Lehigh Valley and surrounding regions, based upon the number of total beds and patient days, providing crisis stabilization, psychiatric,psychological,and social services LVH also provides ambulatory care including partial hospitalization programs for adolescents and adults,outpatient mental health clinics for chronically and severely mentally ill adults, short-term, outpatient treatment services for children, adolescents, adults, older adults and families, emergency services, and a mental health linkage with home care services LVH Psychiatry also provides a residential rehabilitation program, teaching independent living skills to the chronically mentally ill, consultation/liaison services, and education and research Women's Service LVHN offers programs and services designed to provide complete care for women in the Lehigh Valley and surrounding communities LVHN has comprehensive patient and family centered obstetric and gynecology services with a special focus on prenatal care This includes private birthing rooms for labor, delivery, and recovery with a full range of birthing options for low or high risk mothers and babies Comprehensive obstetric and gynecology, specialty and subspecialty care include maternal-fetal (high risk) medicine, midwifery, gynecological oncology,pelvic reconstructive surgery,and infertility/reproductive endocrinology A Woman Care Program offering informative education series,a variety of support groups,community events focused on women,a library and special classes on prenatal care, postpartum exercise, parenting, and breastfeeding consultation along with a special program for first time parents is a sampling of what LVHN provides Pregnancy 101, childbirth classes in English and Spanish, Maternity Tours, Sibling Tours, Car Seat safety events am inspections compliment LVHN's comprehensive women's services Infants/Children /Young Adults LVHN offers comprehensive inpatient and outpatient pediatric care by combining a philosophy of patient and family centered care with diagnostic, medical, and surgical interventions Services are provided through the collaborative efforts of community, child life specialist and hospital based physicians and subspecialists Pediatric specialty services include adolescent medicine, allergy, anesthesiology, cardiology, child abuse, critical care medicine / intensivists, dentistry, developmental / rehabilitative pediatrics, endocrinology, gastroenterology, gynecology, pediatric hospitalist, hematology / oncology, neonatology, neurology, ophthalmology, orthopedics, plastic and reconstructive surgery, psychiatry, pulmonology, radiology, rheumatology, general surgery, urology, and trauma & burn care LVHN operates a 32 bed Level IIIb Neonatal Intensive Care Unit, 8 neonatal continuum of care beds, a 7 bed pediatric intensive care unit, a 28 bed pediatric inpatient unit, and a 13 bed adolescent psychiatric unit Ambulatory services provided by LVHN include general pediatric outpatient clinic, a pediatric subspecialty center, and a pediatric ambulatory surgery unit Magnet Status for Nursing Excellence In August 2002, the American Nurses Credentialing Center (ANCC) granted Magnet Nursing Services Recognition to LVH and LVH-Muhlenberg, the first full-service hospitals in Pennsylvania to receive the recognition Developed by the ANCC in 1994, this is the American Nurses Association's highest honor for excellence in nursing and recognizes both hospitals as national leaders in nursing education, research, patient satisfaction, quality care, job retention and the central role of nursing in the organization The Magnet designation is a four-year accreditation for which the hospitals must reapply The reapplication process is intense, necessitating that hospitals demonstrate a more advanced level than their previous application In 2006, LVHN hospitals were redesignated as Magnet Hospitals, continuing to provide the advanced environment in which professional nurses can practice quality care Reapplication has occurred in 2010 with a site visit for redesignation occurring in February 2011 Cardiology & Cardio-Thoracic Surgery Lehigh Valley Hospital (LVH) is one of the largest cardiovascular providers in the State of Pennsylvania LVH performed 1,345 heart and thoracic surgeries and 10,345 catheterization, electrophysiology procedures during the fiscal year ending June 30, 2010 In addition to operating one of the most experienced cardiac programs in the country, LVH's Heart and Vascular Center has been recognized as having the best heart attack survival rate in the State of PA and 2nd in the Nation LVH's Heart and Vascular Center offers disease prevention, advanced diagnostic and therapeutic services, acute care and rehabilitation services The following is an overview of services offered Medical Cardiology, Diagnostic cardiology services, Invasive Cardiology & Diagnostic and Therapeutic, Electrophysiology & Diagnostic and Therapeutic, Advanced Non-invasive Cardiac Imaging (CT, MR, Calcium Scoring), Open Heart Surgery, Advanced Heart Failure Treatment, Cardiac Rehabilitation, MI Alert Program, Women's Heart Program, Lipids Clinic, Coumadin Clinic, Cardio Vascular Research Institute, Cardiology Fellowship Program Trauma Services In 1981, LVH became the first hospital in Pennsylvania to be designated as a Level I Trauma Center and is currently the largest trauma program in eastern Pennsylvania LVH is also one of four programs in the state with added qualifications in pediatric trauma The program provides comprehensive trauma care and services,including education and research and is a major regional resource serving a ten county area and a patient base of over 2 5 million people LVH coordinates pre-hospital emergency medical services and provides 24 hour a day air ambulance service operating four helicopters in eastern Pennsylvania and western New Jersey The Lehigh Valley Hospital Trauma program provides a continuum of care for the trauma patient with providing 24/7/365 in house coverage A trauma rehabilitation team completes the continuum of trauma care LVH also serves as a regional Burn Center,verified by the American Burn Association, for both adult and pediatric burn patients

