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DLN: 93493131020712

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

2010

Open to Public Inspection

A Fo	r the	2010 ca	lendar year, or tax year begin	ning 07-01-2010 and ending 06-30-20	11			
<b>B</b> Ch	eck ıf a	applicable	C Name of organization GETTYSBURG HOSPITAL			D Emplo	oyer i	identification number
_ Add	dress cl	hange				23-1	352	220
— Na	me cha	ange	Doing Business As			E Teleph	none	number
— Init	ial retu	ırn	Number and street (or P.O. box	If mail is not delivered to street address)	Room/suite	(717)	\ & 5 ·	1-3055
— Tei	mınate	ed	PO BOX 2767	in main is not delivered to street dadress,	ixoom, sake	(/1/,	, 65.	1-3035
	ended	return	City or town, state or country, ar	nd 7IP + 4		<b>G</b> Gross	receip	ots \$ 141,533,752
_			YORK, PA 17405	N ZII   T				
Api	DIICATIO	n pending						
			F Name and address of p Bruce M Bartels	orincipal officer	H(a) Is this	a group return f	for affil	ıates?
			PO Box 2767		<b>H(b)</b> Are all	affiliatas ma	ماريط مط	?
			York,PA 174052767		' '			t (see instructions)
						ıp exemptı		
<b>I</b> Ta	x-exen	npt status	<b>✓</b> 501(c)(3)   501(c)()	◀ (insert no )				
J W	ebsit	e:► WW	W WELLSPAN ORG					
<b>K</b> For	n of or	rganızatıon	Corporation Trust Associa	ation T Other 🕨	<b>L</b> Year of fo	rmation 191	19	<b>M</b> State of legal domicile PA
Pa	rt I	Sum	mary					
	1	Briefly d	escribe the organization's mis	sion or most significant activities				
				incorporated, tax exempt organization				
క		services	for the people who live, work,	travel through and vacation in Adams C	County, Pennsy	Ivania and	nort	hern Maryland
፸								
Governance								
Ş	2	Check th	nis box দ if the organization	discontinued its operations or disposed	l of more than 2	5% of its	net a	assets
	3	Number	of voting members of the gove	erning body (Part VI, line 1a)	•		3	16
80	4	Number	of independent voting member	rs of the governing body (Part VI, line 1	b)	. [	4	8
Activities &	5	Total nu	mber of individuals employed	ın calendar year 2010 (Part V, line 2a)			5	994
Ş	6	Total nu	mber of volunteers (estimate i	fnecessary)			6	124
Q.	7a	Total uni	related business revenue from	Part VIII, column (C), line 12			7a	649,102
				e from Form 990-T, line 34			7b	39,367
					Prio	r Year		Current Year
	8	Contri	butions and grants (Part VIII	, line 1h)		497,1	.42	429,848
<u>≅</u>	9			, line 2g)		125,523,3		135,564,458
Revenue	10			mn (A), lines 3, 4, and 7d )		-558,9	$\overline{}$	4,344,030
걒	11		·	A), lines 5, 6d, 8c, 9c, 10c, and 11e)		557,0	_	562,246
	12			11 (must equal Part VIII, column (A), lı	ne	,		
				· · · · · · · · · · · · · · · · · · ·		126,018,5	94	140,900,582
	13	Grants	and similar amounts paid (Pa	art IX, column (A), lines 1-3)		7,379,0	00	7,982,067
	14	Benefi	ts paid to or for members (Par	t IX, column (A), line 4)				0
øb.	15		es, other compensation, emplo	oyee benefits (Part IX, column (A), lines	5 –	FC 636 3		60.560.000
Expenses		10)				56,626,2	-+	60,560,908
ই	16a			X, column (A), line 11e)		351,6	09	277,109
ठ	Ь		ndraising expenses (Part IX, column					
	17			), lines 11a-11d, 11f-24f)		59,689,3	00	63,416,324
	18			nust equal Part IX, column (A), line 25)		124,046,1	-	132,236,408
	19	Reven	ue less expenses Subtract lir	ne 18 from line 12		1,972,4	_	8,664,174
Net Assets or Fund Balances					_	g of Currer 'ear	nt	End of Year
Set Star	20	Totala	assets (Part X, line 16)			132,161,7	61	162,434,637
d B	21					42,980,1	-	51,888,707
3 É	22			ct line 21 from line 20		89,181,6	-	110,545,930
	1111		ature Block	et ille 21 nom ille 20		05,101,0	, , ,	110,545,550
		_		nined this return, including accompanying	schedules and s	tatements	and	to the hest of my
know		and belie		te. Declaration of preparer (other than offic				
		****	**		2/	012-05-10		
Sigr	1	I	iture of officer			ate		
Her		Micha	ael F O'Connor CFO					
			or print name and title					
		Print/Type		Preparer's signature	Date	Check if self		PTIN
Paid		preparer's	name DAVID TRIMNER	DAVID TRIMNER		employed 🕨		
Paid Prepa	arer	Firm's nar	ne 🕨 Argy Wiltse & Robinson PC				_	Firm's EIN
Use (		Firm's add	ress 🕨 8405 Greensboro Drive					Phone no 🕨 (703) 893-
しっせり	Unity		McLean, VA 22102					0600

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . . . . .

┌Yes ┌No

Par		n <b>ent of Program Servi</b> <sup>-</sup> Schedule O contains a resp				୮
1	Briefly describ	e the organization's mission				
		oital is a privately incorporat , travel through and vacation			ed to providing high quality he d northern Maryland	alth care services for the
2		ation undertake any significa 990 or 990-EZ?			which were not listed on	「Yes ▼ No
	If "Yes," descri	be these new services on Sc	hedule O			
3	services? .	ation cease conducting, or r				┌ Yes ┌ No
4	Describe the e	xempt purpose achievement	s for each of th	on 4947(a)(1) trusts a	largest program services by re required to report the amo service reported	
4a	(Code	) (Expenses \$	117,119,294	including grants of \$	7,982,067 ) (Revenue \$	135,477,602 )
	years Beyond the maternity center this area's resoui	e acute care hospital, it has grown , heart center, home health service rce for meeting health and wellnes:	to be a comprehe es, preventive hea s needs As a Wel	ensive health-care provider alth education and screening ISpan Health hospital, Getty	ties of Adams county and northern with family health centers across th programs, and 24-hour emergency sburg Hospital and all of its facilities ion WellSpan Health - 2011 Comm	e region, a very special v services Gettysburg Hospital is serve the community with the
	(6-1-	) /F			) (D	`
4b	(Code	) (Expenses \$		including grants of \$	) (Revenue \$	)
4c	(Code	) (Expenses \$		including grants of \$	) (Revenue \$	)
	Other program	n corvicas (Decembe in Seb	adula C )			
<b>4</b> 0	(Expenses \$	n services (Describe in Sch incl	uding grants o	f\$	) (Revenue \$	)
4e	Total program	n service expenses <b>⊁</b> \$	117,119,29	4		

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes,"</i> complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 🖘	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		Νο
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If</i> "Yes," complete Schedule C, Part II	4		Νo
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		No
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? <i>If "Yes," complete Schedule D, Part II</i>	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		Νο
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		Νο
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasiendowments? If "Yes," complete Schedule D, Part V	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	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.	11b	Yes	
С	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.	11c		No
d	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.	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	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 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If</i> "Yes," complete Schedule D, Parts XI, XII, and XIII	12a		Νο
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		Νο
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		Νο
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? <i>If</i> " <i>Yes,"</i> complete Schedule F, Parts I and IV	14b		Νο
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, Parts II and IV	15		Νο
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, Parts III and IV.	16		Νο
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 (see instructions)	17	Yes	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		Νο
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	Yes	<u> </u>
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Par	t 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	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		Νο
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 lines 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		Νo
С	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		Νο
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		Νο
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)			
а	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		Νο
С	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		Νο
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		Νο
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		N o
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		Νο
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		Νο
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)?	35	Yes	
а	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2			
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		Νο
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	
		F	orm <b>990</b>	(2010)

Part V Statements Regarding Other IRS Filings and Tax Compliance

	Check if Schedule O contains a response to any question in this Part V			
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable 1a 9			
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			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	20	res	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the	3a	Yes	
h	year?	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	103	No
b	If "Yes," enter the name of the foreign country			
	See instructions for 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		Νο
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		N o
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		Νο
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		Νο
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		No
7	Organizations that may receive deductible contributions under section 170(c).			
	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		N o
	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		<u>N o</u>
С	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		Νo
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d 0			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit	7e		Νο
f	contract?	7f		No
	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		N o
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		No
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		No
9	Sponsoring organizations maintaining donor advised funds.			
а	Did the organization make any taxable distributions under section 4966?	9a		Νo
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		Νο
10	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
Ь	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
11	Section 501(c)(12) organizations. Enter			
	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them )			
	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		No
Ь	If "Yes," enter the amount of tax-exempt interest received or accrued during the year			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.			
а	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O	13a		Νο
	1 1			
Ь	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans			
c	Enter the amount of reserves on hand			
4.4-	Did the ergopization receive any navments for indeer tanging convices during the tay year?	4.4-		NI =
	Did the organization receive any payments for indoor tanning services during the tax year?	14a 14b		N o N o

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.

Se	ection A. Governing Body and Management			
			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax			
	year			
Ь	Enter the number of voting members included in line 1a, above, who are independent			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		N o
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		Νο
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
ь	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
а	The governing body?	8a	Yes	
ь	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		Νo
	ection B. Policies (This Section B requests information about policies not required by the Internal evenue Code.)			
Ne	venue code.)		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		N o
	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		No
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?			
		11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this 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?			
а	The organization's CEO, Executive Director, or top management official	15a	Yes	
ь	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions )			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the			
	organization's exempt status with respect to such arrangements?	16b	Yes	
Se	ection 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 V Upon request

- 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
- State the name, physical address, and telephone number of the person who possesses the books and records of the organization 🕨 20 DAVID RIZZUTO 3350 WHITEFORD ROAD

YORK, PA 174029081 (717) 851-3055

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

Check if Schedule O contains a response to any question in this Part VII . . . . . . . . . . . . . .

#### 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

- 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, if any 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, and 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 neither the organization nor any related organization compensated any current officer, director, or trustee

<b>(A)</b> Name and Title	(B) Average hours		(( tion ( hat a	che		ll .		<b>(D)</b> Reportable compensation from the	<b>(E)</b> Reportable compensation from related	(F) Estimated amount of other
	per week (describe hours for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	organization (W- 2/1099-MISC)	organizations (W- 2/1099- MISC)	compensation from the organization and related organizations
(1) Yu-Wen Chang MD Chief Pathologist	40 00					х		338,916	0	46,031
(2) William Steinour Director	40 00	Х						339,522	0	56,320
(3) Russell Redding Secretary	1 00	Х						0	0	0
(4) Ronald L Hankey Chairman	1 00	Х		х				0	0	0
(5) Orville G McBeth Jr MD Director	1 00	Х						0	257,697	53,778
(6) Mitchell E Zuckerman MD Anesthesiologist	40 00					х		349,252	0	55,664
(7) Mıchael F O'Connor CFO-WellSpan H	1 00			х				0	510,284	351,706
(8) Megan Shreve Director	1 00	Х						0	0	0
(9) Matthew Krebs Anesthesiologist	40 00					х		377,668	0	57,760
(10) Mark A Resciniti MD Anesthesiologist	40 00					х		346,494	0	25,330
(11) Kwadwo Baryeh Director	1 00	Х						0	0	0
(12) Kevin Mosser President	40 00			х				349,849	0	324,012
(13) Keith L Gee Director	1 00	Х						0	278,463	222,484
(14) Joseph Edgar VP Operations	40 00				х			204,845	0	48,773
(15) James Williams Director	1 00	Х						0	0	0
(16) Gregory F Reaver Director	1 00	Х						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours	1	tion (	(che		II		(D) Reportable compensation from the	<b>(E)</b> Reportable compensation from related	<b>(F)</b> Estimated amount of other compensation
	per week (describe hours for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	organization (W- 2/1099-MISC)	organizations (W- 2/1099- MISC)	from the organization and related organizations
(17) Edward Mackle Director	1 00	х						537,837	0	57,660
(18) Douglas E Eyer Director	12 00	х						59,300	0	9,956
(19) Dora L Townsend Vice Chairman	1 00	х		х				0	0	0
(20) Cynthia A Ford Director	1 00	х						0	0	0
(21) Charles H Chodroff MD Director	1 00	х						0	482,432	330,058
(22) Bruce M Bartels CEO-WellSpan H	1 00	х		Х				0	933,031	592,637
(23) Bernard A Yannettı Jr Esq Treasurer	1 00	х		х				0	0	0
(24) Angela Brooks MD Chief Pathologist	40 00					Х		372,876	0	56,595
1b Sub-Total		<u> </u>	<u> </u>		<u> </u>	<u> </u>	<b> </b>			
c Total from continuation sheets						<b>F</b>				
d Total (add lines 1b and 1c) .							<b> -</b>	3,276,559	2,461,907	2,288,764
Total number of individuals (incl \$100,000 in reportable compen	-				ted	above)	) who	received more tha	n	

			Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3		 N o
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			
	ındıvıdual	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for			
	services rendered to the organization? If "Yes," complete Schedule I for such person	5		Νo

### **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
Weatherby Locums Inc PO Box 972633 Dallas, TX 753972633	Temporary Staffing	202,648
Quest Diagnostics Inc 12436 Collections Center Drive Chicago, IL 60693	Lab & Pre-employment	587,481
Mobile PETCT Associates LLC 43 Leopard Road Suite 200 Paoli, PA 19301	Diagnostic Imaging	249,750
HCSC Laundry PO Box 25092 Lehigh Valley, PA 18002	Laundry Service	256,330
Century Link PO Box 96064 Charlotte, NC 282960064	Network Access Fees	205,938
2 Total number of independent contractors (including but not limited to those listed above	) who received more than	

Part ۱	74 4 4	(2010)  Statement of Revenue					Pag	e <b>9</b>
	<b>711</b>	Statement of Revent	ue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	excluded from tax under sections 512, 513, or
20 22	1a	Federated campaigns	1a					514
Contributions, gifts, grants and other similar amounts	ь	Membership dues	. 1b					
s, g amo	С	Fundraising events	. 1c					
gĭt lar∷	d	Related organizations	. 1d	429,848				
ns, ámi	e	Government grants (contributions)	1e					
utio ker∢	f	All other contributions, gifts, grants	, and <b>1f</b>					 
ē.	a	similar amounts not included above Noncash contributions included in li						
Son and	_	Total. Add lines 1a-1f			429,848			
O %		Total. Add files 1a-11		Business Code				
nue	2a	W/O -Free Care		621500	-6,135,676	-6,135,676		
Program Service Revenue	Ь	Net Patient Service		624500			588,272	
se B	С	Net Patient Service		621500	141,700,134	141,111,862		
erwa	d							
m S	e							
×gra	f	All other program service rev	venue					
Ğ	g	Total. Add lines 2a-2f			135,564,458			
	_	Investment income (includin			· · ·			
		and other similar amounts)			2,337,113			2,337,11
	4	Income from investment of tax-ex		0				
	5	Royalties	(ı) Real	(II) Personal				
	6a	Gross Rents	(I) Real	(II) Fersonal				
	ь	Less rental expenses						
	С	Rental income						
	d	or (loss) [ Net rental income or (loss)			0			
			(ı) Securities	(II) O ther				
	7a	Gross amount from sales of	2,638,534	1,553				
		assets other than inventory						
	Ь	Less cost or other basis and	633,170					
	c	sales expenses Gain or (loss)	2,005,364	1,553				
	d	Net gain or (loss)			2,006,917			2,006,91
e	8a	Gross income from fundraisii	ng events					
Other Revenue		(not including \$						
તેe∿		of contributions reported on See Part IV, line 18						
er		Sectarity, interest	a a					
o <del>t</del>		Less direct expenses						
		Net income or (loss) from fur		_	0			
			ctivities See Part IV, line 19 .	a b				
		Net income or (loss) from ga			0			
	10a	Gross sales of inventory, les returns and allowances	s					
		ictums and anowances .	a					
		Less cost of goods sold .						
	С	Net income or (loss) from sa	les of inventory 🕨		0			
	11-	Miscellaneous Revenue		Business Code 900099	72,579	72,579		
		Other Operating Revenue  Health Promo/Wellness		611710	92,292			
		Emergency Response-als		621500	285,923			
		All other revenue			111,452		60,830	
				<u> </u>				
	е	Total. Add lines 11a-11d		I	562 246			
		: Total. Add lines 11a-11d  Total revenue. See Instructi	<b>▶</b>		562,246			

	990 (2010)				Page <b>10</b>		
Part IX Statement of Functional Expenses  Section 501(c)(3) and 501(c)(4) organizations must complete all columns.							
Α	Section 501(c)(3) and 501(c)(4) organizations must lighter organizations must complete column (A) but are not required to c			(D).			
	ot include amounts reported on lines 6b, b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	( <b>D</b> ) Fundraising expenses		
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	7,982,067	7,982,067				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0					
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0					
4	Benefits paid to or for members	0					
5	Compensation of current officers, directors, trustees, and key employees	1,841,468	1,244,957	596,511			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0					
7	Other salaries and wages	43,009,571	42,661,305	348,266			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,480,394	4,267,021	213,373			
9	Other employee benefits	8,066,242	8,045,711	20,531			
10	Payroll taxes	3,163,233	3,151,592	11,641			
а	Fees for services (non-employees) Management	9,966,327	, ,	9,966,327			
b	Legal	7,727		7,727			
c	Accounting	25,122		25,122			
d	Lobbying	0					
e	Professional fundraising services See Part IV, line 17	277,109			277,109		
f	Investment management fees	-114,768		-114,768			
g	Other	11,441,068	11,207,282	•			
12	Advertising and promotion	58,150	57,711				
13	Office expenses	17,721,879	17,661,902				
14	Information technology	3,098,128	, ,	3,098,128			
15	Royalties	0		_,			
16	Occupancy	2,457,049	2,254,768	202,281			
17	Travel	173,750	137,869	<u> </u>			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	137,663	33,001			
19	Conferences, conventions, and meetings	79,855	76,585	3,270			
20	Interest	1,753,194	1,753,194	<u> </u>			
21	Payments to affiliates	0					
22	Depreciation, depletion, and amortization	5,594,193	5,594,193				
23	Insurance	1,848,889	1,848,889				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)						
а	Utilities	1,321,442	1,290,642	30,800			
ь	Miscellaneous	116,184	112,071	4,113			
c	Licenses/Fees	117,292	112,559	4,733			
d	Dues and Subscriptions	125,956	91,894	34,062			
e	Bad Debt	7,415,422	7,415,422				
f	All other expenses	209,465	151,660	57,805			
25	Total functional expenses. Add lines 1 through 24f	132,236,408	117,119,294	14,840,005	277,109		
26	Joint costs. Check here ► rif following SOP 98-2 (ASC 958-720) Complete this line only if the	•			•		
	organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				000 (3.01.0)		