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

Continued from 4(a)-Estimated Value of Free Care, Community Service, Charitable Contributions, and professional and Community Education - Medicare Shortfall $49,167,954, Medical Assistance Shortfall $23,566,989, Uncompensated Charity Care $10,536,341, Bad Debt $14,442,230, Clinics Subsidy $10,824,734, TRICARE (CHAMPUS) Shortfall $431,969, Blue Cross Special Care & CHIP Shortfall $404,635, Direct Support of Government Entities Real Estate Taxes Paid on Owned and Leased Property $1,341,934, Salisbury Township School District Agreement (includes 50% add-on value for voluntary agreements) $159,230, Stipend to Salisbury Township $34,213, Financial Support to City of Allentown $160,000, Stipend to City of Allentown $45,000, Free Pap Tests, Mammograms & Ultrasounds - City of Allentown $90,890, Laboratory Tests & Consultative Services - City of Allentown $12,858, Physical Examinations - Firefighters & HazMat Personnel $72,085, Contribution to Western Salisbury Volunteer Fire Company $15,000, School Health $384,676, Communities in Schools $58,210, Value of Volunteer Assistance $1,780,053, Neighborhood Health Centers of the Lehigh Valley $483,707, Transitional Living Centers $319,807, Community Health & Health Studies Department $846,679, Division of Education - Office of Student Affairs in-kind, AIDS Activities Office $424,599,Healthy You Programs $132,935, Lehigh Valley Hospital Cancer Center (includes PatientSupport & Education, Community Education & Screening Programs) $342,102, George E Moerkirk Emergency Medicine Institute $413,840, Helwig Diabetes Center Education & Outreach Programs $114,030, Pastoral Care $890,013, Patient Representative - Press, Ganey Patient Survey $201,679, Foreign Language & Sign Language Interpreting Service $678,880, Public Affairs Activities Community Health Education Programs $449,338, Patient Education Publications $18,520, Materials to Promote Health-Related Activities $258,339, Physician Referral & Health Information Line $353,512, Speakers Bureau in-kind, Voluntarism in-kind, Contributions $191,065, Free Oral Trauma Surgery Care $333,343, Ambulance Transport Costs $136,851, Transportation For Discharged Patients $35,441, Pharmaceuticals For Discharged Patients $325,885, Pharmacy Financial Coordinator $42,985, Infection Control Community Service (includes free flu vaccine) $220,802, Nurse Practitioner - Child Advocacy Center of Lehigh Valley $35,343, Chairman, Department of Pediatrics Community Service in-kind, Dental Screenings & Free Procedures in-kind, Organization Development Community Education in-kind, Weight Management Center Support Groups & Outreach in-kind, Pediatrics Community Service in-kind, Library Services to the Community in-kind, Stroke Center Community Education Programs in-kind, Patient Care Services - Community Service (includes classes, support groups, and Professional Excellence Council activities) in-kind, Trauma Division - Injury Prevention Programs in-kind, Tobacco Treatment Program in-kind, Emergency Medicine Outreach in-kind, Subtotal $120,778,696 Medical Education $11,038,756, Patient Education $243,923, Nursing Education $6,738,209, Research Activities net of Grant Funding $2,428,759, Subtotal $20,449,647 Total $141,228,343

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

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

4e **Total program service expenses** ▶ $ 869,540,210

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, line10? *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		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — **Yes** / **No**: **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		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the 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	Yes	
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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
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? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	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? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
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, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	608		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	6,729		
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)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to 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	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		7g		
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: 9		
b	Enter the number of voting members that are independent	1b: 4		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
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		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
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		No

Section C. Disclosure

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

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

☑ Own website ☑ Another's website ☑ Upon request

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

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

The Organization
2100 Mack Blvd
Allentown, PA 181035622
(484) 884-0130

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-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			
See add'l data										

1b Total . . . . . ▶	5,482,670	1,672,863	351,376

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 ▶147

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Pulmonary Associates PC 1210 S Cedar Crest Blvd Suite 23 Allentown, PA 18103	Physician Services	3,298,072
VSAS Orthopaedics 1250 S Cedar Crest Blvd Suite 11 Allentown, PA 18103	Physician Services	2,219,205
Lehigh Area Medical Associates 1255 S Cedar Crest Blvd Suite 22 Allentown, PA 18103	Physician Services	1,976,843
Tallman Hudders & Sorrentino 1611 Pond Rd Suite 300 Allentown, PA 18104	Attorney Services	937,143
IMR Limited 20 Unico Drive Hazelton, PA 18202	Information Services	883,007
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 ▶38		

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				
	e	Government grants (contributions)	1e	5,153,577			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	9,906,058			
	g	Noncash contributions included in lines 1a-1f $ 105,110					
	h	**Total.** Add lines 1a-1f		15,059,635			
Program Service Revenue			Business Code				
	2a	Inpatient Revenue	624,100	610,282,992	610,282,992		
	b	Outpatient Revenue	624,100	275,996,913	275,996,913		
	c	Physician Fee Revenue	624,100	2,235,878	2,235,878		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		888,515,783			
	3	Investment income (including dividends, interest and other similar amounts)		7,639,939			7,639,939
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents	5,324,100				
	b	Less rental expenses	4,525,485				
	c	Rental income or (loss)	798,615				
	d	Net rental income or (loss)		798,615			798,615
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	676,253,977				
	b	Less cost or other basis and sales expenses	667,807,541				
	c	Gain or (loss)	8,446,436				
	d	Net gain or (loss)		8,446,436	8,446,436		
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a 1,189,830				
	b	Less direct expenses	b 454,547				
	c	Net income or (loss) from fundraising events		735,283	735,283		
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Health Network Labs	621,500	13,770,759	12,605,961	1,164,798	
	b	Research & Misc Incom	900,099	5,073,294	5,073,294		0
	c	Lehigh Valley PHO	900,003	-1,641,720	-1,641,720		
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		17,202,333			
	12	**Total revenue.** See Instructions		938,398,024	913,735,037	1,164,798	8,438,554

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	291,380	291,380		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,899,834	5,899,834		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	268,880,501	259,134,783	8,805,217	940,501
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	27,729,187	26,752,311	876,719	100,157
9 Other employee benefits	33,279,745	32,023,530	1,134,349	121,866
10 Payroll taxes	21,951,398	21,161,133	716,751	73,514
11 Fees for services (non-employees)				
a Management				
b Legal	1,361,495	1,361,495		
c Accounting	260,782	260,782		
d Lobbying				
e Professional fundraising *See Part IV, line 17*				
f Investment management fees				
g Other	99,216,188	93,640,351	5,528,262	47,575
12 Advertising and promotion	3,693,318	1,183,518	2,509,800	
13 Office expenses	2,464,722	2,323,577	119,708	21,437
14 Information technology	9,212,459	9,137,476	74,983	
15 Royalties				
16 Occupancy	23,241,662	22,936,784	181,642	123,236
17 Travel	1,110,290	1,052,151	50,220	7,919
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,600,618	1,501,280	86,965	12,373
20 Interest	17,063,496	17,063,496		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	65,833,023	65,808,363	20,565	4,095
23 Insurance	3,715,952	3,715,952		
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 Medical Supplies	139,960,238	139,958,742	1,496	
b Income Tax Expense	249,717		249,717	
c Purchased Services	91,880,828	90,561,472	1,280,102	39,254
d BAD DEBTS EXPENSE	61,786,791	61,786,791		
e Other Supplies	3,758,016	3,734,572	28,318	-4,874
f All other expenses	10,316,603	8,250,437	2,119,935	-53,769
25 **Total functional expenses.** Add lines 1 through 24f	894,758,243	869,540,210	23,784,749	1,433,284
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		10,851	1	10,850
	2	Savings and temporary cash investments		7,102,579	2	21,065,098
	3	Pledges and grants receivable, net		11,869,010	3	12,003,111
	4	Accounts receivable, net		132,555,614	4	126,458,008
	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		193,586	7	894,266
	8	Inventories for sale or use		6,981,122	8	7,947,907
	9	Prepaid expenses and deferred charges		17,433,425	9	16,480,630
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 934,730,024			
	b	Less accumulated depreciation	10b 489,381,757	472,224,104	10c	445,348,267
	11	Investments—publicly traded securities		396,271,149	11	482,181,563
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		65,146,864	13	76,098,844
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		9,165,901	15	10,328,778
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,118,954,205	16	1,198,817,322
Liabilities	17	Accounts payable and accrued expenses		79,390,845	17	86,912,129
	18	Grants payable			18	
	19	Deferred revenue		2,412,215	19	2,181,396
	20	Tax-exempt bond liabilities		368,061,274	20	359,729,000
	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		33,795,693	23	34,091,927
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		202,671,973	25	265,139,392
	26	**Total liabilities.** Add lines 17 through 25		686,332,000	26	748,053,844
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		332,474,797	27	333,542,482
	28	Temporarily restricted net assets		63,996,198	28	77,410,335
	29	Permanently restricted net assets		36,151,210	29	39,810,661
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		432,622,205	33	450,763,478
	34	Total liabilities and net assets/fund balances		1,118,954,205	34	1,198,817,322

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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 ☐ Separate basis ☑ Consolidated basis ☐ 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?	3a	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	3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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
Lehigh Valley Hospital

Employer identification number
23-1689692

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?

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

h Provide the following information about the supported organization(s)

(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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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**

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 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 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18

19a **33 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 ▶

b **33 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 ▶

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

Part IV **Supplemental Information.** 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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **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	Employer identification number
Lehigh Valley Hospital	23-1689692

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)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 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					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		100
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		27,577
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		28,389
j	Total lines 1c through 1i			56,066
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

Part IV Supplemental Information

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
Part II-B, Line 1i	Explanation of Other Lobbying Activities	Indirect State lobbying activites - Indirect communication includes communication explaining a principal's position and requesting others to contact elected officials by way of grassroots lobbying

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
Lehigh Valley Hospital

Employer identification number
23-1689692

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of 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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, 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 ▶ $ _____

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	78,716,975				
b Contributions	3,372,844				
c Investment earnings or losses	9,223,571				
d Grants or scholarships	285,893				
e Other expenditures for facilities and programs	1,625,502				
f Administrative expenses					
g End of year balance	89,401,995				

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 38.000 %
- c Term endowment ▶ 62.000 %

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)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,466,258		4,466,258
b Buildings		603,252,370	281,780,871	321,471,499
c Leasehold improvements		10,405,513	4,867,165	5,538,348
d Equipment		227,565,738	160,022,403	67,543,335
e Other		89,040,145	42,711,318	46,328,827
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				445,348,267

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

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Investment-Lehigh Valley Physician Hospital Org -42 7%	6,978,202	C
Investment-Health Network Laboratories-83 24%	64,867,108	C
Quakertown Health Venture - 50%	3,506,534	C
Investment - Careworks Allentown	159,000	C
Investment - Careworks Schnecksville	138,000	C
Investment - Fairgrounds Medical Center	450,000	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	76,098,844	

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Cost Settlement Reserves with Third Parties	11,307,253
Deferred Compensation Plan	10,092,301
Pension Liability	201,262,131
Workers Compensation	1,906,975
Professional Insurance Liability Reserves	23,339,762
Asset Retirement Obligation	4,128,090
Unrealized Loss on Interest Rate Swap	12,790,781
Other	312,099
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	265,139,392

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

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

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

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

1	Total expenses and losses per audited financial statements			1	
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			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part 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
Part V, Line 4	Description of Intended Use of Endowment Funds	The endowment funds are used for continuing education, scholarships, research, clinical equipment, and nursing awards
		In 2008, the Organization adopted Financial Accounting Standards Board (FASB) Interpretation No 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48") FIN 48 establishes that the financial statement effects of a tax position taken or expected to be taken are to be recognized in the financial statements when it is more likely than not, based on technical merits, that the position will be sustained upon IRS examination FIN 48 became effective for fiscal year 2008 for the Organization The Organization has analyzed tax positions taken on federal income tax returns for all open tax years for the taxable entities and has determined that as of June 30, 2010, there are no uncertain tax positions taken or expected to be taken that would require recognition in the financial statements The Organization has analyzed specific criteria regarding the exempt 501(c) 3 status for the tax exempt entities and has determined that as of June 30, 2010 the Organization is compliant with the qualifications for exemption from Federal income tax

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SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
Lehigh Valley Hospital

Employer identification number
23-1689692

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and e-mail solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 Nite Lites (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	1,189,830			1,189,830
	2 Less Charitable contributions	0			
	3 Gross income (line 1 minus line 2)	1,189,830			1,189,830
Direct Expenses	4 Cash prizes	0			
	5 Non-cash prizes	0			
	6 Rent/facility costs	0			
	7 Food and beverages	0			
	8 Entertainment	0			
	9 Other direct expenses	454,547			454,547
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				454,547
	11 Net income summary Combine lines 3, column d, and line 10 ▶				735,283

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1, column d, and line 7 ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13	Indicate the percentage of gaming activity operated in			
a	The organization's facility	**13a**		
b	An outside facility	**13b**		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records			
	Name ▶			
	Address ▶			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	**15a**		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____			
c	If "Yes," enter name and address			
	Name ▶			
	Address ▶			
16	Gaming manager information			
	Name ▶			
	Gaming manager compensation ▶ $ _____			
	Description of services provided ▶			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	**17a**		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

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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
Lehigh Valley Hospital

Employer identification number
23-1689692

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 ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other **40000.0000000000 %**	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	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)			10,536,341		10,536,341	1 180 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			94,006,115	70,439,126	23,566,989	2 630 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			104,542,456	70,439,126	34,103,330	3 810 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			6,387,641		6,387,641	0 710 %
f Health professions education (from Worksheet 5)			16,384,756	5,346,000	11,038,756	1 230 %
g Subsidized health services (from Worksheet 6)			14,120,173	1,754,954	12,365,219	1 380 %
h Research (from Worksheet 7)			5,207,170	2,778,411	2,428,759	0 270 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			191,065		191,065	0 020 %
j **Total** Other Benefits			42,290,805	9,879,365	32,411,440	3 610 %
k **Total.** Add lines 7d and 7j			146,833,261	80,318,491	66,514,770	7 420 %