Pa	rt X	Balance Sheet					
					<b>(A)</b> Beginning of year		<b>(B)</b> End of year
	1	Cash—non-interest-bearing			181,131	1	142,408
	2	Savings and temporary cash investments			4,253,910	2	3,702,953
	3	Pledges and grants receivable, net				3	0
	4	Accounts receivable, net			16,236,019	4	18,146,814
	5	Receivables from current and former officers, directors, trustee highest compensated employees Complete Part II of					
		Schedule L				5	0
ets	6	Receivables from other disqualified persons (as defined under spersons described in section $4958(c)(3)(B)$ , and contributing e sponsoring organizations of section $501(c)(9)$ voluntary employorganizations (see instructions)					
		Schedule L				6	0
Assets	7	Notes and loans receivable, net				7	0
4	8	Inventories for sale or use			955,960	8	837,116
	9	Prepaid expenses and deferred charges			3,343,856	9	3,905,788
	10a	Land, buildings, and equipment cost or other basis <i>Complete Part VI of Schedule D</i>	10a	91,763,752			
	ь	Less accumulated depreciation	10b	54,305,860	33,897,182	10c	37,457,892
	11	Investments—publicly traded securities			36,640,807	11	46,555,412
	12	Investments—other securities See Part IV, line 11	22,617,165	12	34,283,043		
	13	Investments—program-related See Part IV, line 11		13	0		
	14	Intangible assets	2,041,114	14	3,328,879		
	15	Other assets See Part IV, line 11	11,994,617	15	14,074,332		
	16	Total assets. Add lines 1 through 15 (must equal line 34) .	132,161,761	16	162,434,637		
	17	Accounts payable and accrued expenses .			1,565,099	17	2,417,568
	18	Grants payable				18	
	19	Deferred revenue			1,317,069	19	716,853
	20	Tax-exempt bond liabilities			28,784,920	20	29,569,036
Se	21	Escrow or custodial account liability Complete Part IV of Schedu.				21	
bilities	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified					
Lial		persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			2,081,075	23	3,687,936
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			9,231,951	25	15,497,314
	26	Total liabilities. Add lines 17 through 25			42,980,114	26	51,888,707
5		Organizations that follow SFAS 117, check here ▶ 🔽 and comp	olet e l	ines 27			
⊕o!		through 29, and lines 33 and 34.					
lan	27	Unrestricted net assets			79,292,566	27	96,709,963
Fund Balances	28	Temporarily restricted net assets			9,889,081	28	13,835,967
pu	29	Permanently restricted net assets				29	
Fu		Organizations that do not follow SFAS 117, check here ► □ and	nd con	ıplet e			
2		lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
Assets	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other for	ınds			32	
Net	33	Total net assets or fund balances			89,181,647	33	110,545,930
	34	Total liabilities and net assets/fund balances			132,161,761	34	162,434,637

Par	Check if Schedule O contains a response to any question in this Part XI			.┏	
1	Total revenue (must equal Part VIII, column (A), line 12)	1		140.9	900,582
2	Total expenses (must equal Part IX, column (A), line 25)	2			236,408
3	Revenue less expenses Subtract line 2 from line 1	3		8,6	564,174
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		89,1	181,647
5	Other changes in net assets or fund balances (explain in Schedule O)	5		12,7	700,109
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6		110,5	545,930
Par	t XII Financial Statements and Reporting				
	Check if Schedule O contains a response to any question in this Part XII		•	୮	•
				Yes	No
1	Accounting method used to prepare the Form 990				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		Νo
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 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 its 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 on a separate basis, consolidated basis, or both	ssued			
	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?	e	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	equired	3b	Yes	

**Employer identification number** 

# SCHEDULE A Put

(Form 990 or 990EZ)

Name of the organization

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

2010

Open to Public Inspection

GETTYSBURG HOSPITAL Reason for Public Charity Status (All organizations must complete this part.) See instructions organization is not a private foundation because it is (For lines 1 through 11, check only one box ) A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i). 1 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E) 굣 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). 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 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) A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v). 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) A community trust described in section 170(b)(1)(A)(vi) (Complete Part II) An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III) An organization organized and operated exclusively to test for public safety Seesection 509(a)(4). 10 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 Type I **b** Type II c Type III - Functionally integrated Type III - Other 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) 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 Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) Yes No 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	organizati col (i) list your gove docume	(iv) Is the organization in col (i) listed in your governing document?  (v)  (v)  Is the organization in col (i) of your support?  (vi)  Is the organization in col (i) of your support?  (vi)  Is the organization in col (i) organization in the U S?		organization in org col (i) of your col support? in		on in anized S ?	(vii) A mount of support	
		instructions))	Yes	No	Yes	No	Yes	No		
Total										

# Part II Support Schedule for Organizations Described in Sections 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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

	dider rate III. If the	organización i	ans to quanty t	maci the tests	iisted below, pic	case complet	c raic III.
S	ection A. Public Support		_				
Cale	endar year (or fiscal year beginning in)	(a) 2006	<b>(b)</b> 2007	(c) 2008	( <b>d)</b> 2009	(e) 2010	(f) Total
1	Gifts, grants, contributions, and						
	membership fees received (Do not						
	ınclude 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						
	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						
Ü	line 4						
S	ection B. Total Support	1				I	
	endar year (or fiscal year beginning						
Cur	in) ►	(a) 2006	<b>(b)</b> 2007	<b>(c)</b> 2008	( <b>d)</b> 2009	(e) 2010	(f) Total
7	A mounts from line 4						
8	Gross income from interest,						
0	dividends, payments received on						
	securities loans, rents, royalties						
	and income from similar						
	sources						
9	Net income from unrelated						
-	business activities, whether or						
	not the business is regularly						
	carried on						
10	Other income Do not include gain						
	or loss from the sale of capital						
	assets (Explain in Part IV )						
11	Total support (Add lines 7						
	through 10)						
12	Gross receipts from related activities	es, etc (See inst	ructions )			12	
13	First Five Years If the Form 990 is f	or the organization	on's first, second	, third, fourth, or	fifth tax year as a	501(c)(3) orga	nızatıon,
	check this box and <b>stop here</b>	_	r		•	. , . , -	<b>▶</b> ┌॔
S	ection C. Computation of Pub	lic Support P	ercentage				
14	Public Support Percentage for 2010	(lıne 6 column (	f) divided by line	11 column (f))		14	
15	Public Support Percentage for 2009	Schedule A Par	rt II line 14			15	
							<del> </del>
16a	<b>33 1/3% support test—2010.</b> If the				line 14 is 33 1/3%	or more, chec	
	and <b>stop here.</b> The organization qua	•				2.2.4.204	<b>▶</b> [
b	33 1/3% support test—2009. If the				oa, and line 15 is :	1/3% or mor کد	. <del>-</del>
17-	box and <b>stop here.</b> The organization				12 16 1C	handler - 4.4	▶
r/a	10%-facts-and-circumstances test-						ın.
	is 10% or more, and if the organization made			•			
	in Part IV how the organization mee	is the facts and	circumstances"	test ine organiz	acion quanifies as	a publicly supp	orted F
<b>L</b>	organization 10%-facts-and-circumstances test-	_2000 Ifthe era	anization did not	chack a hay an lu	no 13 165 166 5	or 17a and line	F1
ט	15 is 10% or more, and if the organ						
	Explain in Part IV how the organizat			•		<u>-</u>	clv
	supported organization	aon meets the 16	aces and circuitis	tances test life	. organization qual	iiiies as a publi	ETY ▶ ¯
18	Private Foundation If the organizati	on did not check	a box on line 13	. 16a. 16b. 17a o	r 17b. check this	box and see	- 1
	instructions	a.a not ender		, , 0 0 , 7 0 0	. 2. 2, 511558 61115		<b>▶</b> □

Schedule A (Form 990 or 990-EZ) 2010 Page 3 Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.) Section A. Public Support Calendar year (or fiscal year beginning (a) 2006 **(b)** 2007 (c) 2008 (d) 2009 (e) 2010 (f) Total ın) 🟲 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified **b** A mounts 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning **(e)** 2010 (a) 2006 **(b)** 2007 (c) 2008 (d) 2009 (f) Total ın) 9 Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b c Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include 12 gain or loss from the sale of capital assets (Explain in Part Total support (Add lines 9, 10c, 11 and 12) First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	
S	ection D. Computation of Investment Income Percentage		
17	Investment income percentage for <b>2010</b> (line 10c column (f) divided by line 13 column (f))	17	
18	Investment income percentage from 2009 Schedule A , Part III, line 17	18	

19a 33 1/3% support tests—2010. 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

33 1/3% support tests—2009. 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

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

Schedule A (Fo	orm 990 or 990-EZ) 2010	Pag
Part IV	<b>Supplemental Information.</b> Supplemental Information. Complete this required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. additional information. (See instructions).	•

Facts And	Circumstances	Test

Schedule A (Form 990 or 990-EZ) 2010

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DLN: 93493131020712

OMB No 1545-0047

**SCHEDULE D** (Form 990)

Department of the Treasury

**Supplemental Financial Statements** 

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Open to Public

erna	l Revenue Service	► Attach to Fo	orm 990. 🕨 See separate	inst ruct ions.			Inspec	tion
	me of the organi				Emp	loyer identifica	ation numb	er
GET	TYSBURG HOSPITAL	-			23-1	352220		
Рa	rt I Organi	izations Maintaining Donor A	dvised Funds or Oth	ner Similar Fi			. Comple	te if the
	organiz	zation answered "Yes" to Form 99	<del></del>				·	
			(a) Donor advise	ed funds	(	<b>b)</b> Funds and o	ther accou	unts
•	Total number at	,						
2	33 3	tributions to (during year)						
<b>,</b>		its from (during year)						
		e at end of year						
•	funds are the o	ration inform all donors and donor advi rganization's property, subject to the	organization's exclusive	legal control?			☐ Yes	☐ No
•	-	zation inform all grantees, donors, and haritable purposes and not for the ben	_	-				
	•	ermissible private benefit	ient of the donor of donor	advisor, or for a	ly othe	i puipose	☐ Yes	┌ No
Pai	rt III Consei	rvation Easements. Complete	ıf the organızatıon an:	swered "Yes" t	o Form	n 990, Part I\	/, line 7.	
	Purpose(s) of c	conservation easements held by the o	rganızatıon (check all tha	t apply)				
	_	on of land for public use (e g , recreati	· · · · · ·	reservation of an			•	ea
	<u></u>	of natural habitat	J P	reservation of a d	certified	d historic struc	ture	
	Preservati	on of open space						
2	•	: 2a-2d if the organization held a qual ne last day of the tax year	ıfıed conservatıon contrıb	ution in the form	of a co	nservation		
		_				Held at the	End of the	e Year
а		of conservation easements			2a			
b	_	restricted by conservation easements			2b			
C		servation easements on a certified his		n (a)	2c			
d	Number of cons	servation easements included in (c) a	cquired after 8/17/06		2d			
3	Number of cons	servation easements modified, transfe	erred, released, extinguis	hed, or terminate	d by th	e organization	during	
	the taxable yea	ar <b>►</b>						
ŀ	Number of state	es where property subject to conserva	ation easement is located	ı <b>⊳</b>				
•	_	nization have a written policy regarding f the conservation easements it holds?		inspection, hand	dling of	violations, and	「 Yes	Г No
•	Staff and volun	teer hours devoted to monitoring, insp	pecting and enforcing con	servation easem	nents du	uring the year	<b>-</b>	
,	A mount of expe	enses incurred in monitoring, inspecti	ng, and enforcing conserv	ation easements	s during	j the year 🟲 🕏		
ì		servation easement reported on line 2 ) and 170(h)(4)(B)(ii)?	2(d) above satisfy the req	uirements of sec	tion		☐ Yes	∏ No
)	balance sheet,	escribe how the organization reports co and include, if applicable, the text of t on's accounting for conservation easer	the footnote to the organı		•	•		
ar	t IIII Organi	izations Maintaining Collection etc. If the organization answered '	ns of Art, Historica		or Otl	ner Similar	Assets.	
la	If the organizat art, historical t	tion elected, as permitted under SFAS reasures, or other similar assets held t XIV, the text of the footnote to its fir	116, not to report in its for public exhibition, edu	revenue stateme cation or researd	ch in fu			e,
b	historical treas	tion elected, as permitted under SFAS sures, or other similar assets held for owing amounts relating to these items	public exhibition, educati					
	(i) Revenues in	ncluded in Form 990, Part VIII, line 1				<b>►</b> \$		
	(ii) Assets incl	luded in Form 990, Part X						
2	If the organizat	tion received or held works of art, hist nts required to be reported under SFA			or finan			
а	Revenues inclu	uded in Form 990. Part VIII. line 1				<b>▶</b> - \$		

**b** Assets included in Form 990, Part X

	Using the organization's accession and othe	r records, check any	of the	e follow	ing that	are a significa	nt u	se of its col		n	ntinued)
	ıtems (check all that apply) —										
а	Public exhibition		d	J L	oan or e	xchange progr	ams				
b	Scholarly research		e	Г о	ther						
c	Preservation for future generations										
4	Provide a description of the organization's co Part XIV	ollections and explain	n how	they fo	ırther th	e organızatıon	′s e×	empt purpo	se in		
5	During the year, did the organization solicit							nılar	_		_
-	assets to be sold to raise funds rather than t							· !! 1		Yes	No
Par ——	Part IV, line 9, or reported an ar					ion answere	a "Y	es" to Fori	n 99	U, 	
1a	Is the organization an agent, trustee, custoo included on Form 990, Part X?		·			s or other ass	etsı	not	Г	Yes	┌ No
b	If "Yes," explain the arrangement in Part XI	/ and complete the fo	ollowii	ng tabl	e	Г			A mo	unt	
c	Reginning halance					-	1c		AIIIO		
d	Beginning balance  Additions during the year					_	1d				
e	Distributions during the year					-	1e				
f	Ending balance					-	1f				
	_	orm 000 Bart V line	212			L	11			Yes	
2a 	Did the organization include an amount on Fo		21,						'	res	) NO
	If "Yes," explain the arrangement in Part XIV  rt V Endowment Funds. Complete		ancı	warad	"Voc" t	o Form 990	Dar	t IV line	<u></u>		
F G	Endowment i unus. Complete	(a)Current Year		Prior Yea		c)Two Years Back		I)Three Years		<b>e)</b> Four Y	ears Back
1a	Beginning of year balance	9,889,081			0,151	10,386,4	<del></del>	<u> </u>	Ť		
ь	Contributions	126,547		22	3,090	174,3	29				
С	Investment earnings or losses	3,922,083		1,02	1,444	-1,478,0	00				
d	Grants or scholarships										
e	Other expenditures for facilities and programs	101,744		22	5,604	212,5	94				
f	Administrative expenses										
g	End of year balance	13,835,967		9,88	9,081	8,870,1	51				
2	Provide the estimated percentage of the yea	r end balance held as	 s								
а											
a	Board designated or quasi-endowment 🕨										
a b	Board designated or quasi-endowment Fermanent endowment Fermanent endowment										
b	Permanent endowment 🕨										
_	•	ssion of the organiza	tion th	hat are	held an	d administere	d for	the			
b c	Permanent endowment   Term endowment   Are there endowment funds not in the posse organization by	-	tion th	hat are	held an	d administered	d for	the		Yes	No
b c	Permanent endowment   Term endowment   Are there endowment funds not in the posse	-	tion th	hat are	held an	d administered	d for	[	3a(i)		No No
b c 3a	Permanent endowment    Term endowment    Are there endowment funds not in the posse organization by  (i) unrelated organizations						d for	[	3a(ii)	Yes	
b c 3a	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		 on Sc	 chedule	 . R? .		d for • •	[			
b c 3a b	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	 chedule nt fund	 e R? . s			[	3a(ii)	Yes	
b c 3a b	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	 chedule nt fund ee For	 . R? . s m 990,	Part X, line		[	3a(ii) 3b	Yes	
b c 3a b	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	chedulent fund	 e R? . s	Part X, line		[	3a(ii) 3b	Yes	
b c 3a b 4 Par	Permanent endowment F  Term endowment F  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	chedulent fund		Part X, line  r (b)Cost or of basis (other		(c) Accumul	3a(ii) 3b	Yes	No
b c 3a b 4 Par	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	chedulent fund		Part X, line  r (b)Cost or of basis (other	10. ther r)	(c) Accumul	3a(ii) 3b ated	Yes Yes (d) Boo	N o
b c 3a b 4 Par	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	chedulent fund		Part X, line (b)Cost or of basis (other) 11 30,490	10. ther r)	(c) Accumula depreciation	3a(ii) 3b ated	Yes Yes (d) Boo	No ok value
b c 3a b 4 Par	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations  (ii) related organizations  If "Yes" to 3a(II), are the related organization Describe in Part XIV the intended uses of the tylength of the possession of the		on Scowme	chedulent fund		Part X, line (b)Cost or of basis (other) 11 30,490		(c) Accumula depreciation 14,82.	3b ated on 2,090	Yes Yes (d) Boo	No  Dk value  11,584 5,668,699
b c 3a b 4 Par	Permanent endowment  Term endowment  Are there endowment funds not in the posse organization by  (i) unrelated organizations		on Scowme	chedulent fund		Part X, line  (b)Cost or of basis (other)  11  30,490  972	10. 1584 7,789 7,622	(c) Accumula depreciation 14,82.	3a(ii) 3b ated ated at a second at a secon	Yes Yes (d) Boo	No  Dk value  11,584 5,668,699 206,324