Part II Community 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
1 Physical improvements and housing						
2 Economic development						
3 Community support			1		1	0 %
4 Environmental improvements						
5 Leadership development and training for community members			1		1	0 %
6 Coalition building						
7 Community health improvement advocacy			1		1	0 %
8 Workforce development						
9 Other			1		1	0 %
10 **Total**			4		4	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	14,442,230		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	9,242,000		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	225,003,374
6	Enter Medicare allowable costs of care relating to payments on line 5	6	216,107,442
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	8,895,932
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management 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 %
1 LVHN Reciprocal Risk Retention Group	Malpractice Insurance	16 670 %	0 %	0 %
2 Health Network Laboratories LLC	Laboratory Services	85 000 %	0 %	0 %
3 Health Network Laboratories LP	Laboratory Services	81 670 %	0 %	0 %
4 Lehigh Valley Physician Hospital Organization Inc	Health Care Services	45 000 %	0 %	0 %
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)
Lehigh Valley Hospital 1200 S Cedar Crest Blvd Allentown, PA 18103	X	X		X		X	X		
Lehigh Valley Hospital 17th Chew Streets Allentown, PA 18103	X	X		X			X		
Lehigh Valley Hospital 2545 Schoenersville Road Bethlehem, PA 18017									Behavioral Health, Radiation Therapy
Lehigh Valley Hospital 1040 Chestnut St Emmaus, PA 18049									Family Medical Center
Lehigh Valley Hospital 1243 S Cedar Crest Blvd Allentown, PA 18103									Cardiac Rehab, Outpatient Therapy, Diabetes
Lehigh Valley Hospital 1250 S Cedar Crest Blvd Allentown, PA 18103									Cardiac Diagnostic
Lehigh Valley Hospital 1255 S Cedar Crest Blvd Allentown, PA 18103									Behavioral Health
Lehigh Valley Hospital 2166 S 12th Street Allentown, PA 18103									Homecare/Hospice
Lehigh Valley Hospital 425 D Penn Circle Allentown, PA 18103									Behavioral Health
Lehigh Valley Hospital 3800 Sierra Circle Allentown, PA 18103									Physical Therapy, Pediatric Rehab
Lehigh Valley Hospital 425 B Willow Circle Allentown, PA 18103									Behavioral Health
Lehigh Valley Hospital 2545 Schoenersville Road Bethlehem, PA 18017									Oncology, Radiation Therapy
Lehigh Valley Hospital Trexler Mall Trexlertown, PA 18087									Imaging, Radiology, Outpatient Therapy
Lehigh Valley Hospital 99 West End Blvd Quakertown, PA 18951									Physical Therapy
Lehigh Valley Hospital 1259 S Cedar Crest Blvd Allentown, PA 18103									Behavioral Health

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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)

Part VI, Line 6 Lehigh Valley Hospital qualifies as an Institution of Purely Public Charity in Pennsylvania This regulation is referred to as Act 55 To be considered a purely public charity, nonprofits must (1) advance a charitable purpose, (2) donate or render gratuitously a substantial portion of its services, (3) benefit a substantial and indefinite class of persons who are legitimate subjects of charity, (4) relieve the government of some burden, and (5) operate entirely free from private profit motive LVH is required to reapply for this charitable status every five years and currently qualifies through October 31, 2015

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

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

Additional Data

Software ID:
Software Version:
EIN: 23-1689692
Name: Lehigh Valley Hospital

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 3c

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 6a Lehigh Valley Health Network - EIN 22-2458317

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7 The costing methodology is cost to charge ratio for programs with gross charges and direct costs for programs without gross charges

Additional Data

Software ID:
Software Version:
EIN: 23-1689692
Name: Lehigh Valley Hospital

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

1 **(a)** Description of Liability	**(b)** Amount
Cost Settlement Reserves with Third Parties	11,307,253
Deferred Compensation Plan	10,092,301
Pension Liability	201,262,131
Workers Compensation	1,906,975
Professional Insurance Liability Reserves	23,339,762
Asset Retirement Obligation	4,128,090
Unrealized Loss on Interest Rate Swap	12,790,781
Other	312,099

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7g CLINICS SUBSIDY The clinics subsidy of $10,824,734 is the difference between clinic payments and clinic costs The clinics subsidy includes the operations of the Medical and Surgical Clinics, Outpatient Pediatrics, the Dental Clinic, the Center for Women's Medicine, the Family Health Center, Geriatrics, Maternal Fetal Medicine, and the Mental Health Clinic TRANSITIONAL LIVING CENTERSLehigh Valley Health Network administers two Residential Aftercare Programs as a contracted provider for the Lehigh County Department of Human Services These programs include the Transitional Living Center-Full Care and the Transitional Living Center-Moderate Care Although the programs receive revenue from clients and reimbursements from Lehigh County, these funds do not fully reimburse program operating expenditures In FY'10, program operating expenditures exceeded program revenues and reimbursements by $319,807 The Transitional Living Centers serve residents of Lehigh County age 18 and over who have been treated for mental illness and would benefit from a structured residential program The Full Care site is supervised 24 hours per day and teaches the activities of daily living as designated by the Pa Department of Welfare to those residents who demonstrate the need for ongoing intensified supervision due to their mental illness The Moderate Care site is supervised 10 hours per day and is designed to teach activities of daily living to those individuals who demonstrate the need for community reentry support in a less-intensified structure AIDS ACTIVITIES OFFICEEstablished in 1989, Lehigh Valley Hospital's AIDS Activities Office (AAO) provides clinical and social services to children, adolescents and adults infected and affected by HIV/AIDS and HCV (hepatitis C) In FY'10, the AIDS Activities Office's active patients received one or more of the following services 1 HIV testing and counseling (A free service open to the public as a state-designated Department of Health lab site) 2 Prevention counseling 3 Initial and ongoing medical care (including laboratory evaluation, coordination and referral to diagnostic and specialty service, and pharmaceutical treatment regimens) provided by a physician board-certified in infectious diseases and specializing in HIV care 4 Coordination and monitoring of inpatient and outpatient clinical therapies, and education provided by registered nurses certified in AIDS care 5 Nutritional assessments and interventions 6 Adherence counseling 7 Availability of local clinical trials and referral to regional trials 8 Case management to insure coverage of basic and social service needs, including housing, employment, outpatient substance abuse treatment, mental health counseling, etc , and providing linkages to care and coordination of specialty treatments 9 HIV outreach, prevention education, and testing in community settings (was previously in-house only) 10 Hepatitis C treatment provided by a physician board-certified in internal medicine and specializing in HCV care 11 Hepatitis C education by nurses specially educated in the disease as well as prevention and adherence counseling 12 Support groups for HIV and HCV 13 Mental health counseling by a licensed clinical social worker specializing in people living with HIV and HCV 14 New in FY'10 is the AAO Food Bank, supported by donations and a $10,000 Trexler Trust Grant 1,106 bags of food were provided Funded originally by the Dorothy Rider Pool Health Care Trust and Lehigh Valley Hospital (LVH), the AIDS Activities Office is currently primarily supported by LVH, Early Intervention Funding (Title III) from the Ryan White Care Act (Human Resources and Services Administration) and AIDSNET (Ryan White Title II funding) and the PA Department of Health LVH's contribution to the operations of the AIDS Activities Office in FY'10 was $424,599, net of payments FREE ORAL TRAUMA SURGERY CARELehigh Valley Hospital provided free oral trauma surgery care to 134 patients in FY'10 The total net cost to provide this service was $333,343 AMBULANCE TRANSPORT COSTSLehigh Valley Hospital incurred total ambulance costs of $136,851 to transport patients to other non-LVHN facilities PHARMACEUTICALS FOR DISCHARGED PATIENTSPharmaceuticals appropriate to the course of treatment are often provided at no charge to indigent patients upon discharge The cost of these medications in FY'10 was $325,885

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7f The costing methodology for bad debt expense is the Medicare cost to charge ratio The ratio of uninsured charges written off as charity was applied to total charges written off as bad debt to estimate the portion of bad debt that is attributed to patients under the hospital charity policy

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 4 BAD DEBTS-In instances where the Organization believes a patient has the ability to pay for services and, after appropriate collection effort, payment is not made, the amount of services not paid is written-off, at charges, as bad debts Amounts recorded as bad debts expense do not include charity The amount of bad debts expense for the years ended June 30, 2010 and 2009, at charges, was $61,794,000 and $50,476,000 respectively, and is reported as Bad debts expense on the Combined Statements of Operations

Additional Data

Software ID:
Software Version:
EIN: 23-1689692
Name: Lehigh Valley Hospital

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			
Richard Fleming Honorary Trustee	1 00	X						0	0	0
William F Hecht Trustee	1 00	X						0	0	0
Linda Lapos MD Trustee	1 00	X						45,000	0	0
Matthew M McCambridge Trustee	1 00	X						80,000	0	0
Stephen K Klasko MD Trustee	1 00	X						0	0	0
Elliot J Sussman MD Trustee/CEO	60 00	X		X				967,978	0	21,445
Ronald W Swinfard MD Trustee/CMO	60 00	X		X				570,964	0	21,445
Kathryn P Taylor Chair	1 00	X						0	0	0
Daniel H Weiss Trustee	1 00	X						0	0	0
Martin K Till Vice-Chair	1 00	X						0	0	0
Stuart S Paxton Trustee/COO	60 00			X				412,307	0	21,445
Terry Capuano Sr Vice-President	60 00			X				452,089	0	21,445
Vaughn Gower Sr Vice-President & CFO	60 00				X			432,898	0	21,445
Harry Lukens Sr Vice-President & CIO	60 00				X			446,169	0	21,445
Mary Kay Grim Sr Vice-President-Human	60 00				X			449,165	0	21,445
Charles Lewis Sr Vice-President-Devel	60 00				X			297,780	0	21,445
Brian Nester MD Sr Vice-President	60 00				X			0	428,810	21,445
Joseph G Felkner Sr Vice-President & CFO	60 00				X			322,715	0	21,445
Michael Rossi MD Physician	60 00				X			0	621,606	21,445
Thomas Whalen MD Physician	60 00				X			0	622,447	21,445
James Geiger Sr Vice-President-Opera	60 00					X		226,802	0	20,351
Brian Hardner Vice-President	60 00					X		197,977	0	18,618
Mary Sebastian Vice-President	60 00					X		204,274	0	18,997
John Niemkiewicz Chief Physicist	60 00					X		195,980	0	18,498
Keith Weinhold Vice-President	60 00					X		180,572	0	17,572

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

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Medical Supplies	139,960,238	139,958,742	1,496	
Income Tax Expense	249,717		249,717	
Purchased Services	91,880,828	90,561,472	1,280,102	39,254
BAD DEBTS EXPENSE	61,786,791	61,786,791		
Other Supplies	3,758,016	3,734,572	28,318	-4,874

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 8 The source of the Medicare allowable costs relating to revenue received from Medicare is the FY '10 Medicare Cost Report

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 9b Financial Counseling staff will determine whether patients meet eligibility criteria for financial assistance Accounts that do not meet the eligiblilty requirements will be referred to the internal collection unit and subsequently transferred to bad debt status if the accounts remain unpaid When the hospital determines that a Medicare patient is either financially or medically indigent and that he is unable to pay his patient liability, the hospital waives its standard collection procedures, deems the account to be uncollectible, and immediately transfer the unpaid balance to bad debt status

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Part VI, Line 2 Community Needs Assessments are conducted on behalf of the Lehigh Valley Health Network, which is the governing entity for Lehigh Valley Hospital and Lehigh Valley Hospital - Muhlenberg In Fall 2008, the Allentown Community Health Partnership (Partnersh ip) was established to inform the development and implementation of the Allentown Communit y Health Survey Organizations represented on the Partnership include the Allentown Econom ic Development Corporation, Allentown Health Bureau, Allentown School District, Allentown Weed and Seed, Community Action Coalition of the Lehigh Valley, Lehigh Valley Health Netwo rk, Lehigh Valley Research Consortium, Old Allentown Preservation Association, and the Uni ted Way of the Lehigh Valley The Partnership felt it important that, in addition to exami ning existing behavioral risk factor and other community health indicator data, it was imp ortant to understand the health concerns of the residents of the community Thus, the inte nt of the data collection effort was on learning the perceptions of the community in terms of neighborhood and access to care issues Questions posed to respondents focused on the f ollowing Allentown neighborhoods how residents feel about them, how safe they feel, recre ational opportunities in their community The availability of services in the community m ental health services, primary care, dental care Problems in their neighborhoods related to safety, gangs, violence, access to drugs and alcohol The Partnership met several times to develop the survey instrument and determine mode of administration The instrument was designed to examine residents' perceptions of factors that may be affecting the health and well-being of adults living in Allentown A draft of the instrument was pretested with pa rents of children attending Allentown's Central Elementary School Modifications were made to the instrument based on parents' feedback The Partnership wanted to assure that popula tion groups less likely to respond to a mailed survey would have an opportunity to share t heir perceptions and concerns Therefore, in addition to a mailed survey, individual inter views and focus groups were conducted A contract was established between LVHN and the Leh igh Valley Research Consortium (LVRC) for implementation of the mailed survey, focus group s, and personal interviews Faculty and students from Lehigh University and Muhlenberg Col lege assisted in the data collection through the LVRC Mailed survey A mailed survey was s ent to 5000 Allentown households following the implementation process recommended by Don A Dillman (ref) The sample of 5000 households was drawn from a sampling frame of City of A llentown addresses that were collected by the Marketing System Group (MSG) of Fort Washing ton Pennsylvania The surveys were coded with unique numbers linked to the mailing address es to enable geocoding and mapping of responses Focus groups Five focus groups were held in late May and early June 2009 in East Allentown and South Allentown These areas were s elected because they have not been as involved in community assessments as other Allentown neighborhoods Forty-nine individuals participated in the focus groups Focus groups were conducted at sites intended to be convenient to the participants Four focus groups were c onducted at elementary schools (two at Roosevelt and two at Mosser) One group at each loc ation was in Spanish and the other in English The fifth group was conducted at South Moun tain Middle School Permission was obtained from the school principals to recruit parents and conduct focus groups at the schools Recruitment methods included attending events at each of the schools and distribution of flyers at one school A moderator assisted by a no te taker facilitated each focus group The groups were audio-recorded with the consent of the participants Participants were told the purpose of the focus group and that they did not have to answer questions they did not want to answer They were also told that the inf ormation they shared would remain confidential and would not be linked to their names Ind ividuals received $25 in cash for their participation Before beginning the focus group, a nonymous demographic information sheets were distributed for participants to complete The se information sheets included questions regarding ethnicity, household income, gender, ed ucation, and health insurance Participants were instructed not to put their names on the information sheets Personal interviews Personal interviews were conducted with members of the African American, Latino, Middle Eastern, and Vietnamese communities The intent of t hese interviews was to obtain more in-depth responses to questions on the mailed survey fr om people who might not be well-represented in mailed responses Participants were sought using a variety of means including extensive contacts with community and religious leaders , visiting churches, social clubs, and community c