Part VII Investments—Other Securities. See	Form 990, Part X, line 13	
<ul><li>(a) Description of security or category (including name of security)</li></ul>	( <b>b)</b> Book value	(c) Method of valuation Cost or end-of-year market value
(1)Financial derivatives		·
(2)Closely-held equity interests		
Other		
	24 202 042	
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)  Part VIIII Investments—Program Related. See	34,283,043	
		(c) Method of valuation
(a) Description of investment type	(b) Book value	Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)	15	
Part IX Other Assets. See Form 990, Part X, lin (a) Descrip		(b) Book value
(1) Unamortized Bond Issue Costs		203,4
(2) Accounts Receivable - Intercompany		97,4
(-)		
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1:		
Part X Other Liabilities. See Form 990, Part X  (a) Description of Liability	, line 25. ( <b>b)</b> A mount	
Federal Income Taxes  Notes Payable - WPPPG	7,000	
Notes Payable - WRRRG  Due to Affiliates	121,437 6,714,592	
Derivative Valuation	3,883,124	
Accrued Vacation	2,628,792	
Accrued Sales Tax	479	
Accrued Payroll and Payroll Taxes	2,141,890	
Total (Column (h) should agual Form 200, Part V1 (R) has 25 )		
Total. (Column (b) should equal Form 990, Part X, col (B) line 25 ) ▶	15,497,314	

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	140,900,582
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	132,236,408
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	8,664,174
4	Net unrealized gains (losses) on investments	4	8,683,932
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	4,016,177
9	Total adjustments (net) Add lines 4 - 8	9	12,700,109
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	21,364,283
Par	t XIII Reconciliation of Revenue per Audited Financial Statements With Revenue	er R	eturn
1	Total revenue, gains, and other support per audited financial statements	1	149,350,132
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
а	Net unrealized gains on investments		
b	Donated services and use of facilities		
c	Recoveries of prior year grants		
d	Other (Describe in Part XIV) 2d		
е	Add lines <b>2a</b> through <b>2d</b>	2e	8,691,438
3	Subtract line <b>2e</b> from line <b>1</b>	3	140,658,694
4	A mounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
b	Other (Describe in Part XIV) 4b 241,888		
c	Add lines <b>4a</b> and <b>4b</b>	4с	241,888
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	140,900,582
	Reconciliation of Expenses per Audited Financial Statements With Expenses	s per	
1	Total expenses and losses per audited financial statements	1	124,119,323
2	A mounts included on line 1 but not on Form 990, Part IX, line 25		
а	Donated services and use of facilities		
b	Prior year adjustments	1	
c	Other losses	1	
d	Other (Describe in Part XIV) 2d		
e	Add lines <b>2a</b> through <b>2d</b>	2e	
3	Subtract line <b>2e</b> from line <b>1</b>	3	124,119,323
4	A mounts included on Form 990, Part IX, line 25, but not on line 1:		
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b	Other (Describe in Part XIV) 4b 8,117,085		
c	Add lines <b>4a</b> and <b>4b</b>	4c	8,117,085
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	132,236,408
Pai	t XIV Supplemental Information		

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

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

Ident if ier	Return Reference	Explanation
Part X	Part X FIN48 Footnote	In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation NO 48, Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement NO 109, Accounting for Income Taxes (FIN 48), which creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. Under the requirements of FIN 48, tax-exempt organizations could now be required to record an obligation as the result of a tax position they have historically taken or various tax exposure items. Prior to FIN 48, the determination of when to record a liability for tax exposure was based on whether a liability was considered probable and reasonably estimable in accordance with SFAS. No 5, Accounting for Contingencies. On July 1, 2007, the parent company, WellSpan Health, adopted FIN 48. WellSpan Health determined that it does not have any uncertain tax positions through June 30, 2011.
Part XIII, Line 4b	Part XIII, Line 4b Other revenue amounts included on 990 but not included in F/S	Grant - WellSpan Medical Group \$4496000 Grant - WellSpan Health \$3404000 Restricted Assets Expenditures \$101744 Expenses netted against revenue \$115341
Part XII, Line 4b	Part XII, Line 4b Other revenue amounts included on 990 but not included in F/S	Restricted Contributions \$126547 Expenses netted against revenue \$115341
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	Gain on restricted assets held by GH Foundation \$3922083 Net assets released from restriction-PPE \$94094
Part V, Line 4	Part V , Line 4 Intended uses of the endowment fund	The funds were used to improve the health and welfare of the residents of York and Adams counties of Pennsylvania

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DLN: 93493131020712

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2010

OMB No 1545-0047

23-1352220

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

**SCHEDULE G** 

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.

**Supplemental Information Regarding** 

**Fundraising or Gaming Activities** 

Open to Public Inspection

Name of the organization GETTYSBURG HOSPITAL Employer identification number

art I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

- Indicate whether the organization raised funds through any of the following activities Check all that apply
- a 🔽 Mail solicitations
- e 🔽 Solicitation of non-government grants

Internet and e-mail solicitations

Solicitation of government grants

Phone solicitations

- d 🔽 In-person solicitations
- 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 services?

Yes

N

**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 and address of individual or entity (fundraiser)	(ii) Activity	fundrais custo cont	Did ser have ody or rol of utions?	(iv) Gross receipts from activity	(v) A mount paid to (or retained by) fundraiser listed in col (i)	(vi) A mount paid to (or retained by) organization
		Yes	No			
	Solicitations					
Gettysburg HF						
147 Gettys St		Yes		429,848	277,109	152,739
Gettysburg, PA 17325						
Total				429,848	277,109	152,739

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

PA

Pa	rt II	Fundraising Events. Com more than \$15,000 on Form				
			(a) Event #1	(b) Event #2	(c) O ther Events (total number)	(d) Total Events (Add col (a) through col (c))
<u>Ф</u>					(**************************************	
Revenue	1 2	Gross receipts Less Charitable				
₩ Ф	-	contributions				
	3	Gross income (line 1 minus line 2)				
	4	Cash prizes				
ဟ	5	Non-cash prizes				
anse T	6	Rent/facility costs				
Expenses	7	Food and beverages				
Direct	8	Entertainment				
ā	9	Other direct expenses .				
	10	Direct expense summary Add lin	es 4 through 9 ın columı	n (d)	🛌	
	11	Net income summary Combine III	nes 3 and 10 ın column	(d)		
Par	t II	Gaming. Complete if the or \$15,000 on Form 990-EZ, lir		"Yes" to Form 990, Pa	rt IV, line 19, or repo	orted more than
			(a) Bingo	(b) Pull tabs/Instant	(c) O ther gaming	(d) Total gaming
Revenue				bingo/progressive bingo		(Add col (a) through col (c))
	1	Gross revenue				
Ses	2	Cash prizes				
Expenses	3	Non-cash prizes				
ញ ថ្ល	4	Rent/facility costs				
Direct	5	Other direct expenses				
	6	Volunteer labor	┌ Yes % ┌ No	☐ Yes % ☐ No	┌ Yes %	_
	7	Direct expense summary Add lines	s 2 through 5 ın column	(d)		
	8	Net gaming income summary Com	bine lines 1 and 7 in col	umn (d)		
9	Ent	er the state(s) in which the organize	ation operates gaming ac	tivities		
а		the organization licensed to operate				· Fyes Fno
b	If"	No," Explain				
						1
10a		re any of the organization's gaming			the tax year?	· · Fyes Fno
b	If"	Yes," Explain				
						1

11	Does the organization operate ga	aming activities with nonmembers?		<b>Г</b> үе	s $\Gamma_{No}$
12	Is the organization a grantor, be	neficiary or trustee of a trust or a mer	nber of a partnership or other entity		
	formed to administer charitable (	jaming?		Г <sub>Yе</sub>	s $\Gamma_{No}$
13	Indicate the percentage of gamin	ng activity operated in			
а	The organization's facility			1	
b	An outside facility			,	
14	Provide the name and address or records	f the person who prepares the organız	ation's gaming/special events books and	d	
	Name 🟲				
	Address 🟲				
15a		ntract with a third party from whom th		_	_
					s No
ь		ning revenue received by the organizated by the third party 🟲 \$	ation <b>&gt;</b> \$ and the		
c	If "Yes," enter name and address	5			
	Name 🟲				
	Address 🟲				
16	Gaming manager information				
	Name 🟲				
	Gaming manager compensation l	<b>*</b> \$			
	Description of services provided	<b>&gt;</b>			
	Director/officer	Employee	Independent contractor		
17	Mandatory distributions				
а		er state law to make charitable distrib		_	_
p.				·   Ye	s No
D		required under state law distributed activities during the tax year - \$	to other exempt organizations or spent		
Par		<u>-</u>	r responses to question on Schedul	e G (see	
	Identifier	ReturnReference	Explanation		

# OMB No 1545-0047

Open to Public **Inspection** 

### **SCHEDULE H** (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization GETTYSBURG HOSPITAL **Employer identification number** 

						1352220			
Pa	rt I Financial Assista	nce and Co	ertain Oth	er Community Bei	nefits at Cost				
	Dodd Harris Co.			. 4 10	CHNI - H - L			Yes	No
1a	Did the organization have a fi					n 6a.	1a	Yes	
Ь	If "Yes," is it a written policy?						1b	Yes	
2	If the organization has multip assistance policy to its vario			<del>-</del>	lescribes application o	of the financial			
	A pplied uniformly to all ho Generally tailored to indiv	•	ls	Applied uniformly	to most hospitals				
3	Answer the following based or organization's patients during		ıcıal assıstar	nce eligibility criteria th	at applied to the large	st number of the			
а	Does the organization use Fer income individuals? If "Yes,"						3a	Yes	
	Г 100% Г 150%		о% Г	Other	9/0	·	Ja	165	
Ь	Does the organization use FP "Yes," indicate which of the fo					dividuals? If			
		_	· _	<u> </u>	_		3b	Yes	
	200% 250%	✓ 30	о% Г	350%	O% Other_	<u>%</u>			
c	If the organization does not u determining eligibility for free test or other threshold, regard	or discounted	d care Inclu	de in the description wh	ether the organization				
4	Did the organization's financia					uring the tax year	4	Yes	
	provide for free or discounted			<del>-</del>				l I	
5a	Did the organization budget amount If "Yes," did the organization'						5a	Yes	
b	If "Yes" to line 5b, as a result		-	_		F	5b	Yes	
С	care to a patient who was elig	_		· -	•		5c		Νo
6a	Does the organization prepare			ort during the tax			6a	Yes	
6b	If "Yes," did the organization			ublic?			6b	Yes	
	Complete the following table is worksheets with the Schedule		ksheets prov	ıded ın the Schedule H	instructions Do not s	ubmit these			
7	Financial Assistance and C	ertain O ther	Community E	Benefits at Cost				<u> </u>	
	Financial Assistance 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 be expense	enefit	(f) Pero total ex	
а	Financial Assistance at cost (from Worksheets 1 and 2)		4,407	2,774,105		2,774	1.105		100 %
b	Unreimbursed Medicaid (from		,			,			
c	Worksheet 3, column a) Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		19,734	13,101,997	5,333,465	7,768	3,532	5	870 %
d	<b>Total</b> Financial Assistance and Means-Tested Government Programs		24,141	15,876,102	5,333,465	10,542	2,637	7	970 %
e	Other Benefits Community health improvement services and community benefit operations (from (Worksheet 4)	72	22,823	558,613	37,821	520	),792	0	390 %
f	Health professions education		·	·	•		403		
g	(from Worksheet 5) Subsidized health services	1	48	1,403		]	1,403		
h	(from Worksheet 6) Research (from Worksheet 7)	2	1,837	846,172	359,544	486	5,628	0	370 %
i	Cash and in-kind contributions to community groups (from Worksheet 8)	3		154,752			1,752		120 %
-	otal Other Benefits	78	24,708	1,560,940	397,365	1,163	_		880 %
K	Total. Add lines 7d and 7j	78	48,849	17,437,042	5,730,830	11,706	,212	8	850 %

Cat No 50192T

Schedule H (Form 990) 2010

Pa	rt II Community Building activities during the of the communities in	tax year, an								ealth
	o co	(a) Number of activities or programs (optional)	<b>(b)</b> Persons served (optional)	(c) Total community building expense	( <b>d</b> ) [	Direct offse revenue	(e) Net communit building expense		(f) Perc total ex	
1	Physical improvements and housing	(-,								
2	Economic development									
3	Community support	,		22,78	33		22	,783	0	020 %
4	Environmental improvements			22,10	55			,705		020
5	Leadership development and training									
6	for community members  Coalition building									
7	Community health improvement advocacy									
8	Workforce development									
9	Other									
LO	Total	2	2	22,78	33		22,	,783	0	020
Pa	tette Bad Debt, Medicar	e, & Collec	tion Practic	es						
Sect	ion A. Bad Debt Expense								Yes	No
1	Did the organization report ba	d debt expens	e ın accordance	with Heathcare Fi	nancıal M	1 anagem	ent Association	1	Yes	
2	Enter the amount of the organ	ızatıon's bad d	ebt expense (a	t cost)		   <sub>2</sub>	3,329,524		+ **	
3	Enter the estimated amount of									
	attributable to patients eligible	e under the org	ganızatıon's fina	ancial assistance p	olicy .	3	236,396			
4	Provide in Part VI the text of t In addition, describe the costi rationale for including a portio	ng methodolog	gy used in dete	rmining the amount			•			
Sect	ion B. Medicare			·						
5	Enter total revenue received f	rom Medicare	(including DSH	and IME)		5	37,744,940			
6	Enter Medicare allowable cost	s of care relat	ing to payment:	s on line 5		6	56,901,173			
7	Subtract line 6 from line 5 Th	ıs ıs the surplı	us or (shortfall)			. 7	-19,156,233			
8	Describe in Part VI the extent Also describe in Part VI the c Check the box that describes	osting method the method us	ology or source ed	e used to determine						
	Cost accounting system	<b>▽</b> c∘	st to charge ra	tio	Other					
Sect	ion C. Collection Practices									
9a	Does the organization have a	written debt co	ollection policy?	·				9a	Yes	
b	If "Yes," does the organization patients who are known to qua	lify for charity	care or financi	al assistance? Des				9b	Yes	
Рa	rt IV Management Com (a) Name of entity	•			(a) Organ	ration's	(d) Office readure stere	Τ,	e) Physic	
	(a) Name of entity	(1	o) Description of pi activity of entit		(c) Organ profit % o ownersh	or stock	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	pro	ofit % or ownershi	stock
	ellSpan RRRG	Risk Retention	•			13 200 %				
<b>2</b> Pł	10 of Gettysburg	Educate & prov	health network			50 000 %			50 C	00 %
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13								1		

Schedu	ie ii (i 0iiii 990) 2010									Page 3
Part	V Facility Information									
(list in	on A. Hospital Facilities order of size, measured by total revenue per facility, from to smallest)	Licensed ho	General medical	Children's ho	Teaching ho	Ortical access	Research facility	ER-24 houre	ER-other	
	any hospital facilities did the organization operate during year?2	hospital	tical & surgical	hospital	hospital	es hospital	cility			
Name	and address									Other (Describe)
2	Gettysburg Hospital 147 Gettys Street Gettysburg, PA 17325	х	х					х		
1	WellSpan Surgical Center 136 West Street Gettysburg, PA 17325		х							Ambulatory Surgical Center
		ļ								
		<u> </u>				<u> </u>				

### Part V Facility Information (continued)

#### Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000%

ame of Hospital Facility:	WellSpan Surgical Center			
ne Number of Hospital Facility (from Sched	dule H, Part V, Section A): 2			
			V	
ommunity Health Needs Assessment (Line:	s 1 through 7 are ontional for 2010)		Yes	N
•	r, did the hospital facility conduct a community health needs assessment			
	question 8	1		
If "Yes," indicate what the Needs Asses	sment describes (check all that apply)			
a $\Gamma$ A definition of the community ser	ved by the hospital facility			
<b>b</b> Demographics of the community				
Existing health care facilities and	resources within the community that are available to respond to the health			
needs of the community				
d How data was obtained				
e The health needs of the communi				
f Primary and chronic disease need minority groups	ls and other health issues of uninsured persons, low-income persons, and			
The process for identifying and property needs	ioritizing community health needs and services to meet the community health			
<b>h</b> The process for consulting with p	ersons representing the community's interests			
i 「 Information gaps that limit the ho	spital facility's ability to assess all of the community's health needs			
j 🔽 O ther (describe in Part VI)				
Indicate the tax year the hospital facilit	y last conducted a Needs Assessment 20			
represent the community served by the	sessment, did the hospital facility take into account input from persons who hospital facility? If "Yes," describe in Part VI how the hospital facility took into	_		
	nt the community, and identify the persons the hospital facility consulted sment conducted with one or more other hospital facilities? If "Yes," list the	3		
·		4		
	Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assess	ment was made widely available (check all that apply)			
a 🦵 Hospital facility's website				
<b>b</b> Available upon request from the h	ospital facility			
c				
If the hospital facility addressed needs (check all that apply)	identified in its most recently conducted Needs Assessment, indicate how			
-	rategy to address the health needs of the hospital facility's community			
<b>b</b> F Execution of the implementation s	strategy			
c Participation in the development	of a community-wide community benefit plan			
<b>d</b> Participation in the execution of a	community-wide community benefit plan			
e 「 Inclusion of a community benefit	section in operational plans			
f $\Gamma$ Adoption of a budget for provision	of services that address the needs identified in the Needs Assessment			
g $\Gamma$ Prioritization of health needs in th	e community			
<b>h</b> Prioritization of services that the	hospital facility will undertake to meet health needs in its community			
i 🔽 O ther (describe in Part VI)				
	e needs identified in its most recently conducted Needs Assessment? If "No," t addressed together with the reasons why it has not addressed such needs	7		
nancial Assistance Policy				
Did the hospital facility have in place du	ring the tax year a written financial assistance policy that			
Explains eligibility criteria for financial a	ssistance, and whether such assistance includes free or discounted care?	8	Yes	
Used federal poverty guidelines (FPG) to	o determine eligibility for providing free care to low income individuals?	9	Yes	

P	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care to low income individuals?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 0000%			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a 🔽 Income level			
	<b>b</b> 🔽 Asset level			
	c 🔽 Medical indigency			
	d 🔽 Insurance status			
	e 🔽 Uninsured discount			
	f ▼ Medicaid/Medicare			
	g 🔽 State regulation			
	h Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ▼ The policy was posted at all times on the hospital facility's web site			
	b  The policy was attached to all billing invoices			
	c  ▼ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d			
	e ▼ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ▼ The policy was available upon request			
	g Other (describe in Part VI)			
Ril	ling and Collections			
	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial			
	assistance policy that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at			
	any time during the tax year a ▼ Reporting to credit agency			
	<u> </u>			
	b Lawsuits			
	Liens on residences			
	d Body attachments			
	e Other (describe in Part VI)			1
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the	16	Yes	
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			$\overline{}$
	a  ▼ Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16			
_,	(check all that apply)			1
	a 🔽 Notified patients of the financial assistance policy upon admission			
	<b>b</b> 🔽 Notified patients of the financial assistance policy prior to discharge			1
	c 🔽 Notified patients of the financial assistance policy in communications with the patients regarding the patients'			1
	<u>bills</u>			1
	d 🔽 Documented its determination of whether a patient who applied for financial assistance under the financial			1
	assistance policy qualified for financial assistance			1
	Other (describe in Part VI)			i

If "Yes," explain in Part VI

## Part V Facility Information (continued)

Dolicy	Delating	to I	Emergency	Medical	Care

			Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	Yes	
	If "No," indicate the reasons why (check all that apply)			
	a The hospital facility did not provide care for any emergency medical conditions			
	<b>b</b> The hospital facility did not have a policy relating to emergency medical care			
	c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
	d Other (describe in Part VI)			
Cha	arges for Medical Care			
19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
	a ▼ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
	b The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
	c The hospital facility used the Medicare rate for those services			
	d Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		No
	If "Yes," explain in Part VI			
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that	21		No.

### Part V Facility Information (continued)

### Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000%

Name of Hospital Facility: Gettysburg Hospital			
Line Number of Hospital Facility (from Schedule H, Part V, Section A):			
		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessme			
("Needs Assessment")? If "No," skip to question 8	· ·   1	Yes	
a $\overline{V}$ A definition of the community served by the hospital facility			
b V Demographics of the community			
Existing health care facilities and resources within the community that are available to respond to the h	ealth		
needs of the community			
d 🔽 How data was obtained			
e 🔽 The health needs of the community			
Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, a	and		
minority groups			
g The process for identifying and prioritizing community health needs and services to meet the community needs	/ health		
h 🔽 The process for consulting with persons representing the community's interests			
i T Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>08</u>			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from person			
represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility			l No
account input from persons who represent the community, and identify the persons the hospital facility consult  4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," lis			110
other hospital facilities in Part VI	_	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a Hospital facility's website			
<b>b</b> 🔽 A vailable upon request from the hospital facility			
c T Other (describe in Part VI)			
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate (check all that apply)	how		
a 🔽 Adoption of an implementation strategy to address the health needs of the hospital facility's community			
<b>b</b> 🔽 Execution of the implementation strategy			
f c $mert$ Participation in the development of a community-wide community benefit plan			
<b>d</b> 🔽 Participation in the execution of a community-wide community benefit plan			
e 🔽 Inclusion of a community benefit section in operational plans			
f 🔽 Adoption of a budget for provision of services that address the needs identified in the Needs Assessmen	nt		
g 🔽 Prioritization of health needs in the community			
h 🔽 Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i 🔽 O ther (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such n		Yes	
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted c		Yes	ــــــ
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	· 9_	Yes	1

P	rt V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care to low income individuals?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 0000%			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a 🔽 Income level			
	<b>b</b> 🔽 Asset level			
	c Medical indigency			
	d V Insurance status			
	e V Uninsured discount			
	f Medicaid/Medicare			
	g 🗸 State regulation			
	h Other (describe in Part VI)			
12		4.3	V	
	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	<u>-</u>			
	The policy was attached to all billing invoices			
	The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d  The policy was posted in the hospital facility's admissions offices			
	e The policy was provided, in writing, to patients upon admission to the hospital facility			
	f  The policy was available upon request			
	g Other (describe in Part VI)			
	ing and Collections			
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial	14	Yes	
15	assistance policy that explained actions the hospital facility may take upon non-payment?	14	162	
	any time during the tax year			
	a 🔽 Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the			
	tax year?	16	Yes	
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
	a 🔽 Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d F Body attachments			
	e C O ther (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16			
	(check all that apply)			
	a Notified patients of the financial assistance policy upon admission			
	<b>b</b> Notified patients of the financial assistance policy prior to discharge			
	Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d v Documented its determination of whether a patient who applied for financial assistance under the financial			
	assistance policy qualified for financial assistance  Other (describe in Part VI)			
	C   Other (describe in Fait VI)			l

If "Yes," explain in Part VI

## Part V Facility Information (continued)

Dolicy	Delating	to I	Emergency	Medical	Care

			Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	Yes	
	If "No," indicate the reasons why (check all that apply)			
	a The hospital facility did not provide care for any emergency medical conditions			
	<b>b</b> The hospital facility did not have a policy relating to emergency medical care			
	c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
	d Other (describe in Part VI)			
Cha	arges for Medical Care			
19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
	a ▼ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
	b The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
	c The hospital facility used the Medicare rate for those services			
	d Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		No
	If "Yes," explain in Part VI			
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that	21		No.

Part V Facility Information	(continued)	
	t Are Not Licensed, Registered, or Simila total revenue per facility, from largest to sma	
How many non-hospital facilities d	id the organization operate during the tax yea	r? <b>11</b>
Name and address		Type of Facility (Describe)
_	See Additional Data Table	

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### Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions. Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
Part VI - States Where Community Benefit Report Filed		PA

Identifier	ReturnReference	Explanation
	Part VI - Affilated Health Care System Roles and Promotion	WellSpan Health is an integrated health system serving the Adams-York county region. As a community-based, not-for-profit organization, WellSpan is dedicated to improving the health and well-being of the people it serves. WellSpan will assume a leadership role and develop partnerships with other organizations to improve access to coordinated, high-quality, cost-effective health care services, educate the health care providers of tomorrow, promote healthy lifestyles and lifelong wellness, and make its local communities healthier, more desirable places to live, work, and play. Gettysburg Hospital works with other parts of the system to provide a comprehensive approach to meeting community needs. WellSpan Health includes. Gettysburg Hospital, York Hospital, Apple Hill Surgical Center, VNA Home Health, WellSpan Medical Group, South Central Preferred, WellSpan Pharmacy, Gettysburg Hospital Foundation, York Health Foundation, York Provider Network and Healthy York Network/Healthy. Community Pharmacy. Gettysburg Hospital's community benefit report is contained in a report prepared by their parent organization, WellSpan Health. See Attached Federal. Supplemental Information. WellSpan Health. 2011. Community Benefit Report.

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	Explanation  As an organization, we have taken specific steps to build the capacity of our communities to support and deal with the complex issues that are identified within the community health assessments. Through our involvement and support of a regional health coalition, Healthy Adams County, more than 800 community members have participated in community health improvement initiatives. For example, these include efforts to increase access to health care by supporting the development of a federally qualified health center site, improving adolescent health and decreasing pregnancy rates through teen pregnancy taskforce and organization of an annual conference for all 7th grade boys and girls, increasing awareness of domestic violence and child abuse through education and training and the development of a model to assist offenders from the Adams County Correctional Complex in reentering the community. In addition, we've provided leadership to a local coalition York-Adams Metropolitian. Response System (YAMMRS) to develop improved coordination in the event of regional disaster. This effort includes all area hospitals and health systems, county government and other nonprofit organizations such as the Red Cross. As a charitable, community-based healthcare organization, we are dedicated to improving the lives and well-being of the people and communities we serve. By partnering with individuals and other organizations, supporting their endeavors, lending our expertise and learning from one another, we are creating a healthy community. In addition to those items documented on Schedule H which describe our community benefit activities, we actively engage our community as partners in our organization and reinvest in the health of our community in many ways. This includes Community members who lead the organization through its Board of Directors and committee structure, patients who serve on advisory groups to improve care and diverse stakeholders who join us on community-based taskforces to address complex community m
		neurology and behavioral health

1	Explanation
rait v1 - Community Information	To the casual observer, our service area could be described as one community. The combined population of York and Adams counties is over 530,000 people. This population is expected to increase by 9% or 48,500 people over the next five years. The York/Adams population is growing older. While the 18-44 age group comprises the largest segment of the population, this group will experience nominal growth through 2014. Most growth will occur in the 45-64 (12% or 18,000 people) and the 65+ (21% or 16,000 people) age groups. This shift is occurring as the baby boom generation ages, as people live longer due to healthy lifestyles and medical advances, and as retirees move from the Baltimore/Washington metro area to Southern York and Adams counties to find a safer, lower cost lifestyle. Although the overall population growth projected for the York/Adams area over the next five years is moderate, the changing demographic profile of the population will result in elevated incidence rates for both acute and chronic disorders that present themselves ever increasingly as the population ages. Adams County is situated along the Mason-Dixon line in south-central. Pennsylvania. Harrisburg, the state capital, is located 36 miles north of Gettysburg, the county seat. The outer suburbs of Washington, DC and Baltimore are within an hours drive from many county communities. Surrounding Counties include. Cumberland, Franklin and York in Pennsylvania, and Carroll and Frederick Counties in Maryland Generally and historically, employment rates are better than state and national averages but the composition of the workforce contains more manufacturing, production and tourism related business. An assessment of general health status is gathered as part of Community Health Assessments. The percent of adult in Adams County rating their health as fair or poor was 15%. Our in-depth knowledge of the community, gathered through community health assessments and focused studies during the past 15 years, however, show that our service area is not made
1	number of uninsured has remained stable at approximately 13% of the population but continues to be a major barrier to access to oral health, medical care and pharmaceuticals, and the incidence of chronic disease in on the rise

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	For more than a decade, our organization has been working to improve access to care - based on the community health assessment's prioritization of medical, dental and oral health access as high. A key element of our strategy in addressing this need is to reach beyond simply informing patients about our patient assistance policies and proactively identify and help patients connect to the public programs, community programs as well as our own. This includes reaching out to identify "unconnected" patients through programs like Health Connect, which travels to all parts of the county and takes care of immediate medical issues, but more importantly connects patients to the various options for charity care. It includes sponsorship of HealthyYork Network (HYN), which provides case managers to support patient's enrollment in both public programs or in HYN, which utilizes the charity care guidelines of health care proverbs for discounts. It includes identifying special resources for at risk populations in the African American and Latino communities and providing Lay. Community Health Workers to help assist people in enrollment processes. Finally, though a multi-year initiative to ensure all people who qualify for charity care are aware of it, we've updated our website with information, simplified our enrollment processes, improved education and availability of financial support resources at high visibility sites of care, simplified the letters sent to patients who are late in paying their bill and have collaborated with our local Federally Qualified Health Center for early identification and qualification of patients

Identifier	ReturnReference	Explanation
	Part VI - Needs Assessment	In the early 1990s, our organization began developing new ways of working more closely with its communities. The first Community Health Assessment for Adams County was completed in 1997. Since that time, we've completed health assessments in 1997, 2000, 2005 and 2008. These are lead by the regional health coalition, Healthy Adams County Coalition, that we support and are done collaboratively with other community partners. The assessments evaluate the health of Adams County as a whole, and often target specific geographic or demographic segments for further study - such as the growing Latino Population. The gathering of data is one component of the health assessment process. As a community, the data is utilized as a basis of public meetings and forums to identify priorities for the community. These involve stakeholders from health and human services, government, business and other sectors. Our system-wide planning committee, which includes Gettysburg Hospital Board members and our Gettysburg Hospital Board dedicates a meeting to this topic and the priorities identified are used to define our organization's community health objectives in its annual plan The Community Health Assessment is distributed and utilized broadly in the community and provides other organizations as well as our own with more data-driven pictures of the issues and needs facing our community

Identifier	ReturnReference	Explanation
	Making Needs Assessment Widely Available	The Community Health Assessment results were released in a community forum in April 2009 The Community Health Assessment results are available upon request and are also available on the Healthy York County Coalition website

Identifier	ReturnReference	Explanation
	Part V , Line 4 - List O ther Hospital Facilities that Jointly Conducted Needs Assessment	York Hospital, WellSpan Specialty Services

Identifier	ReturnReference	Explanation
	Part V , Line 4 - List O ther Hospital Facilities that Jointly Conducted Needs Assessment	York Hospital, WellSpan Specialty Services

Identifier	ReturnReference	Explanation
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	Guidelines for suggested minimum number of phone attempts and letters to be sent before the account is turned over to an outside collection agency are included in the Patient Administrative Services Policy It shall be the policy of Patient Administrative Services to recommend accounts to Bad Debt on a timely basis. Inpatient/Outpatient accounts will go to bad debt automatically after the account has been in the financial class Pending Bad Debt for 30 days. All accounts must follow the approved limits for refunds and write offs, as established in Policy PF-102, before being transferred. The primary agencies will work the accounts for 6 months or until they feel it is uncollectable and return the account. The accounts are forwarded to secondary agencies from the primary agencies. Closed and Return Reports. The financial class is changed to Bad Debt Other after the Closed and Return Reports are received from the Secondary Agency. The agencies must get written approval from the manager in the relatively rare instance of legal action being taken to collect the debt.

Identifier	ReturnReference	Explanation
	Shortfall As Community Benefit	Gettysburg Hospital maintains records to identify and monitor the level of charity care and community service it provides These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity care and community service policies and the estimated cost of those services Payments from Medicaire are generally less than Gettysburg Hospital's costs of providing the service

Identifier	ReturnReference	Explanation
	Part III, Line 4 - Bad Debt Expense	The Company provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness or inability of patients to make payments for services. The allowance is determined by analyzing specific amounts and historical data and trends. Patient accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Company ceases collection efforts. Losses have been consistent with management's expectations in all material respects.

Identifier	ReturnReference	Explanation
	Part I, Line 6a - Related Organization Community Benefit Report	Community Benefit Information is included in the Community Benefit Report for WellSpan Health

Schedule H (Form 990) 2010

**Software ID:** 10000105

**Software Version:** 2010v3.2

**EIN:** 23-1352220

Name: GETTYSBURG HOSPITAL

# Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Recognized as a Hospital Facility	1
Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>11</u>	
Name and address	Type of Facility (Describe)
Herrs Ridge 820 Chambersburg Rd Gettysburg, PA 17325	Rehabilitation
Thurmont Professional Center 52 Water St Thurmont, MD 21788	Lab Services
Deatrick Commons Complex 18 Deatrick Drive Gettysburg, PA 17325	Imaging, Rehabilitation
Fifth Street Building 37 39 N Fifth St Gettysburg, PA 17325	Community Health Service
ALSU-Littlestown 40 E King St Littlestown, PA 17340	A dvanced Life Support
West Street Plaza 236 West Street Gettysburg, PA 17325	Outpatient Surgical Center
Washington Street Health Center 450 S Washington St Gettysburg, PA 17325	Imaging, Pre-hospital Assessment Services, Coumadin Clinic,Maternal Fetal Medicine and Women's Servi
Gettysburg Family Practice 524 South Washington St Gettysburg, PA 17325	Diagnostic Scheduling Service
Towne Center 4910 Fairfield Rd Fairfield, PA 17320	Coumadin Clinic, Rehab, Lab Services
Adams Health Center 40 V-Twin Dr Gettysburg, PA 17325	Lab Services, Radiation Oncology, Diabetes Education, Imaging, Physical Medicine and Rehab, Sleep La
Aspers Health Center 2060 Carlisle Road Gettysburg, PA 17304	Imaging Services, Lab Services, Coumadin Clinic, Rehabilitation

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DLN: 93493131020712 OMB No 1545-0047

Department of the Treasury Internal Revenue Service

Schedule I

(Form 990)

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

**Grants and Other Assistance to Organizations,** 

Open to Public **Inspection** 

Name of the organization Employer identification number GETTYSBURG HOSPITAL 23-1352220 Part I General Information on Grants and Assistance Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States 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. Part II can be 1 (a) Name and address of **(b)** EIN (c) IRC Code section (d) A mount of cash (f) Method of (a) Description of (e) A mount of non-(h) Purpose of grant organization ıf applicable valuation non-cash assistance or assistance grant cash (book, FMV, appraisal, or government assistance other) (1) Wellspan Medical Group 23-2730785 501(c)(3) 4,496,000 General Support 3350 Whiteford Road York, PA 17402 3,404,000 (2) WellSpan Health3350 22-2517863 501(c)(3) General Support Whiteford Road York, PA 17402 (3) Main Steet Gettysburg 23-2595192 10,000 501(c)(3) General Support 571 W Middle Street Gettysburg, PA 17325 66,667 (4) Family First HealthSuite 23-7118262 501(c)(3) Op Support 200 116 S George St Gettysburg Ctr York, PA 17401 

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)A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

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

Ident if ier	Return Reference	Explanation
Grantmaker's Description of How Grants are Used		All WellSpan non-research grant activities must be coordinated through the York Health Foundation and Gettysburg Hospital Foundation to insure that grant projects are implemented, evaluated, and monitored in accordance with applicable granting agency regulations, with WellSpan policies and procedures, and are consistent with the strategies and priorities of the organization. WellSpan has defined the processes by which grants are identified, developed, reviewed, approved, and monitored by the organization. This policy covers non-research grants applied for and received by an entity of WellSpan. Health. It does not cover grants made by the organization. Research grants are defined as those that involve "a systematic investigation designed to develop or contribute to generalizable knowledge (45CFR 46 102(d)) and are overseen by Emig. Research Center (Policy #619 Extramural Research Funding)

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -**Compensation Information** 

DLN: 93493131020712

OMB No 1545-0047

Open to Public

Inspection

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

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

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

► Attach to Form 990. ► See separate instructions.

Name of the organization GETTYSBURG HOSPITAL

**Employer identification number** 

23-1352220

Pa	rt I Questions Regarding Compensation						
			Yes	Νο			
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						
	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				
	officers, directors, trustees, and the GEO/Executive Director, regarding the items checked in line 14.						
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			1			
	✓ Independent compensation consultant ✓ Compensation survey or study						
	Form 990 of other organizations  A pproval 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						
а	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		Νo			
Ь	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes				
С	Participate in, or receive payment from, an equity-based compensation arrangement?	4с		Νo			
	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						
а	The organization?	5a		Νo			
b	Any related organization?	5b		Νo			
	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						
а	The organization?	6a		Νo			
b	Any related organization?	6b		Νo			
	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		Νο			
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			N a			
		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		No			

#### Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is 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-MIS	SC compensation	(C) Retirement and	(D) Nontaxable	(E) Total of columns	(F) Compensation
. ,		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
(1) Yu-Wen Chang MD	(1) (11)	332,379		6,537	22,393	23,638	384,947	
(2) William Steinour	(ı) (ıı)	338,877	645		22,393	33,927	395,842	
(3) Orville G McBeth Jr MD	(1) (11)	218,851	38,846		22,393	31,385	311,475	
(4) Mitchell E Zuckerman MD	(1) (11)	312,009	31,185	6,058	22,393	33,271	404,916	
(5) Mıchael F O'Connor	(ı) (ıı)	372,511	129,850	7,923	315,293	36,413	861,990	129,850
(6) Matthew Krebs	(ı) (ıı)	302,499	75,169		22,393	35,367	435,428	
(7) Mark A Resciniti MD	(1) (11)	312,776	33,718		22,393	2,937	371,824	
(8) Kevın Mosser	(1) (11)	266,354	77,350	6,145	291,693	32,319	673,861	77,35
(9) Keith L Gee	(ı) (ıı)	207,413	71,050		188,223	34,261	500,947	71,050
(10) Joseph Edgar	(1) (11)	172,409	27,405	5,031	18,723	30,050	253,618	
(11) Edward Mackle	(1) (11)	305,738	226,174	5,925	22,393	35,267	595,497	
(12) Charles H Chodroff MD	(1) (11)	354,870	120,400	7,162	294,363	35,695	812,490	120,400
(13) Bruce M Bartels	(ı) (ıı)	683,242	227,181	22,608	551,693	40,944	1,525,668	222,07
(14) Angela Brooks MD	(1) (11)	272,876	100,000		22,393	34,202	429,471	
( 15 )								
( 16 )								

#### 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

Ident if ier	Return Reference	Explanation
Line 1a	Part I, Line  1a Relevant information in regards to selections on 1a	Bruce Bartels, WellSpan CEO, received additional compensation to cover the tax on personal use of his company vehicle

Schedule J (Form 990) 2010

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Schedule K (Form 990)

**Supplemental Information on Tax Exempt Bonds** 

► Attach to Form 990. ► See separate instructions.