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

enters, and personal contacts The method that was most effective for recruiting participa nts and completing interviews was central location interviewing Interviewers positioned t hemselves in public places such as parks, busy street corners, and in front of ethnic groc eries and restaurants (with permission from the owners) and approached individuals asking them if they would like to participate in a survey

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Part VI, Line 3 Consistent with the mission and values of Lehigh Valley Health Network, it is the policy to provide medical care to all individuals without regard to their ability to pay for services The Charity Care Policy which incorporates the LHVN Reduced Cost of Care program applies to uninsured and under-insured individuals who participate in the process to evaluate their ability to pay for LVHN services Patients are identified by LVHN registration, Benefits and Verification, and Financial Counselors as being in financial need The Financial Counselors help patients complete the application for Reduced Cost of Care LVHN follows the Federal Poverty Guidelines to evaluate eligibility Patients whose family income falls bellow 200% of the Federal Poverty guideline will have their entire balance forgiven for their qualifying services at a participating LVHN provider Patients with a family income below 400% of the Federal Poverty guidelines will have a portion of their balance forgiven for qualifying services at a participating LVHN provider Patients are evaluated for no or reduced premium insurance plans The LVHN Financial Counselors will offer information to patients who are interested in seeing if they qualify for these programs offered by commercial insurance companies Patients often express financial concern or need by contacting the LVHN Customer Service departments The Customer Service representatives explain the programs available, Reduced Cost of Care, Medical Assistance, and a Reduced Patient responsibility for Self Pay patients Patients will be referred to the Financial Counselors who are employed through PATHS (Physician and Tactical Health Systems) that work with patients to apply for Pennsylvania Medical Assistance The PATHS Financial Counselors are located onsite The PATHS representatives visit patients in their inpatient rooms, in the Cancer Center, and in the Emergency Department In addition, LVHN advertises Financial Assistance at a minimum in the local newspaper, on our public website and on the statements sent to our patients

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Line 4 Lehigh Valley Hospital, Inc (LVH) is a Pennsylvania not-for-profit membership corporation exempt from federal income taxes as a corporation described in Section 501(c)(3) of the Internal Revenue Code LVH was formed on January 1, 1988 as a result of the merger of The Allentown Hospital and Lehigh Valley Hospital Center As of June 30, 2010, LVH operates hospital facilities at three primary locations 17th and Chew Streets in Allentown, Lehigh County, Pennsylvania, Cedar Crest Boulevard and Interstate 78 in Salisbury Township, Lehigh County, Pennsylvania, LVH also operates 65 psychiatry beds on the LVH-Muhlenberg campus The primary service area of LVH consists of Lehigh, Northampton and Carbon counties Based on information available from the U S Census Bureau for the years 2005-2009 American Community Survey and the 2000 decennial census, the population of the primary service area was approximately 640,000 people in 2000 and was estimated to be 693,543 at the end of calendar year 2009 During fiscal year 2010, 75% of the discharges from LVH were residents of the primary service area The secondary service area consists of Berks, Luzerne, Monroe, and Schuylkill counties as well as northern portions of Bucks and Montgomery counties The 2000 population of the secondary service area was approximately 1,376,000 During fiscal year 2010, 21% of the discharges from LVH were residents of the secondary service area Based on U S Census Bureau data, the current population of the combined primary and secondary LVH service areas is projected by ScanUS Demographics, to increase approximately 9 3% (from 2000) by the year 2015 During fiscal year 2010, 4% of the discharges from LVH were residents outside the primary and secondary service areas

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Part VI, Line 5 Community Building Activities are conducted on behalf of Lehigh Valley Health Network, which is the governing entity for Lehigh Valley Hospital and Lehigh Valley Hospital - Muhlenberg Our Community PartnersWe build strong, healthy communities by collaborating with schools and organizationsOur community partners include Central School-Line 7More than 800 students at Central School in the Allentown School District, Allentown, Pa , and their families benefit from care provided by our pediatric health center A health care team provides care that includes basic health care, asthma management, immunizations, counseling and community outreach We know poor health robs children of their ability to be good students For 15 years, this project has worked to promote academic success at this inner city elementary school Partnership for a Tobacco-Free Northeast-Line 9Partnership for a Tobacco-Free Northeast Pa is dedicated to improving the quality of life in our communities by reducing tobacco use Communities in Schools of the Lehigh Valley-Line 3We are a longtime partner of Communities in Schools of the Lehigh Valley, a program for adolescents at risk for dropping out of school About 200 Allentown-area high school students attend the program at Lehigh Valley Hospital-17th Street, Allentown, Pa In addition to classroom instruction, they get mentoring, tutoring and training in job readiness and life skills,in short, a great start for a healthy and successful future Da Vinci Science Center-Line 9We recognize science isn't confined to test tubes So our clinicians partner with the Da Vinci Discovery Center of Science and Technology in Allentown, Pa , to develop interactive displays that introduce young minds to health care The center has approximately 100,000 visitors each year The Pennsylvania Regional Community Policing InstituteWe partner with The Pennsylvania Regional Community Policing Institute to help keep our community safe We recognize medical health is directly related to the well-being of a community, and it takes cooperation from all levels of government to improve quality of life in our community For instance, the institute provides homeland security, crime prevention, and emergency preparedness training to community members, police offers and other emergency responders Sixth Street Shelter-Line 7The Sixth Street Shelter in Allentown provides free, basic care to uninsured adults We offer physicals for employment, driver's licenses and school applications If you need more specialized care, you will be referred to The Caring Place at 933 Hamilton St , Allentown, or to the Lehigh Valley Physician's Practice at Lehigh Valley Hospital-17th street The Caring Place Family Health Program at 933 Hamilton St , Allentown, Pa , (fourth floor) offers free, basic medical care to you and your family, including immunizations and screenings for sexually transmitted diseases and HIV Gynecological exams and cervical cancer screenings are available to women As a patient, you'll learn how to care for your own health, and receive support through counseling and support groups