► 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).

OMB No 1545-0047

2010

DLN: 93493131020712

Open to Public Inspection

Department of the Treasury Internal Revenue Service Name of the organization

Name of the organization GETTYSBURG HOSPITAL

Employer identification number 23-1352220

Pa	art I Bond Issues													
	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Prid	e <b>(f</b> )	) Description of Purpose		<b>(g)</b> De	(g) Defeased		On alf of suer		Pool
									Yes	No	Yes	No	Yes	No
A	See Schedule O													
													1	
Pa	rt III Proceeds				1 -		1		1			1		
1	A mount of bonds retired				A			В		С			D	
2	A mount of bonds legally det	feased												
3	Total proceeds of issue													
4	Gross proceeds in reserve t	funds												
5	Capitalized interest from pr	oceeds												
6	Proceeds in refunding escro	)W												
7	Issuance costs from procee	eds												
8	Credit enhancement from pi	roceeds												
9	Working capital expenditure	s from proceeds												
10	Capital expenditures from p	roceeds												
11	Other spent proceeds													
12	Other unspent proceeds													
13	Year of substantial complet	ion					•		•			•		
					Yes	No	Yes	No	Yes		No	Ye	s	No
14	Were the bonds issued as p	art of a current refund	ling issue?											
15	Were the bonds issued as p	art of an advance refu	ındıng ıssue?											
16	Has the final allocation of p	roceeds been made?												
17	Does the organization main allocation of proceeds?	taın adequate books a	and records to sup	port the final										
Pa	rt IIII Private Business	Use					<u>'</u>	•				<u>'</u>		
					A			В		C			D	
			, ,		Yes	No	Yes	No	Yes		No	Ye	s	No
1	Was the organization a part property financed by tax-ex	empt bonds?												
2	Are there any lease arrange financed property?	ements that may resu	lt in private busine	ess use of bond-										

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

		_ ^		0		C			
		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?								
2	Is the bond issue a variable rate issue?								
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?								
b	Name of provider						<u> </u>		
С	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?								
b	Name of provider								
С	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?								
6	Did the bond issue qualify for an exception to rebate?								

#### Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Ident if ier	Return Reference	Explanation

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DLN: 93493131020712

OMB No 1545-0047

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.

Open to Public Inspection

	of the organization SBURG HOSPITAL							E	mployer i	dentifica	tion numbe	er	
								2	3-13522	20			
Part :	Excess Benefit Trai	ısacti	ions (s	ection 501	(c)(3) a	and section 501	(c)(4)	organi	zations	only).			
	Complete if the organizat	ion ans	wered "	Yes" on For	m 990, F	Part IV, line 25a d	or 25b,	or Form	990-EZ,	Part V , I	ıne 40b		
1	(a) Name of disq	ualified person			(b) Description of transaction				(c) Corrected?				
	(a) mame or aloq	aa	. pa.aa			(b) Desc	приоп	oi tialis	action		Yes	No	
					ļ								
2 -			L							_	I	<b>I</b>	
	nter the amount of tax imposection 4958					aisquaiified pers				r ► ¢			
_	nter the amount of tax, if any									+ +			
<b>3</b> E	nter the amount of tax, if any	, on iiii	e Z, abo	ve, reimburs	sea by th	e organization .				· »			
Part	II Loans to and/or I	From	Intere	sted Pers	sons.								
	Complete if the organiz					), Part IV, line 26	, or Fori	m 990-l	EZ, Part V	, line 38	a		
		(h)	oan to						(f)				
(a) Na	me of interested person and		om the	(c)0 rig	unal		(e) :		Approved		1	(g)Written	
(4) 110	purpose	organization? principal		T I(d)Kalance due l	1		by boar	I -					
		<del></del>	T ====	1			V	l Na	+		V	l Na	
		То	From				Yes	No	Yes	No	Yes	No	
								1					
										_	_		
Total					<b>▶</b> \$								
Part 1	Grants or Assistar												
	Complete If the orga	nızatı						27.					
	(a) Name of interested pers	on	(	-		een interested per	son	<b>(c)</b> A n	nount of g	rant or t	ype of assis	stance	
				ar	nd the or	ganization					• •		
							$\longrightarrow$						

#### 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	(c) A mount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
	organization			Yes	No
(1) Susan Shue	Family Member of Redding	85,857	Employee of GH		Νο
(2) Jolene Eyer RN BSN	Family Member of Eyer	54,378	Employee of GH		Νo
(3) Adams County National Bank	Chairman Ronald Hankey	113,886	Checking & Trust Mgmt		Νο

#### Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier Return Reference Explanation

Schedule L (Form 990 or 990-EZ) 2010

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OMB No 1545-0047

2010

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## SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

Supplemental Information to Form 990 or 990-EZ

► Attach to Form 990 or 990-EZ.

Name of the organization
GETTYSBURG HOSPITAL

Employer identification number

23-1352220

ldentifier	Return Reference	Explanation
	Schedule K - Tax-Exempt Bonds	\$412,230,0000 of Revenue Bonds for WellSpan Health Obligated Group, Series 2008A, 2008B, 2008C and 2008D were issued 11/12/2008 by General Authority of Southcentral Pennsylvania. The purpose of this bond issue was to refund bonds issued 5/13/2002, 5/17/2005, 6/16/2005, and 6/5/2007. WellSpan Health, the parent organization, allocated portions of the proceeds of this tax-exempt bond issue to York Hospital (22-2517863), Gettysburg Hospital (23-1352220), WellSpan Properties (22-2842252), and WellSpan Specialty Services (23-2899911). In order to remain consistent with the reporting on Form 8038, all outstanding liabilities associated with this tax-exempt bond issue is reported on the WellSpan Health (22-2517863). Schedule K. As of 6/30/11, the allocation of the Debt Capital program was as follows: York Hospital \$248,049,159 (63.07%), WellSpan Properties \$61,817,674 (15.72%), WellSpan Health \$2,532,948 (64%), WellSpan Specialty Services \$50,940,064 (12.95%) and Gettysburg Hospital \$29,935,155 (7.61%). These amounts are reported on the respective balance sheets (Part X Line 20) for each of these entities. The 11/12/2008 issue included reissuance of all unspent proceeds from the refunded 2007 bond issue. Total proceeds of issue includes the original 11/12/2008 issue plus investment earnings on transferred proceeds and the short investment of proceeds between date of issue and payoff on 12/1/2008.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Governing documents, policies, and financial statements are available upon request

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	The Compensation Committee of WellSpan Health is responsible for rewarding and reinforcing key executives for the achievement of annual and long-term performance objectives. The Compensation Committee shall consist of not more than six (6) persons, of whom two (2) shall be the Chairman and Vice Chairman of the Board of the Corporation, and the remaining members shall be such other persons as may be appointed by the Chairman of the Board of the Corporation, with the approval of the Board of Directors, provided, how ever, that the Compensation Committee shall not include any persons who are employed by the System The Chairman of the Board of Gettysburg Hospital shall participate. The role of the Compensation Committee is to set the Executive Compensation Philosophy for the system and ensure adherence, evaluate performance and establish compensation for the WellSpan President, evaluate team performance of the executive team and establish awards, review and approve senior executive base salary ranges, and oversee employed physician compensation programs. The Committee will approve salary ranges for each executive position and review incumbent salaries annually. The Committee will approve salary ranges for each executive position and review incumbent salaries annually. The Committee will be responsible for reviewing the President's salary each year, and if warranted, authorizing an adjustment to maintain competitiveness. The President's salary each year, and if warranted, authorizing an adjustment to maintain competitiveness. The President's payment of the performance awards. The Committee will approve and authorize payment of the President's performance awards. Integrated Healthcare Strategies, Inc., based in Minneapolis Minnesota is the external consultant to the committee. This consultant focuses exclusively on executive and physician compensation review process consists of the following. 1) Cash compensation reviewed annually. 2) Cash compensation reviewed by external consultant bennially. 3) external total comp

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	Officers, directors, and key employees fill out a WellSpan Health Conflict of Interest Disclosure Statement questionaire annually. The questionaire is administered by the Internal Audit Department of WellSpan Health, the Parent Company There shall be full disclosure by any Director having a business or personal interest or relationship which may be in conflict with the interests of the Corporation. After such disclosure the Director shall abide by the determination of the Board of Directors as to whether a conflict exists, the extent to which, if at all, the Director will be permitted to be present during the Board of Directors' discussion of the matter in which the Director may be interested, and whether the Director will be permitted to participate in such discussion and cast a vote in such matter.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 11	11 Form 990 Review	Management provided an electronic copy of the form 990 to each voting member of the organization's governing body, prior to its filing with the IRS. The organization's finance management team provided a presentation to the Audit Committee on the organization's 990 return

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	The Board of Directors initially shall consist of no few er than twelve and no more than sixteen persons, which shall include (1) The following six "Positional Directors" the President of the Hospital, the Past President of the Medical Staff, the President of the Medical Staff, the Vice-President of the Medical Staff, an appointee of the Executive Committee of the Medical Staff, the Chairman of the Board of the Foundation, each of whom shall be subject to ratification by the Member notwithstanding such positions held (2) "Atlarge Directors", who shall be appointed by the Member at the annual meeting of the Member Atlarge Directors shall include no few er than three persons who are members of the Member's Board of Directors or senior management staff of the Member, provided, however, that no more than three Atlarge Directors shall be from the Member's senior management staff All directors shall be selected for their experience, relevent areas of interest and expertise, and ability and willingness to participate effectively in fulfilling the Board of Director's responsibilities and to do so free from any conflicting interests

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	WellSpan Health, a not for profit corporation, is the sole member

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 2	Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	Ronald Hankey, Board Director, is a brother-in-law of Paul Ketterman, who is a director on the Gettysburg Hospital Foundation Board

Identifier Retui Refere	 Explanation
	Client Note 1 - WellSpan Health - 2011 Community Benefit ReportThere are 78,000 people in York and Adams counties without health insurance. Find out how we help At WellSpan Health we work to remove barriers to good health for every member of our community Every member of our community deserves the care they need. WellSpan, it is our core belief that access tible health care is one of the keys to a healthy community. Yet, in York and Adams counties, there are 78,000 individuals who live without health insurance. This community Yet, in York and Adams counties, there are 78,000 individuals who live without health insurance. This community Yet, in York and Adams counties, there are 78,000 individuals who live without health insurance. This community Yet, in York and Adams counties, the work of the yet and yet are supported that the yet are supported to a care to a support the yet and yet and yet are supported to a care to individuals whose income falls within 300 percent of 1 ederal poverty guidelines. Additionally, all uninsured patients, regardless of whether they qualify for charity care, receive discounts similar to those offered to private insurance companies. We offer free care to patients who participate in our charity care program To gether with our community patients, increased as a care and help people establish a "medical home" with a primary care physician in 2010. WellSpan Health provided over \$100 million in care for the uninsured and underinsured. The net cost of care provided in 2010 "Charity Care \$184 a million in free care to patients who participated in our charity care program "Medicare \$615 million in cost greater than what was paid by Medicare \$615 million in cost greater than what was paid by Medicare \$615 million in cost greater than what was paid by Medicare \$615 million in cost greater than what was paid by Medicare \$615 million in cost greater than what was paid by Medicare \$615 million in cost greater than what was paid by Medicare \$615 million in cost greater than what was paid to pay t

ldentifier	Return Reference	Explanation
		id4,813 acute and preventive medical visits1,775 dental visits in calendar year 2010 Family First Health's Gettysburg Center, a federally qualified community health center that Wel ISpan supports to provide medical and dental services in Adams County Underserved adults and children of Adams County, including those who lack sufficient health insurance and those with MedicaldActively supported the start-up of the center and its ability to attract 5,9 08 patients during the past yearYork Hospital Community Health Center, which provides prim ary care services, women's health care, HIV care and pediatric care for medically complex conditions Adults and children who lack sufficient health insurance27,056 primary care visits and 21,778 obstetrics and gynecology visitsThomas Hart Family Practice Center, which is staffed by resident and faculty physicians at York Hospital and provides acute, chronic, preventive and obstetric careAdults and children, many of whom lack sufficient health insurance27,800 visitsThe George W. T. Bentzel, DDS Dental Center, which is staffed by license didentists and residents from the York Hospital Dental Residency ProgramAdults and children, many of whom lack sufficient dental insurance 13,930 outpatient visitsHoodner Dental Centerindividuals who lack sufficient dental insurance and who qualify for Medical Assistance or the Healthy York Network6,252 vistsAdams County Dental Health Services, sponsored by the Oral Health Task Force of Healthy Adams County, Harrisburg Area Community College and Head StartChildren who lack dental insurance670 visitsHaving an impact on our community's health means doing more than providing medical care Preventing barriers to care from form ing is key to making an impact on our community health at WellSpan, we wholeheartedly agree with the World Health Organization's assessment that health is "a state of complete physical, mental and social well-being, not merely the absence of disease or infirmity" "And we recognize the dangers and issues facing a community that c

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DLN: 93493131020712

OMB No 1545-0047

2010

Open to Public Inspection

**Employer identification number** 

# SCHEDULE R (Form 990) Related Organizations and Unrelated Partnerships

Department of the Treasury Internal Revenue Service

Name of the organization

► 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.

GETTYSBURG HOSPITAL				23-1352220			
Part I Identification of Disregarded Entities (Com	plete ıf the organızatı	on answered "Yes	" on Form 990, Pa				
(a) Name, address, and EIN of disregarded entity	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	(d) te Total income	<b>(e)</b> End-of-year assets	<b>(f)</b> Direct controlling entity		
Part II Identification of Related Tax-Exempt Organ or more related tax-exempt organizations during	nizations (Complete the tax year.)	ıf the organizatioi	n answered "Yes"	on Form 990, Part	t IV, line 34 becau	se it had	l one
(a) Name, address, and EIN of related organization	<b>(b)</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		( <b>g)</b> 512(b)(13 trolled nization
See Additional Data Table						Yes	No
See Additional Data Table							1
						+	+
For Privacy Act and Paperwork Reduction Act Notice, see the Instruct	tions for Form 990.	Cat No 5	1 0135Y	ı	Schedule R (	Form 990	2010

**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.)

because			cea or garnzacions	a catea ao a parti	cromp daring the	tax yearry						
<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	<b>(d)</b> Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	<b>(g)</b> Share of end-of-year assets	<b>(h</b> Disprop allocat	rtionate	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	( <b>j</b> Gener mana parti	ral or aging	<b>(k)</b> Percentage ownership
							Yes	No		Yes	No	
(1) Community Healthcare Imaging Partners  PO Box 2767 York, PA174052767 23-2444154	MRI Center	PA	NA					No			No	
(2) Cherry Tree Cancer												
PO Box 2767 York, PA174052767 23-2915628	Radiation	PA	NA					No			No	
(3) Littlestown Health Care Partners 300 West King Street Littlestown, PA17340 23-2880464	Lease facil	PA	NA					No			No	
(4) Q-WH LLC PO Box 2767 York, PA174052767 20-8226561	GP of CHIP	PA	NA					No			No	
(5) Central PA Alliance Laboratories LLC PO Box 2767 York, PA174052767 23-2910950	Ref Lab	PA	NA					No			No	
(6) Apple Hill Surgical Center Partners PO Box 2767 York, PA174052767 23-2489452	Surgical Cn	PA	NA					No			No	

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>(b)</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	<b>(h)</b> Percentage ownership				
York, PA174052767 23-2907828	Coordinate managed care risk contracts	PA	NA	C Corp							
	Preferred Provider Organization	PA	NA	C Corp							
	Risk Retention Group	PA	NA	C Corp	878,516	2,941,827	13 200 %				
	Dispenses pharm & provides IV therapy	PA	N/A	C Corp							

(6)

Part V	Transactions With Related Organizations (Complete if the organization answer	ered "Yes" on Form 990, Pa	rt IV, line 34, 35, 3	5A, or 36.)			
Note.	Complete line 1 if any entity is listed in Parts II, III or IV				Yes	No	
<b>1</b> During th	ne tax year, did the orgranization engage in any of the following transactions with one or more rela	ted organizations listed in Pari	ts II-IV?				
<b>a</b> Recei	pt of (i) ınterest (ii) annuıtıes (iii) royaltıes (iv) rent from a controlled entıty			1:	а	No	
<b>b</b> Gıft, g	grant, or capital contribution to other organization(s)			1	b	No	
<b>c</b> Gıft, g	rant, or capital contribution from other organization(s)			10	Ye	•	
<b>d</b> Loans	or loan guarantees to or for other organization(s)			10	d	No	
<b>e</b> Loans	or loan guarantees by other organization(s)			1	e Yes	•	
<b>f</b> Sale o	of assets to other organization(s)			1:	f	No	
<b>g</b> Purch	nase of assets from other organization(s)			10	g Ye	•	
<b>h</b> Excha	ange of assets			1	h	No	
i Lease	of facilities, equipment, or other assets to other organization(s)			1	i	No	
<b>j</b> Lease	of facilities, equipment, or other assets from other organization(s)			1,	j Ye:	;	
<b>k</b> Perfor	rmance of services or membership or fundraising solicitations for other organization(s)			1	k	No	
l Perform	mance of services or membership or fundraising solicitations by other organization(s)			1	I Ye	;	
m Sharing of facilities, equipment, mailing lists, or other assets							
<b>n</b> Sharır	ng of paid employees			1	n	No	
o Reimb	bursement paid to other organization for expenses			1.	o Yes	;	
<b>p</b> Reimb	bursement paid by other organization for expenses			1	р	No	
<b>q</b> Other	r transfer of cash or property to other organization(s)			10	9	No	
<b>r</b> Other	transfer of cash or property from other organization(s)			1	r	No	
2 If the	answer to any of the above is "Yes," see the instructions for information on who must complete th	nıs line, including covered relat	nonships and transacti	ıon thresholds			
	(a) Name of other organization	<b>(b)</b> Transaction type(a-r)	(c) Amount involved	(d) Method of detem involv	nining a	mount	
(1) Gettysburg	g Hospital Foundation	1	277,109	General Ledger			
(2) Gettysburg	g Hospital Foundation	С	429,848	General Ledger			
(3)							
(4)							
(5)							

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

<b>(a)</b> Name, address, and EIN of entity	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		<b>(e)</b> Share of end-of-year assets	(f) Disproprtionate allocations?		te Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene mana part	agını tner?
			Yes	No		Yes	No		Yes	N
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## Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

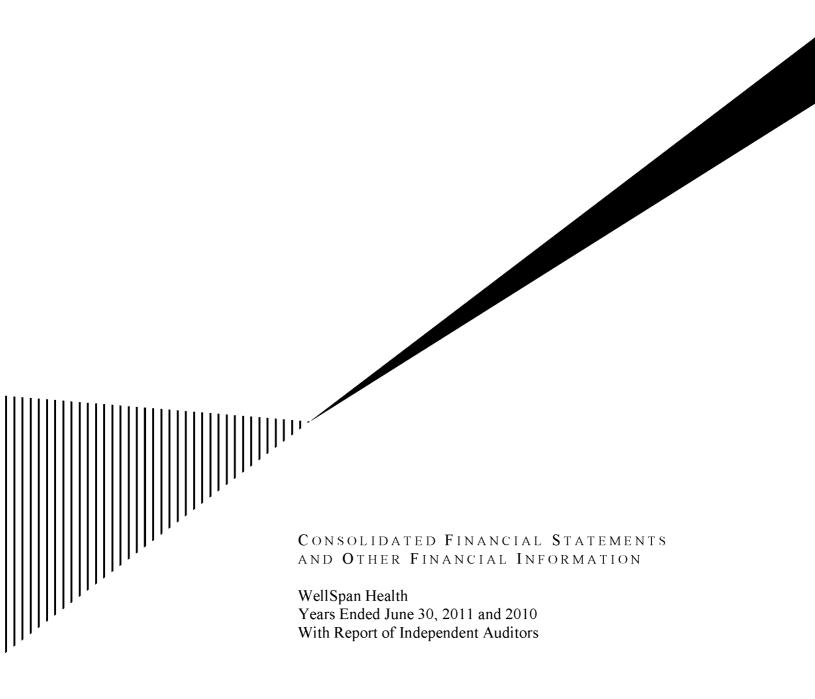
Identifier Return Reference Explanation

Schedule R (Form 990) 2010

**Software ID:** 10000105 **Software Version:** 2010v3.2 **EIN:** 23-1352220

Name: GETTYSBURG HOSPITAL

Form 990, Schedule R, Part II - Identification of Rel	ated Tax-Exempt Org	ganizations					
<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	<b>(d)</b> Exempt Code section	(e) Public charity status (if section 501(c) (3))	<b>(f)</b> Direct controlling entity	Section (b)(: contro	n 512 13) olled
						Yes	No
Wellspan Properties Inc							
PO Box 2767 York, PA 174052767 22-2842252	Leases outpatient facilities to affiliates	PA	501(c)(3)	11 Type 1	NA		No
WellSpan Specialty Services	Mgmt support for						
PO Box 2767 York, PA 174052767 23-2899911	hospice & home health care services	PA	501(c)(3)	11 Type 1	NA		No
York Hospital							
PO Box 2767 York, PA 174052767 23-1352222	Community teaching hospital	PA	501(c)(3)	3	NA		No
York Health Foundation	Charitable						
PO Box 2767 York, PA 174052767 23-3050192	contributions for WellSpan entities	PA	501(c)(3)	11 Type 3	NA		Νο
WellSpan Medical Group							
PO Box 2767 York, PA 174052767 23-2730785	Medical and surgical care	PA	501(c)(3)	9	NA		No
WellSpan Health Care Services  PO Box 2767 York, PA 174052767 23-2400237	Health-related activities in the service area	PA	501(c)(3)	11 Type 1	N A		Νο
WellSpan Health							
PO Box 2767 York, PA 174052767 22-2517863	Integrated Health System	PA	501(c)(3)	11 Type 1	NA		No
VNA Home Health Services							
PO Box 2767 York, PA 174052767 23-1352573	Home health and hospice care services	PA	501(c)(3)	9	NA		Νο
VNA Community Services	Home personal care						
PO Box 2767 York, PA 174052767 23-2338591	services for elderly and disabled	PA	501(c)(3)	9	NA		No
Healthy Community Pharmacy Inc							
PO Box 2767 York, PA 174052767 20-0519121	Reduced rate prescription drugs	PA	501(c)(3)	11 Type 1	NA		No
Gettysburg Hospital Foundation							
PO Box 2767 York, PA 174052767 23-2251358	Fundraising for Gettysburg Hospital	PA	501(c)(3)	11 Type 1	N A	Yes	
Apple Hill Surgical Center Inc	Cala CD := !:==:						
PO Box 2767 York, PA 174052767 22-2842253	Sole GP in limited ptnrshp operating surgical center	PA	501(c)(3)	9	NA		Νο
122-2042233	1	I	I	I	I	I	l



Ernst & Young LLP



# Consolidated Financial Statements and Other Financial Information

Years Ended June 30, 2011 and 2010

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### Report of Independent Auditors

Board of Directors WellSpan Health

We have audited the accompanying consolidated balance sheets of WellSpan Health (WSH) as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended These consolidated financial statements are the responsibility of WSH's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of WSH's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WSH's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of WellSpan Health at June 30, 2011 and 2010, and the consolidated results of its operations, changes in its net assets, and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

October 18, 2011

1103-1235361

Ernst + Young LLP

# Consolidated Balance Sheets (In Thousands)

	June 30		)
	2011		2010
Assets			
Current assets			
Cash and cash equivalents	\$ 42,433	\$	18,364
Assets limited as to use	3,511		5,949
Patient accounts receivable, net of allowance for doubtful accounts of \$33,210 and \$30,877 in 2011 and 2010,			
respectively	136,787		135,082
Other receivables	13,874		13,462
Inventories	7,430		7,140
Prepaid expenses	 15,485		12,418
Total current assets	219,520		192,415
Unrestricted investments	21,320		17,316
Investments limited as to use			
Board-designated	629,524		503,042
Under bond indenture	26,775		49,349
Self-insurance trust	11,045		8,456
Temporarily restricted investments	6,894		9,517
Permanently restricted investments	2,976		2,668
Beneficial interest in perpetual trusts	15,869		11,809
	693,083		584,841
Pledges receivable, net	1,783		2,312
Property and equipment, net	431,250		405,463
Investments in joint ventures	713		721
Deferred financing costs, net	3,166		3,246
Other assets	 13,355		10,503
Total assets	\$ 1,384,190	\$	1,216,817

	June 30		)	
		2011		2010
Liabilities and net assets				
Current liabilities				
Current portion of capital lease obligations	\$	3,192	\$	525
Current portion of long-term debt		10,004		9,919
Accounts payable and accrued expenses		37,407		25,417
Accrued interest payable		2,309		2,327
Accrued salaries and wages		58,105		52,719
Advances from third-party payors		3,114		3,249
Estimated self-insurance costs and postretirement benefits		15,316		17,519
Estimated third-party payor settlements		1,319		6,192
Total current liabilities		130,766		117,867
Estimated self-insurance costs		36,305		28,374
Capital lease obligations, less current portion		14,128		1,745
Long-term debt, less current portion		417,050		423,697
Accrued retirement benefits		199,549		241,968
Interest rate swap agreements		36,470		45,142
Other noncurrent liabilities		1,511		1,511
Total liabilities		835,779		860,304
Net assets				
Unrestricted		509,690		319,900
Temporarily restricted		13,123		16,328
Permanently restricted		18,891		14,526
WellSpan Health net assets		541,704		350,754
Minority interest		6,707		5,759
Total net assets		548,411		356,513
Total liabilities and net assets	\$	1,384,190	\$	1,216,817

See accompanying notes.

# Consolidated Statements of Operations (In Thousands)

	Year Ended 2011	ed June 30 2010	
Linusatuistad varianuss, gains, and atheu sunnout	2011	2010	
Unrestricted revenues, gains, and other support	<b>\$ 1,093,377</b> \$	1.014.420	
<u>F</u>	,,	, ,	
Capitation revenue	5,471 53,271	5,339	
Other revenue	53,271	51,036	
Net assets released from restrictions used for operations	5,948	5,718	
Total revenues, gains, and other support	1,158,067	1,076,522	
Expenses			
Salaries and wages	496,204	473,927	
Employee benefits	179,375	160,390	
Professional fees	13,077	13,878	
Supplies and other	319,408	291,186	
Depreciation and amortization	56,516	57,529	
Provision for bad debts	46,694	42,938	
Total operating expenses	1,131,207	1,060,272	
Operating income	26,860	16,250	
Other income (expense)			
Contributions	674	2,104	
Investment income, net	74,494	32,324	
Equity loss of joint ventures	(8)	(3)	
Gain on sale of assets/other	52	173	
Other expense, net	(467)	(828)	
Change in fair value of interest rate swap agreements	8,672	(12,199)	
Total other income	83,417	21,571	
Excess of revenues over expenses before minority interest	110,277	37,821	
Minority interest	(1,071)	(1,173)	
Excess of revenues over expenses	109,206	36,648	
Other changes in unrestricted net assets			
Change in unrealized gains on assets limited as to use and			
investments – other-than-trading securities	(233)	320	
investments – other-than-trading securities  Net assets released from restrictions for purchase of property and	(233)	320	
Net assets released from restrictions for purchase of property and	, ,		
Net assets released from restrictions for purchase of property and equipment	5,663	320 558	
Net assets released from restrictions for purchase of property and	, ,		

See accompanying notes

# Consolidated Statements of Changes in Net Assets (In Thousands)

		Year Ended J 2011	June 30 2010	
Unrestricted net assets				
Excess of revenues over expenses	\$	109,206 \$	36,648	
Other changes in unrestricted net assets				
Change in unrealized gains on assets limited as to use and				
investments – other-than-trading securities		(233)	320	
Net assets released from restrictions for purchase of property		=	5.50	
and equipment		5,663	558	
Merged assets Other shangs in approach retirement hanefits		773 74 391	- (75 954)	
Other change in accrued retirement benefits Increase (decrease) in unrestricted net assets		74,381 189,790	(75,854)	
increase (decrease) in unrestricted net assets		189,790	(38,328)	
Temporarily restricted net assets				
Net realized and unrealized gains on investments		949	726	
Net investment income		654	154	
Contributions		6,731	5,948	
Net assets released from restrictions		(11,539)	(6,276)	
(Decrease) increase in temporarily restricted net assets		(3,205)	552	
Permanently restricted net assets				
Net investment income		572	504	
Net realized and unrealized gains on investments		2,548	1,144	
Contributions		1,817	19	
Net assets released from restrictions		(572)	(504)	
Increase in permanently restricted net assets		4,365	1,163	
Increase (decrease) in net assets		190,950	(36,613)	
Net assets				
Beginning of year		350,754	387,367	
End of year	\$	541,704 \$	350,754	

See accompanying notes.

1103-1235361 5

# Consolidated Statements of Cash Flows (In Thousands)

	Year Ende 2011		June 30 2010	
Cash flows from operating activities				
Increase (decrease) in net assets	\$	190,950 \$	(36,613)	
Adjustments to reconcile increase (decrease) in net assets to				
net cash provided by operating activities				
Gain on disposal of fixed assets		(52)	(173)	
Minority interest in earnings of consolidated entities, net				
of distributions		361	183	
Depreciation and amortization		56,516	57,529	
Net realized and unrealized gain on assets limited as to				
use and investments		(62,804)	(23,728)	
Change in fair value of interest rate swap agreements		(8,672)	12,199	
Amortization of original issue discount		207	207	
Undistributed loss of investments in joint ventures		8	3	
Change in beneficial interest in perpetual trusts		(4,060)	(964)	
Provision for bad debts		46,694	42,938	
Temporarily restricted net contributions and investment				
income received		(7,385)	(6,102)	
Change in cash due to changes in assets and liabilities				
Patient accounts receivable and other receivables		(48,736)	(61,448)	
Inventories, pledges receivable, prepaid expenses and				
other assets		(5,674)	(2,189)	
Accounts payable and accrued expenses and accrued				
interest payable		11,798	3,069	
Accrued salaries and wages		5,386	3,153	
Advances from third-party payors		(135)	43	
Estimated third-party payor settlements		(4,873)	(1,527)	
Estimated self-insurance costs		5,728	(356)	
Accrued retirement benefits		(42,419)	96,541	
Other noncurrent liabilities		_	(14)	
Net cash provided by operating activities before change in				
trading securities		132,838	82,751	
Purchases of trading securities, net		(37,408)	(21,777)	
Net cash provided by operating activities		95,430	60,974	

# Consolidated Statements of Cash Flows (continued) (In Thousands)

	Year Ended June 30		
		2011	2010
Cash flows from investing activities			
Capital expenditures	\$	(81,583) \$	(53,835)
Proceeds on sale of property and equipment		<b>78</b>	225
Cash received from merger of AHCA		<b>85</b> 7	_
Gross purchases of assets limited as to use and investments –			
other than trading		(5,536)	(7,919)
Change in investments in joint ventures		(773)	(207)
Net cash used in investing activities		(86,957)	(61,736)
5		(,,	(,)
Cash flows from financing activities			
Temporarily restricted net contributions and investment			
income received		7,385	6,102
Principal repayments on long-term debt and notes payable		(11,811)	(10,182)
Proceeds from issuance of notes payable and long-term debt		20,092	1,022
Deferred financing costs, net of refunds		(70)	227
Net cash provided by (used in) financing activities		15,596	(2,831)
Increase (decrease) in cash and cash equivalents		24,069	(3,593)
•		,	
Cash and cash equivalents, beginning of year		18,364	21,957
Cash and cash equivalents, end of year	\$	42,433 \$	18,364
Supplemental cash flow information			
Cash paid for interest, net of capitalized interest	\$	19,951 \$	20,558
Cash paid for income taxes	\$	599 \$	405

See accompanying notes.

# Notes to Consolidated Financial Statements (In Thousands)

June 30, 2011

### 1. Organization

WellSpan Health (WSH) is a not-for-profit corporation and has the following sole-member corporations, equity investments and other affiliates

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Hospitals			
York Hospital (YH)	Sole member	1880	A not-for-profit corporation that operates a hospital
Gettysburg Hospital (GH)	Sole member	1919	A not-for-profit corporation that operates a hospital
Foundations			
Getty sburg Hospital Foundation (GHF)	GH is the sole member of GHF	July 1983	A not-for-profit foundation formed to raise funds to further support the operations of GH
York Health Foundation (YHF)	Sole member	March 2000	A not-for-profit foundation formed to raise funds to further support the operations of YH
Other not-for-profit organizations engaged in health services			
WellSpan Medical Group (WMG)	Sole member	June 1993	A not-for-profit corporation that operates medical practices and a counseling practice
WellSpan Specialty Services (WSS)	Sole member	Aprıl 1997	A not-for-profit corporation that provides through its subsidiaries home health and personal care services
VNA Home Health Services (VNAHHS)	WSS is the sole member of VNAHHS	February 1911	A not-for-profit corporation that provides home health and hospice care services

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
VNA Community Services (VNACS)	WSS is the sole member of VNACS	August 1984	A not-for-profit corporation that provides home personal care services
Healthy Community Pharmacy, Inc (HCP)	WHCS is the sole member of HCP	December 2003	A not-for-profit corporation that dispenses pharmaceuticals to the uninsured population
WellSpan Properties, Inc (WP)	WHCS is the sole member of WP	April 1987	A not-for-profit corporation that developed the Apple Hill Medical Center and other outpatient facilities that are leased to affiliates
WellSpan Health Care Services (WHCS)	Sole member	January 1986	A not-for-profit corporation that engages in health-related activities in the service area
Apple Hill Surgical Center, Inc (AHSCI)	WHCS is the sole member of AHSCI	May 1987	A not-for-profit corporation that serves as general partner of AHSCP
York Health Plan d/b/a South Central Preferred (SCP)	Sole member	November 1991	A not-for-profit corporation that administers a Preferred Provider Organization
York Provider Network (YPN)	Sole member	February 1997	A not-for-profit corporation that coordinates managed care risk contracting and care management activities within WSH

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Taxable corporations engaged in taxable activities that support our mission			
WellSpan Pharmacy Inc (WRx)	WHCS owns 100% of WRx's outstanding stock	Aprıl 1985	A corporation that dispenses pharmaceuticals and provides intravenous therapy services
WellSpan Reciprocal Risk Retention Group (WRRRG)	Sole member	June 2003	A risk retention group that provides coverage for the primary layer of professional and general liability, beginning July 1, 2003
Apple Hill Condominium Association (AHCA)	WP and AHSCP own 41 8% and 15 0% interest in AHCA, respectively	March 1988	A homeowners' association that oversees the Apple Hill Medical Center building
Apple Hill Surgical Center Partners (AHSCP)	WSH has 66 1% ownership in the partnership units	February 1988	A limited partnership that operates a surgical center
Cherry Tree Cancer Center (CTCC)	WHCS has a 50% partnership interest in CTCC	Арпі 1997	A limited liability partnership that operates a radiation therapy center
Q-WH, LLC (Q-WH). formerly known as York-Memorial MRI Corp	WHCS has a 50% interest in Q-WH	January 1987	A limited liability company that serves as the general partner in CHIP
Community Healthcare Imaging Partners (CHIP), d/b/a MRI of York	WHCS has a 49 4% limited partnership interest in CHIP	January 1987	A limited partnership that operates a magnetic resonance imaging center

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Littlestown Health Care Partnership (LHCP)	WHCS has a 50% interest in LHCP	September 1996	A Pennsylvania partnership that leases outpatient medical facilities
Other joint ventures not consolidated Central Pennsylvania Alliance Laboratory (CPAL)	20% membership interest	March 1997	A limited liability corporation that operates a regional reference laboratory. The investment is accounted for on the equity basis
Quest Behavioral Health, Inc (QUEST)	20% membership interest	March 1997	A not-for-profit corporation that provides behavioral health managed care services. The investment is accounted for on the equity basis.
Downtown Renaissance Fund, LLC (DRF)	WSH has a 33 33% interest	December 2009	A limited liability company that operates to advance the charitable, community development, scientific and educational purposes of its members
Physician Hospital Organization of Gettysburg, Inc (PHO)	GH has a 50% interest in PHO	May 1994	A not-for-profit corporation that educates and provides a health network for managed care. The investment is accounted for on the equity basis

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Central Pennsylvania Healthcare Alliance (CPHA)	20% membership interest	March 1997	A not-for-profit corporation that provides the infrastructure for overseeing the joint operation of health services in Central Pennsylvania. The investment is accounted for on the equity basis. CPHA had no accounting transactions through June 30, 2011.