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the 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
Lehigh Valley Hospital

Employer identification number
23-1689692

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" 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

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" 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
Nursing Scholarships	133	283,526	0	Book	N/A
Jirolano Tuition Aide Scholarship	1	600	0	Book	N/A
Anderson Grant Scholarships	2	7,254	0	Book	N/A

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Scholarships are awarded to Senior Nursing Students in a Bachelor of Nursing program, and 2nd year student in an Associate Degree Program based on the following criteria Two letters of recommendation from Clinical Professors, an official copy of their current transcript with a required GPA of 3 0 or better, and a one page essay describing why they deserve the scholarship If above information is considered favorable, an interview is scheduled with a Selection Committee member If considered favorable through the interview A scholarship is awarded Student comes in the sign contract, it is notarized and payments are issued providing student continues receiving GPA of 3 0 or better until graduation Upon graduation the student owes 2080 hours of employment as a Registered Nurse, after successful completion of an internship

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Lehigh Valley Hospital

Employer identification number
23-1689692

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	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 accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other 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 reportable compensation				
See Additional Data Table							

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
	Part I, Line 1a	Travel expenses for companion is paid by Lehigh Valley Hospital for one professional meeting per year for the President/CEO
	Part I, Line 4a	Part I, Line 4b Elliot J Sussman, MD 104,406 Ronald W Swinfard, MD 98,779 Vaughn Gower 26,371 Harry Lukens 37,434 Mary Kay Grim 24,055 Charles Lewis 17,230 Terry Capuano 25,071 Brian Nester, MD 24,274 James Geiger 12,954 Joseph G Felkner 9,356 These amounts are accruals to a nonqualified supplemental executive retirement plan

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-1689692
Name: Lehigh Valley Hospital

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				
Elliot J Sussman MD	(I)	858,143	0	109,835	0	21,445	989,423	0
	(II)	0	0	0	0	0	0	0
Ronald W Swinfard MD	(I)	466,422	0	104,542	0	21,445	592,409	0
	(II)	0	0	0	0	0	0	0
Stuart S Paxton	(I)	404,924	0	7,383	0	21,445	433,752	0
	(II)	0	0	0	0	0	0	0
Terry Capuano	(I)	300,497	125,000	26,592	0	21,445	473,534	0
	(II)	0	0	0	0	0	0	0
Vaughn Gower	(I)	278,533	125,000	29,365	0	21,445	454,343	0
	(II)	0	0	0	0	0	0	0
Harry Lukens	(I)	275,220	125,000	45,949	0	21,445	467,614	0
	(II)	0	0	0	0	0	0	0
Mary Kay Grim	(I)	299,427	125,000	24,738	0	21,445	470,610	0
	(II)	0	0	0	0	0	0	0
Charles Lewis	(I)	275,385	0	22,395	0	21,445	319,225	0
	(II)	0	0	0	0	0	0	0
Brian Nester MD	(I)	0	0	0	0	0	0	0
	(II)	396,438	642	31,730	0	21,445	450,255	0
Joseph G Felkner	(I)	160,769	150,000	11,946	0	21,445	344,160	0
	(II)	0	0	0	0	0	0	0
Michael Rossi MD	(I)	0	0	0	0	0	0	0
	(II)	530,025	52,000	39,581	0	21,445	643,051	0
Thomas Whalen MD	(I)	0	0	0	0	0	0	0
	(II)	583,027	0	39,420	0	21,445	643,892	0
James Geiger	(I)	215,629	0	11,173	0	20,351	247,153	0
	(II)	0	0	0	0	0	0	0
Brian Hardner	(I)	197,356	0	621	0	18,618	216,595	0
	(II)	0	0	0	0	0	0	0
Mary Sebastian	(I)	198,977	0	5,297	0	18,997	223,271	0
	(II)	0	0	0	0	0	0	0
John Niemkiewicz	(I)	196,101	0	-121	0	18,498	214,478	0
	(II)	0	0	0	0	0	0	0
Keith Weinhold	(I)	182,611	0	-2,039	0	17,572	198,144	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **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.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
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Employer identification number
23-1689692

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	Lehigh County General Purpose Authority	91-1886539	5248053E6	07-07-2005	61,000,000	refund 4/1/94, 7/25/95 & 11/21/95 issues		X		X
B	Lehigh County General Purpose Authority	91-1886539	5248053F3	09-15-2005	81,000,000	construct, renovate & equip facilities		X		X
C	Lehigh County General Purpose Authority	91-1886539	52480GAY0	06-04-2008	53,725,184	construct, renovate & equip facilities		X		X
D	Lehigh County General Purpose Authority	91-1886539	52480GBA1	06-05-2008	52,574,500	refund 4/2/98 issues		X		X
E	Lehigh County General Purpose Authority	91-1886539	52480GAA2	06-06-2008	59,745,000	refund 8/14/97 & 4/21/99 issues		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	61,000,000	81,000,000	53,725,184	52,574,500	59,745,000
2	Gross proceeds in reserve funds	8,199,759	8,199,759			
3	Proceeds in refunding or defeasance escrows	58,939,661			51,115,735	59,010,280
4	Other unspent proceeds					
5	Issuance costs from proceeds	2,060,339	3,250,220	2,027,846	1,458,765	734,720
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	71,505,488	71,505,488	51,857,747		
8	Year of substantial completion	2005	2007	2010	2008	2008

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?	X			X		X	X		X	
10	Were the bonds issued as part of an advance refunding issue?		X		X		X		X		X
11	Has the final allocation of proceeds been made?	X		X		X		X		X	
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X		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		X		X		X		X
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X		X		X		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		X		X		X		X
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		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		X		X		X		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 %		0 %		0 %		0 %		0 %	
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 %		0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X		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		X		X		X		X
2	Is the bond issue a variable rate issue?	X			X		X	X		X	
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X			X		X	X			X
b	Name of provider	Merrill Lynch Goldman Sachs						Goldman Sachs Goldman Sachs			
c	Term of hedge	20 000000000000						20 000000000000			
4a	Were gross proceeds invested in a GIC?		X	X			X		X		X
b	Name of provider	MBIA		MBIA							
c	Term of GIC	3 300000000000		3 300000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X	X			X		X		X
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?	X		X		X		X		X	

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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.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Lehigh Valley Hospital