Certain board members of YH, GH, SCP, WMG, WHCS, and WSS also serve as Board members of WSH

### 2. Significant Accounting Policies

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of WSH and its sole member corporations and equity investments, with the exception of the joint ventures where WSH has less than 50% control Joint ventures where WSH has 50% control and total management responsibilities are included in the consolidated financial statements All significant intercompany transactions have been eliminated

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

#### Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, patient accounts receivable, investments and assets limited as to use, accounts payable and accrued expenses, interest rate swap agreements and long-term debt. The carrying amounts reported in the consolidated balance sheets for financial instruments (except investments in limited partnerships and long-term debt) approximate fair value. As prescribed by GAAP, long-term debt is carried at historical cost and investments in limited partnerships are carried under the equity method or at cost depending upon the extent of WSH's influence and control

#### Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. The carrying amount approximates fair value because of the short maturity of these instruments. Cash balances are principally uninsured and are subject to normal credit risks. At June 30, 2011 and 2010, and at various times during the year, WSH maintained cash-in-bank balances in excess of the \$250 general deposit federally insured limits.

#### Allowance for Doubtful Accounts

WSH provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness or inability of patients who do not qualify for charity care to make payments for services. The allowance is determined by analyzing specific accounts and historical data and trends. Patient accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and WSH ceases collection efforts. Losses have been consistent with management's expectations in all material respects.

#### Investments and Assets Limited as to Use

Assets limited as to use primarily include assets held by trustee under bond indenture agreements, self-insurance trust and designated assets set aside by the Board of Directors Investment income from these assets is available for current operations of WSH Certain bond indentures require funds to be deposited with a trustee for future debt service requirements. The assets have been classified as current or long-term to match the designation of the obligation they

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

are intended to satisfy Investments in debt and equity securities, mutual funds and money market funds, with readily determinable fair values are measured at fair value based on quoted market prices WSH has investments in limited partnerships (LP) as a conduit for investing that are not actively traded, for which the ownership interest is less than 5% and are recorded on the cost basis

WSH's board-designated and other unrestricted investments are designated as a "trading" portfolio in accordance with the AICPA Audit and Accounting Guide Health Care Organizations (the Guide) The Guide requires that changes in unrealized gains and losses on marketable securities designated as trading be reported within excess of revenues over expenses LP investments are classified as "other-than-trading"

Investment income, realized gains and losses, unrealized gains and losses on trading securities and other-than-temporary losses on investment transactions (for other-than-trading securities) are included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law Realized gains and losses for all investments sold are determined on a specific-identification basis. Unrealized gains and losses on other-than-trading investments and assets limited as to use are excluded from the excess of revenues over expenses, and are included as a component of other changes in unrestricted net assets, to the extent that such losses are considered temporary. Investments designated as other-than-trading are periodically reviewed for impairment conditions, including the magnitude and duration of the decline that indicate the occurrence of an other-than-temporary decline. If such conditions exist, the investment's cost is then written down to its current market value

Amounts required to meet current debt service and self-insured liabilities have been reclassified in the consolidated balance sheets Donated securities are recorded at their fair market value

Investment securities and limited partnerships, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risks associated with certain investment securities and limited partnerships, it is reasonably possible that changes in the value of investments could occur in the short-term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

#### **Inventories**

Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value and are comprised of the following

		June 30			
		2011		2010	
Pharmaceutical drugs Medical supplies	\$	5,546 1,710	\$	5,133 2,007	
Computer supplies	<u></u>	7,430	\$	7,140	

#### **Property and Equipment**

Property and equipment acquisitions are recorded at cost Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets Capitalized net interest was \$2,388 and \$2,660 for the years ended June 30, 2011 and 2010, respectively

Expenditures for renewals and improvements are charged to the property accounts Replacements, maintenance and repairs that do not improve or extend the life of the respective assets are expensed when incurred WSH removes the cost and the related accumulated depreciation from the accounts for assets sold or retired, and resulting gains or losses are included in the accompanying consolidated statements of operations

Donated assets are recorded at their fair value at the date of donation Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

Depreciation and amortization is provided over the estimated useful life of each class of depreciable asset and is computed by the straight-line method Equipment under capital leases is amortized on a straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements

#### **Deferred Financing Costs**

Financing costs incurred in connection with long-term financing have been deferred and are being amortized on a straight-line basis over the life of the related debt

#### **Estimated Self-Insurance Costs**

The provision for estimated medical malpractice, workers' compensation, and employee health claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported

#### **Derivative Financial Instruments**

The interest rate swap agreements are used by WSH to manage interest rate exposures and to hedge the changes in cash flows on variable rate revenue bonds. These types of derivative financial instruments involve, to a varying degree, elements of market and credit risk. The market risk associated with these instruments resulting from interest rate movements is expected to offset the market risk of the liability being hedged.

WSH recognizes the interest rate swap agreements in the consolidated balance sheets at fair value Management has determined that WSH's interest rate swap agreements do not qualify as hedges for financial reporting purposes Consequently, the changes in the fair value of WSH's interest rate swap agreements are included as a component of excess of revenues over expenses in the consolidated statements of operations

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

#### **Temporarily and Permanently Restricted Investments and Net Assets**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Permanently restricted net assets represent WSH's beneficial interest in perpetual trusts recorded at fair value Beneficial interests in perpetual trusts are reported at fair value, with WSH's share determined by its interest percentage in the trust Annual changes in fair value are reported as increases or decreases in permanently restricted net assets

#### **Excess of Revenues over Expenses**

The consolidated statements of operations include the excess of revenues over expenses Changes in unrestricted net assets that are excluded from the excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on other-than-trading assets limited as to use and investments to the extent losses are deemed temporary, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets) and changes in accrued retirement benefits

#### **Net Patient Service Revenue**

WSH has agreements with third-party payors that provide for payments to WSH at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, discounted charges, per diem payments and reimbursed costs Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

WSH's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

#### Other Revenue

Other revenue for the years ended June 30, 2011 and 2010 consists primarily of WRx's prescription sales of \$30,552 and \$28,620, respectively Investment income from assets limited as to use under bond indenture agreements, cafeteria sales, grant revenues, and other nonpatient service revenue are also included in other revenue

#### **Charity Care**

For patients who meet certain criteria under its charity care policy, WSH provides care without charge or at amounts less than its established rates Because WSH does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

#### **Federal and State Income Taxes**

WSH, sole member corporations and equity investments, with the exception of WRx, SCP, AHSCP, PHO, CHIP, Q-WH, CPAL, CTCC, LHCP, WRRRG, and YPN are tax-exempt organizations in accordance with Section 501(c)(3) of the Internal Revenue Code and are not subject to federal or state income taxes for activities related to their exempt purposes. The estimated taxes for the taxable income of WRx, SCP, QUEST, WRRRG, PHO, and YPN are not significant and are provided for in the consolidated statements of operations. No federal or state income taxes have been provided for AHSCP, CHIP, CTCC, and LHCP in the accompanying consolidated financial statements, as they are not payable by these entities. The partners are to include their respective share of these entities' profits or losses in their individual tax returns. As limited liability corporations, CPAL, Q-WH, and DRF are subject to state income taxes, the partners of CPAL, Q-WH, and DRF are subject to federal taxes related to earnings of the respective corporations.

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

#### **Recent Accounting Pronouncements**

In December 2007, the Financial Accounting Standards Board (FASB) issued FASB Statement No 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 (Statement 160, codified primarily in ASC 810, Consolidation), which changed the accounting and reporting requirements for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The requirements changed the accounting and reporting for minority interests, which is now characterized as noncontrolling interests and classified as a component of equity. Not-for-profit entities shall apply the new guidance prospectively in the first set of initial or annual financial statements for a reporting period beginning on or after December 15, 2009. Early adoption is prohibited WSH adopted this guidance effective July 1, 2010. The adoption of this revised guidance did not have a significant impact on WSH's consolidated financial statements.

In April 2009, the FASB issued FAS No 164, Not-for-Profit Entities: Mergers and Acquisitions—Including an amendment of FASB Statement No. 142, which was codified into ASC 958-805, Business Combinations, to improve the information that a not-for-profit reporting entity provides in its financial reports about a combination with one or more other not-for-profit entities, businesses, or nonprofit activities The guidance establishes principles and requirements for how a not-for-profit entity (a) determines whether a combination is a merger or an acquisition, (b) applies the carryover method in accounting for a merger, (c) applies the acquisition method in accounting for an acquisition, including determining which of the combining entities is the acquirer, (d) determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or acquisition. This guidance will be effective for WSH for mergers or acquisitions occurring after July 1, 2010

In September 2009, the FASB issued Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* ASU 2009-12 amended ASC 820 to allow entities to use net asset value (NAV) per share (or its equivalent), as a practical expedient, to measure fair value when the investment does not have a readily determinable fair value and the net asset value is calculated in a manner consistent with investment company accounting WSH adopted the guidance in ASU 2009-12 for the reporting period ended June 30, 2010 and has utilized the practical expedient to measure the fair value of

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

investments within the scope of this guidance based on the investment's NAV Adoption of ASU 2009-12 did not have a material effect on WSH's consolidated financial statements

In December 2009, the FASB issued ASU 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, which amends the guidance on variable interest entities (VIE) in ASC 810, *Consolidation*, and is effective for fiscal years beginning after November 15, 2009. These revisions significantly change the criteria in determining the primary beneficiary of a VIE from a more quantitative model to both a quantitative and qualitative evaluation of the enterprise that has (1) the power to direct the activities that most significantly affect the VIE's economic performance and (2) the obligation to absorb losses or the right to receive returns that could be potentially significant to the VIE Additionally, this guidance requires ongoing reassessments of whether an enterprise is the primary beneficiary of a VIE and requires enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise's involvement in a VIE Given WSH's limited amount of activity with entities for which these provisions would apply, the adoption of this standard, effective July 1, 2010, did not have a material effect on its consolidated financial statements

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements* ASU 2010-06 amended certain of the disclosures required under ASC 820 The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each "class" of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which will be effective for WSH on July 1, 2011, the guidance in ASU 2010-06 becomes effective for reporting periods beginning after December 15, 2009 Management is currently evaluating the effect that the provisions of ASU 2010-06 will have on the Company's consolidated financial statements

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 2. Significant Accounting Policies (continued)

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* ASU 2010-24 requires that health care entities present insurance recoveries and related claim liabilities at their gross values, netting of the recoveries against the liabilities is prohibited. The amount of the claim liability should also be determined without consideration of the insurance recoveries. ASU 2010-23 is effective for fiscal years beginning after December 10, 2010 and management will adopt this guidance effective July 1, 2011. The issuance of this standard has no impact on the consolidated financial statements as of June 30, 2011 and management is assessing the impact that the adoption will have on the 2012 consolidated financial statements

In August 2010, the FASB also issued ASU 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure* ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care ASU 2010-23 is effective for fiscal years beginning after December 10, 2010 and management will adopt this guidance effective July 1, 2011 The issuance of this standard has no impact on the consolidated financial statements as of June 30, 2011 and management is assessing the impact that the adoption will have on the 2012 consolidated financial statements

#### Reclassifications

Certain reclassifications have been made to the consolidated financial statements of the prior year to conform to the current-year presentation

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 3. Net Patient Service Revenue

WSH has agreements with third-party payors that provide for payments to WSH at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

Medicare and Medicaid. Net revenue from the Medicare and Medicaid programs accounted for approximately 38% of WSH's net patient service revenue for each of the years ended June 30, 2011 and 2010 Inpatient acute care services provided to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors WSH is reimbursed for certain cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by WSH and audits thereof by Medicare WSH's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with WSH Medicare reimburses for most outpatient services on the Outpatient Prospective Payment System (OPPS) Medicaid outpatient services are paid based on a fee schedule YH's and GH's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007 YH's and GH's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2006 For the years ended June 30, 2011 and 2010, net patient service revenue reflects increases of approximately \$614 and \$8,685, respectively, due to estimate changes Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

Section 306 of the Medicare Prescription Drug Improvement and Modernization Act of 2003 directed the Secretary of the Department of Health and Human Services (HHS) to demonstrate the use of Recovery Audit Contractor (RAC) under the Centers for Medicare and Medicaid Services (CMS) Medicare Integrity Program in identifying underpayments and overpayments under the Medicare program, and recouping those overpayments RACs are third-party organizations under contract with CMS, and the law provides that compensation paid to each RAC be based on a percentage of overpayment recoveries identified by the RAC The RAC demonstration was slated to end in March 2008, however, Section 302 of the Tax Relief and Health Care Act of 2006 (TRHCA) made the

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 3. Net Patient Service Revenue (continued)

RAC program permanent and instructed CMS to use RACs to identify Medicare underpayments and overpayments by 2010 The TRHCA also included several provisions that give Medicare providers certain protections and rights For example, overpayments identified by the RACs are subject to reconsideration and appeal through several forums

WSH intends to pursue the reversal of adverse determinations where appropriate, however, WSH cannot predict the outcome of any such appeals. In addition to any overpayments identified by the RACs that are not reversed, WSH will incur additional costs to respond to requests for records and pursue the reversal of payment denials. WSH has established protocols to respond to RAC requests and payment denials, if any WSH recently received RAC requests and is in the process of responding to those requests. Provision for losses as a result of RAC reviews are made when reasonably estimable.

In December 2010, the Department of Public Welfare (DPW) received approval from CMS for the Pennsylvania state plan amendments pursuant to Pennsylvania Act 49 of 2010 that, among other things, established a new inpatient hospital fee-for-service payment system (using APR-DRG), established enhanced hospital payments through the state's Medical Assistance managed care program and secured additional matching Medicaid funds through the establishment of the Quality Care Assessment (QCA) In February 2011, the DPW received the approvals necessary from CMS on the final technical language for the DPW contracts with managed care organizations. The Hospital and Healthcare Association of Pennsylvania issued hospital-specific impacts of the MA payment modernization for fiscal year 2011 WSH recognized \$16,270 related to the MA payment in net patient service revenue for the year ended June 30, 2011 DPW concurrently issued hospital-specific QCAs of \$9,965 that are recorded in supplies and other expenses in the consolidated statements of operations for the year ended June 30, 2011

• Blue Cross. Net revenue for services provided under Blue Cross & Blue Shield contracts accounted for approximately 32% of WSH net patient service revenues for the years ended June 30, 2011 and 2010, respectively Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed primarily on a discount from established charge basis

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 3. Net Patient Service Revenue (continued)

• Capitation Revenue. WMG has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing patients Under these agreements, WMG receives monthly capitation payments based on the number of each HMO's participants, regardless of services actually performed by WMG's physicians In addition, WMG may receive additional compensation for services not covered under the capitation payment as defined in the agreements Under the agreements, certain funds are set aside to cover hospital and other costs To the extent that these funds are not used, WMG shares in the excess with the HMOs WMG records the capitation payments as income in the period to which the services relate and records any additional payments at such time as the amounts can be reasonably estimated

WSH has also entered into payment agreements with certain other commercial insurance carriers, HMOs, and preferred provider organizations. The basis for payment to WSH under these agreements is primarily on a discount from established charges but also includes prospectively determined daily rates and prospectively determined fee schedules.

WSH grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows

	June 30		
	2011	2010	
Medicare	29%	34%	
Medicaid	16	14	
Blue Cross/Blue Shield	11	12	
Other third-party payors	24	22	
Self-pay	20	18	
-	100%	100%	
		•	

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 4. Charity Care and Community Service

WSH's tax-exempt organizations' patient acceptance policies are based upon their mission statements and charitable purposes. Accordingly, WSH accepts all patients regardless of their ability to pay. For patients who meet the criteria of its charity service policy WSH provides services without charge or at amounts less than the established rates. Criteria for charity care consider the patient's family income, family size, and ability to pay. This policy results in WSH's assumption of higher-than-normal patient receivable credit risk. To the extent that WSH realizes additional losses resulting from such higher credit risks and patients are not identified or do not meet WSH's defined charity care policy, such additional losses are included in the provision for bad debts

WSH maintains records to identify and monitor the level of charity care and community service it provides. These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity care and community service policies and the estimated cost of those services. The amount of charity care provided based on WSH's direct and indirect costs was approximately \$18,409 and \$16,867 in 2011 and 2010, respectively

Additionally, WSH sponsors certain other service programs and charity services which provide substantial benefit to the greater community Such programs include patient visits in outpatient clinics, mental health services, other outpatient clinical services and health care education programs. These programs serve a large portion of the indigent, elderly, diabetic and other underserved patient populations. The estimated unreimbursed cost of providing these programs and services was approximately \$18,118 and \$13,314 for the years ended June 30, 2011 and 2010, respectively

WSH participates in the Medicare program Medicare is a federally funded program which provides health insurance coverage for individuals who are 65 or older, or who meet other special criteria Payments from Medicare as described in Note 3 are generally less than WSH's costs of providing the service to Medicare beneficiaries Unpaid costs in excess of payments received for the Medicare program were approximately \$61,264 and \$43,951 in 2011 and 2010, respectively

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 4. Charity Care and Community Service (continued)

WSH also participates in the Pennsylvania Medical Assistance (PMA) program which makes payment for services provided to families with dependent children, the aged, the blind, and the permanently and totally disabled, whose income and resources are insufficient to meet the costs of necessary medical services Payments from the PMA as described in Note 3 are generally less than WSH's costs of providing the service Unpaid costs in excess of payments received for the PMA program were approximately \$59,859 and \$57,322, respectively, in 2011 and 2010

#### 5. Investments

#### **Unrestricted Investments**

The composition of unrestricted investments is set forth in the following table

	June 30			)
		2011		2010
WSH Master Trust	\$	7,685	\$	6,582
Mutual funds		640		479
Land investment, at cost		5,060		5,060
Debt securities issued by the U S Treasury and other				
U S government corporations and agencies		3,196		1,690
Government-sponsored enterprise mortgage-backed				
securities		2,267		2,227
Corporate debt securities		2,268		977
Money market fund		204		301
	\$	21,320	\$	17,316
	_			