Employer identification number
23-1689692

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 . . . . . ▶ $ 0

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $ 0

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? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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
James H Miller-Trustee	Refer to Schedule O - CEO of PPL Corp , Trustee of LVHN	5,042,646	See Sch O - PPL provides electric service to LVHN facilities at fair market value rates		No
Kathryn P Taylor-Trustee	Refer to Schedule O - Board Member of Capital Blue Cross - Trustee of LVHN	87,084,495	See Sch O - Capital BlueCross is a third party insurer doing business with LVHN		No

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
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Employer identification number
23-1689692

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art	X	6	21,650	Fair market Value
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory	X	3	6,339	Cost of Beverages
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (_____)				
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

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

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

Part II

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 23-1689692
Name: Lehigh Valley Hospital

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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
Lehigh Valley Hospital

Employer identification number
23-1689692

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The process to review the 990's includes Draft 1 of the returns is reviewed in detail with a focus on accuracy, completeness, and perspective by the LVHN Controller and the LVHN Corporate Legal Counsel Draft 2 of the returns is reviewed by the Sr Vice-President-Finance and CFO All Compensation disclosures are reviewed by the Sr Vice President - Human Resources In addition, selected information is also reviewed by LVHN external consultants Compensation information reviewed by the LVHN Compensation consultant and compensation and charitable purpose information reviewed by an additional LVHN consultant Draft 3 of the returns is reviewed together with the President & CEO, the Sr Vice-President Finance and CFO, the Sr V P Human Resources, the Controller and the Director-Tax Final Returns are reviewed with LVHN Executive Committee of the Board of Trustees prior to their filing

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		Trustees, officers, management and members of the medical staff are required to complete the Conflict of Interest and Commitment questionnaire on an annual basis Effective August 2008, the questionnaire is completed electronically and stored in a database for ease of reporting and monitoring purposes Reported conflicts of interests are reported to the Lehigh Valley Health Network Board on an annual basis The information is also shared with the Pennsylvania Department of Health during their survey process Those affected within the organization and their immediate supervisors are responsible for ongoing compliance with the Policy both annually and in the interim between declaration periods where possible new conflict situations may arise

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The Executive Compensation Committee of the Board of Trustees functions as follows -Members are independent of management -Members are appointed annually by Board of Trustees -Members to have relevant and specified qualifications -Review performance of CEO and other specified senior management and selected physicians -Review succession plans and career development of senior management -Review compensation policy and this Committee Charter -Meet quarterly The Executive Compensation Committee retains an independent compensation consulting firm, specializing in the healthcare industry, to provide comprehensive comparability analyses for all key executives, physicians, and key employees on an annual basis This consulting firm does no other work for LVHN

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 18		Anothers Website - Guidestar Upon request - hard copies with senior management and marketing

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The Organization makes its financial statements available to the public through its Annual Report to the community The Annual Report is distributed to all attendees at the Organizations annual public meeting In addition, it is distributed via mail to members of the community The Organizations governing documents and conflict of interest policy are not made available to the public

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 2c	Committee - oversight of audit	The Audit Committee of the Board of Trustees assumes responsibility for oversight of the audit and selection of an independent auditor

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 16b	Written Policy - Joint Venture arrangements	Although the organization does not have a written policy with respect to evaluation of participation in joint venture arrangements, no joint venture is entered into without having had the transactional documents reviewed and evaluated by outside counsel and, if necessary, consultants and accountants to assure that the arrangement does not, in any manner, compromise the organization's exempt status and mission

Identifier	Return Reference	Explanation
Form 990, Part VII, Line 1a	Compensation of Officers, Directors, Trustees, Key Employees, etc	Hours worked by these individuals reflect the combined hours spent as a Board Officer and an Employee of the organization All compensation, benefits, etc reported are for work as a member of senior management of the organization The remainder of the officers, trustees, listed above are volunteers and receive no compensation

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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.

OMB No 1545-0047

2009

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Name of the organization
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Employer identification number
23-1689692

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

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
Lehigh Valley Health Network 1200 S Cedar Crest Blvd Allentown, PA 18103 22-2458317	Parent Company	PA	501(c)(3)	509(a)(3) III-FI	N/A
Lehigh Valley Hospital - Muhlenberg 1200 S Cedar Crest Blvd Allentown, PA 18103 23-2367707	Health Care Organization	PA	501(c)(3)	170(b)(1) (A)(iii)	Lehigh Valley Health Network
Lehigh Valley Physician Group 1200 S Cedar Crest Blvd Allentown, PA 18103 23-2700908	Physician Practice Organization	PA	501(c)(3)	Line 9	Lehigh Valley Health Network
Muhlenberg Realty Corporation 1200 S Cedar Crest Blvd Allentown, PA 18103 23-2245513	Real Estate Rentals	PA	501(c)(3)	509(a)(3) III-FI	Lehigh Valley Health Network
Lehigh Valley Health Network Realty Holding Co 1200 S Cedar Crest Blvd Allentown, PA 18103 23-2586770	Real Estate Holding Co	PA	501(c)(2)	509(a)(3) III-FI	Lehigh Valley Health Network

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No
Community Ambulatory Care Center 400 North 17th St Suite 300 Allentown, PA18104 23-2530415	Surgical Center	PA	N/A								
LVHN Reciprocal Risk Retention Group 151 Meeting Street Ste 301 Charleston, SC29401 20-0037118	Insurance	PA	Lehigh Valley Health Network	Related		320,352		No			No
Health Network Laboratories LLC 2024 Lehigh Street Allentown, PA18103 23-2932802	Laboratory Services	PA	Lehigh Valley Hospital	Related	183,326	828,750		No			No
Health Network Laboratories LP 2024 Lehigh Street Allentown, PA18103 23-2948774	Laboratory Services	PA	Lehigh Valley Hospital	Related	18,194,515	64,204,639		No			No
Lehigh Magnetic Imaging Center 1230 S Cedar Crest Blvd Allentown, PA18103 23-2429077	Imaging Center	PA	N/A								

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
Lehigh Valley Health Services Inc 2100 Mack Blvd 5th Floor Allentown, PA181035622 23-2263665	Health Care Related Services	PA	N/A	C			
Lehigh Valley Anesthesia Services PC 2100 Mack Blvd 5th Floor Allentown, PA181035622 23-3096124	Anesthesia Services	PA	N/A	C			
Westgate Professional Center Inc 2100 Mack Blvd 5th Floor Allentown, PA181035622 23-1657333	Real Estate Rentals	PA	N/A	C			
Lehigh Valley Physician Hospital Organization Inc 2100 Mack Blvd 5th Floor Allentown, PA181035622 23-2750430	Health Care Related Services	PA	Lehigh Valley Hospital	C	-1,641,720	7,139,609	45 000 %

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

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

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	Lehigh Valley Anesthesia Services PC	L	7,272,485
(1)	See Additional Data Table		
(2)			
(3)			
(4)			
(5)			
(6)			

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) Disproprtionate 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