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# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 5. Investments (continued)

#### **Investments Limited as to Use**

The composition of assets limited as to use is set forth in the following table

	June 30			
		2011		2010
Board-designated				
WSH Master Trust	\$	560,174	\$	436,183
Cash and cash equivalents		1,747		44,789
Mutual funds		5,040		4,220
Swap collateral <sup>(1)</sup>		14,272		12,675
Government-sponsored enterprise mortgage-backed				
securities		5,211		1,385
Corporate debt securities		16,675		1,410
Debt securities issued by the U S Treasury and other				
U S government corporations and agencies		26,405		2,380
	\$	629,524	\$	503,042

<sup>(1)</sup> Swap collateral held by the counterparty is principally uninsured and is subject to normal credit risks

	June 30			
		2010	2009	
Under bond indenture agreements held by trustee				
Project Fund – Money market fund	\$	7,761 \$	49,349	
Cash		616	_	
Debt securities issued by the U S Treasury and other				
U S government corporations and agencies		18,406	8	
		26,783	49,357	
Less Trustee-held assets for current debt service		(8)	(8)	
	\$	26,775 \$	49,349	

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 5. Investments (continued)

	June 30			)
		2011		2010
Self-insurance trust investments Government-sponsored enterprise mortgage-backed				
securities	\$	3,292	\$	5,533
Corporate debt securities		4,369		2,508
Debt securities issued by the U S Treasury and other				
U S government corporations and agencies		6,887		6,356
Less Trustee-held assets for current self-insurance		(3,503)		(5,941)
	\$	11,045	\$	8,456
Temporarily restricted investments				
Cash and short-term investments	\$	226	\$	680
Mutual funds		663		329
Corporate debt securities		139		_
WSH Master Trust		5,866		8,508
	\$	6,894	\$	9,517
Permanently restricted investments				
WSH Master Trust	\$	2,976	\$	2,668
Beneficial interest in perpetual trusts	<b>C</b>	15.040	Φ	11.000
Mutual funds held by other trustees	<u> </u>	15,869	\$	11,809

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 5. Investments (continued)

#### **WSH Master Trust**

WSH maintains the WSH Master Trust for certain funds classified in investments and assets limited as to use in the accompanying consolidated balance sheets. The WSH Master Trust is comprised of the following, by restriction category

	June 30			
		2011		
Unrestricted	\$	7,685	\$	6,582
Board-designated		560,174		436,183
Temporarily restricted		5,866		8,508
Permanently restricted		2,976		2,668
	\$	576,701	\$	453,941

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 5. Investments (continued)

A summary of the assets of the WSH Master Trust is as follows

	June 30			
		2011	2010	
Investments, at fair value				
Debt securities issued by the U S Treasury and other				
U S government corporations and agencies	\$	56,599 \$	34,955	
Government-sponsored enterprise mortgage-backed securities		11,895	8,018	
Other asset-backed securities		21,545	25,221	
Corporate debt securities		33,374	33,833	
Aggregate bond index fund		21,908	20,996	
Commodities/real return		28,396	18,519	
Equity securities		149,158	134,377	
Stock index fund		37,647	23,284	
Collective mutual funds and investment trusts		104,510	43,958	
		465,032	343,161	
Investments, recorded at cost				
Absolute return, limited partnerships		66,439	62,423	
Real estate, limited partnerships		21,322	25,343	
Private equity, limited partnerships		23,908	23,014	
		111,669	110,780	
	\$	576,701 \$	453,941	

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 5. Investments (continued)

The real estate, private equity, and absolute return limited partnership investments are adjusted to and are carried at cost because WSH does not have a controlling interest in the related partnerships and the fair value is not readily determinable. The unaudited fair value of these limited partnership investments exceeded the cost basis of these investments by \$23,523 and \$11,968 as of June 30, 2011 and 2010, respectively

Allocations of assets from the WSH Master Trust to participating funds are as follows

June 30 2011 2010 Percent Amount Percent Amount York Hospital YH Renewal and 79% Replacement Fund 459,705 80% 360,495 YH Professional **Education Fund** 2,743 1 \* YH Auxiliary 459 386 YH Endowment 1 2,145 2,492 Gettysburg Hospital GH Renewal and Replacement Fund 80,839 14 59,259 13 **GH** Foundation 679 931 York Health Foundation Charitable Trust 3.954 1 4,451 1 WellSpan Specialty Services **WSS** Restricted 20,247 4 17,224 4 WSS 7,924 6,709 1 576,701 100% 453,941 100%

<sup>\*</sup>Less than 0 5% of total

# Notes to Consolidated Financial Statements (continued) (In Thousands)

#### 5. Investments (continued)

Interest and dividend income, net of investment expenses and gains (losses) for assets limited as to use, cash equivalents and investments are comprised of the following

	Year Ended June 30			
		2011		2010
Other income Interest and dividend income Change in unrealized gains and losses on trading securities Net realized gain (loss) on sales of securities	\$	12,407 52,077 10,010	\$	9,668 26,306 (3,650)
		74,494	\$	32,324
Other changes in unrestricted net assets Change in unrealized gains and losses on assets limited as to use and investments – other-than-trading securities	\$	(233)	\$	320

#### 6. Fair Value Measurements

WSH utilizes various methods of calculating the fair value of its financial assets and liabilities, when applicable Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Fair value measurements are applied based on the unit of account from WSH's perspective The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) The fair value hierarchy is comprised of three levels based on the source of inputs as follows

- Level 1 Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs
- Level 2 Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data
- Level 3 Unobservable inputs are used when little or no market data is available The fair value hierarchy gives the lowest priority to Level 3 inputs

# Notes to Consolidated Financial Statements (continued) (In Thousands)

### 6. Fair Value Measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, WSH uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

Financial assets carried at fair value as of June 30, 2011 and 2010 are classified in the table below in one of the three categories described above

	June 30, 2011				
_	Total				
	Fair Value	Level 1	Level 2	Level 3	
WSH Master Trust					
Debt securities issued by the U S					
agencies Treasury and other U S					
government corporations and agencies	\$ 56,599	\$ 56,599	\$ -	\$ -	
Government-sponsored enterprise					
mortgage-backed securities	11,895	_	11,895	_	
Other asset-backed securities	21,545	_	21,545	_	
Corporate debt securities	33,374	_	33,374	_	
Aggregate bond index fund	21,908	_	21,908	_	
Commodities/real return	28,396	28,396	_	_	
Equity securities					
Consumer discretionary and services	23,872	23,872	_	_	
Consumer staples	7,943	7,943	_	_	
Financial services	23,264	23,264	_	_	
Healthcare	16,024	16,024	_	_	
Materials and processing	17,084	17,084	_	_	
Other energy	16,899	16,899	_	_	
Producer durables	6,508	6,508	_	_	
Technology	32,918	32,918	_	_	
Utılıtıes	4,646	4,646	_	_	
Total equity securities	149,158	149,158	_		
Stock index fund	37,647	_	37,647	_	
Collective mutual funds and investment					
trusts	104,510	104,510	_	_	
Total WSH Master Trust	465,032	338,663	126,369		

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 6. Fair Value Measurements (continued)

			June 3	80, 2	011	
		Total				
	Fa	air Value	Level 1		Level 2	Level 3
Other assets						
Cash and cash equivalents agencies	\$	40,552	\$ 40,552	\$	_	\$ _
Mutual funds		6,343	4,291		2,052	_
Beneficial interest in perpetual trusts*		15,869	10,779		5,090	_
Swap collateral		14,272	14,272		_	_
Government-sponsored enterprise						
mortgage-backed securities		10,770	_		10,770	_
Debt securities issued by the U S						
agencies Treasury and other U S						
government corporations and agencies		54,895	54,895		_	_
Corporate debt securities		23,451	_		23,451	_
Money market funds investment trusts		7,964	7,964		_	_
Total other assets		174,116	132,753		41,363	
		639,148	471,416		167,732	_
		•	•		,	
Liabilities						
Interest rate swap agreements		(36,470)	_		(36,470)	_
	\$	602,678	\$ 471,416	\$	131,262	\$ 

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 6. Fair Value Measurements (continued)

	June 30, 2010				
-	Total		,		
	Fair Value	Level 1	Level 2	Level 3	
WSH Master Trust					
Debt securities issued by the U S					
agencies Treasury and other US					
government corporations and agencies	\$ 34,955	\$ 34,955	\$ -	\$ -	
Government-sponsored enterprise					
mortgage-backed securities	8.018	_	8.018	_	
Other asset-backed securities	25,221	_	25,221	_	
Corporate debt securities	33,833	_	33,833	_	
Aggregate bond index fund	20,996	_	20,996	_	
Commodities/real return	18,519	18,519	_	_	
Equity securities					
Autos and transportation	4.274	4,274	_	_	
Consumer discretionary and services	38,861	38,861	_	_	
Consumer staples	3,738	3,738	_	_	
Financial services	23,559	23,559	_	_	
Healthcare	14,541	14,541	_	_	
Materials and processing	6,270	6,270	_	_	
Other energy	11,367	11,367	_	_	
Producer durables	8,168	8,168	_	_	
Technology	19,342	19,342	_	_	
Utilities	4,257	4,257	_	_	
Total equity securities	134,377	134,377	_	_	
Stock index fund	23,284	_	23,284	_	
Collective mutual funds and investment					
trusts	43,958	43,958			
Total WSH Master Trust	343,161	231,809	111,352		

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 6. Fair Value Measurements (continued)

			June 3	0, 2	010	
		Total				
	F	air Value	Level 1		Level 2	Level 3
Other assets						_
Cash and cash equivalents agencies	\$	63,841	\$ 63,841	\$	_	\$ _
Mutual funds		5,028	5,028		_	_
Beneficial interest in perpetual trusts*		11,809	11,809		_	_
Swap collateral		12,675	12,675		_	_
Government-sponsored enterprise						
mortgage-backed securities		9,144	_		9,144	_
Debt securities issued by the U S						
agencies Treasury and other U S						
government corporations and agencies		10,427	10,427		_	_
Corporate debt securities		4,895	_		4,895	_
Money market funds investment trusts		49,650	49,650		_	
Total other assets		167,469	153,430		14,039	_
		510,630	385,239		125,391	_
Liabilities						
Interest rate swap agreements		(45,142)	_		(45,142)	_
	\$	465,488	\$ 385,239	\$	80,249	\$ _

<sup>\*</sup> Beneficial interest in perpetual trusts consists of investments in various securities not under WSH control

Certain investments such as real estate, private equity, absolute return limited partnership investments and land are carried at cost and excluded from the fair value reporting. The total value, at cost of the investments excluding land was \$111,669 and \$110,780 at June 30, 2011 and 2010, respectively. The total land value, at cost was \$5,060 at June 30, 2011 and 2010.

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 6. Fair Value Measurements (continued)

The fair value of investments carried at cost excluding land as of June 30, 2011 and 2010 are the following

	Total Fair Value		Unfunded					
	June 30		)	Commitments		Redemption		
		2011		2010	June 3	30, 2011	Frequency	Notice Period
Absolute return								
Multi-strategy (b)	\$	51,456	\$	46,804	\$	_	Quarterly	90 days
Long/short equity (a)		19,961		20,607		_	Annual	100 days
Long/short equity (a)		10,459		9,704		_	Quarterly	65 days
		81,876		77,115		_		-
Real estate								
							Intermittent, at	
Core <sup>(c)</sup>		21,235		21,641		_	Mgr discretion	N/A
Opportunistic <sup>(d)</sup>		3,839		3,920		_	N/A	N/A
		25,074		25,561		_	•	
Private equity(e)		28,242		19,609		13,365	N/A	N/A
	\$	135,192	\$	122,285	\$	13,365	•	

This class includes investments in hedge funds of funds that invest both long and short primarily in U.S. common stocks. The fund of funds manager has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to net short position. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

This class includes investments in hedge fund of funds that invest in multiple strategies including long and short equity, other non-directional, distressed securities, convertible arbitrage and fixed income arbitrage. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

This class includes public and private real estate funds that invest primarily in U S commercial real estate. The fair values of the investments in this class have been estimated using the net asset value of WSH's ownership interest in the partners' capital. The investments can be redeemed, however, distributions are at the fund manager's discretion.

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 6. Fair Value Measurements (continued)

- This class includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using the net asset value of WSH's ownership interest in the partners' capital. Distributions from the fund will be received as the underlying investments of the funds are liquidated and distributed by the fund manager. It is estimated that the underlying assets of the fund will be liquidated over 7 to 10 years from the inception of the fund.
- This class includes several private equity funds that invest primarily in domestic companies Distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets of the fund will be liquidated over 5 to 10 years from the fund's inception

### 7. Property and Equipment

The following is a summary of property and equipment

	<b>Estimated</b>	Jun	e 30
	Useful Life	2011	2010
Land		\$ 14,282	\$ 11,969
Land improvements	5 to 20 years	12,814	14,199
Buildings and building equipment	10 to 40 years	388,152	364,754
Fixed equipment	5 to 25 years	60,112	60,314
Major movable equipment	5 to 20 years	336,074	336,642
Construction-in-progress	-	57,283	24,358
		868,717	812,236
Less accumulated depreciation		(437,467)	(406,773)
Property and equipment, net	,	\$ 431,250	\$ 405,463

Depreciation expense for the years ended June 30, 2011 and 2010 was \$56,369 and \$57,236, respectively

WSH has outstanding purchase commitments related to various construction projects of approximately \$39,303 and \$66,614 at June 30, 2011 and 2010, respectively

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt

Long-term debt consists of the following

		30	
		2011	2010
Fixed rate debt			
2008 General Authority of South Central Pennsylvania			
Revenue Refunding Bonds, Series A, fixed rate interest,			
maturing in June 2037, collateralized by certain assets and gross receipts of YH and GH, net of unamortized			
discount of \$5,023 and \$5,215 at June 30, 2011 and			
2010, respectively	\$	176,552	\$ 182,833
GH Note Payable, fixed interest rate, dated December 29,		- · · · <b>,</b> - · -	<b>,</b>
2010, uncollateralized		1,159	_
WSH Fulton Bank Loan, fixed interest rate, dated May 17,			
2010, uncollateralized		236	249
Variable rate debt			
2008 General Authority of South Central Pennsylvania			
Revenue Refunding Bonds, Series B1-D, variable rate			
demand bond interest, maturing in June 2037,			
collateralized by certain assets and gross receipts of YH			
and GH (Series B-D bonds as of June 30, 2010 – see		<b>444 = 64</b>	211.006
following disclosures)		211,701	211,996
YH 1993 Hospital Revenue Refunding Bonds, auction rate interest on Series B, collateralized by YH's gross			
receipts until July 2021, net of unamortized discount of			
\$140 and \$155 at June 30, 2011 and 2010, respectively		30,860	32,695
AHSCP M&T Bank Loan, variable interest rate, dated		,	•
August 15, 2000 collateralized by certain assets		2,521	2,771
WP M&T Bank Loan, variable interest rate, dated			
March 28, 2011, uncollateralized		2,032	_
GH Note Payable, variable interest rate, dated March 30, 2007, collateralized by certain assets		1,773	2,056
Match 30, 2007, Condicionalized by Certain assets		1,//3	2,030

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

	June 30				
		2011	2010		
LHCP Note Payable, interest rate fixed at 6 69% until July 20, 2012 at which time the interest converts to a variable rate of LIBOR plus 2 25% for each succeeding five (5) year term, secured by guarantees from the two partners in the amount equal to the principal balance of					
the loan	\$	148 \$	729		
CHIP M&T Bank Loan, variable interest rate, dated					
September 15, 2006, collateralized by cash receipts		72	287		
		427,054	433,616		
Less current portion		(10,004)	(9,919)		
	\$	417,050 \$	423,697		

Long-term capital lease obligations consist of the following

	ounc ov			
		2011		2010
WSH Capital Lease Obligations, fixed interest rates,				
collateralized by leased property	\$	17,320	\$	2,270
Less current portion		(3,192)		(525)
	\$	14,128	\$	1,745

June 30

WSH uses quoted market prices in estimating the fair value of the revenue bonds and the carrying values of the other long-term obligations approximate fair value. The fair value of WSH's long-term debt, excluding capital lease obligations, was \$456,809 and \$455,487 at June 30, 2011 and 2010, respectively

On November 12, 2008, the General Authority of South Central Pennsylvania (General Authority) issued the Revenue Refunding Bonds, Series 2008 A-D to a "Borrower Group" of WP and an Obligated Group consisting of YH and GH The proceeds from this bond issuance were \$412,230 The 2008 Series were issued by the General Authority of South Central Pennsylvania pursuant to a Trust Indenture dated as of November 1, 2008 with Manufacturers and Traders Trust Company, as Trustee The 2008 Series A-D Bonds will be paid by YH, GH

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

and WP based on their allocated amounts, however, the payments are secured equally by the Borrower Group pursuant to a Loan Agreement dated as of November 1, 2007 among the Issuer, the Borrower Group and a Series 2008 Master Note issued by the members of the Borrower Group under a Master Trust Indenture dated as of June 15, 2001, between the Borrower Group and Manufacturers and Traders Trust Company, as Master Trustee The 2008 A Series are fixed rate bonds with interest rates ranging from 2 85 – 6 50% The interest rate for the 2008 B-D Variable Rate Demand Obligations for any week may not exceed the lesser of 12% per annum or the maximum rate of interest on the obligation permitted by applicable law

2008 Series B-D bonds were backed by bank letters of credit totaling \$213,511 of which \$139,486 was outstanding at June 30, 2010 Series B bonds were repurchased under the letter of credit and outstanding as bank bonds at June 30, 2010 The bonds were not considered extinguished and could be remarketed at a later date. The interest rate on the bonds while in bank bond status was LIBOR plus 1 20%. The interest rates on the 2008 Series B variable rate demand obligations was 1 55%, Series D variable rate demand obligations was 0 18% and Series C was 0 27% at June 30, 2010

In conjunction with the Series 2008 bond issuance, the Series 2007A Bonds, the Series 2007B Bonds, the Series 2005A Bonds, the Series 2005B Bonds, the Series 2005C Bonds, the Series 2005D Bonds, the VHA Bonds, and the Series 2000 bonds were refunded

On February 2, 2011, the Series B-D Bonds were restructured through an amendment to the Master Trust Indenture Under the terms of the restructuring, these bonds are now non-bank qualified loans and letters of credit are not required Interest is paid monthly and terms range from 5-10 years as follows

- Series B was split into Series B-1 and B-2
  - WSH issued Series B-1 to US Bank N A in the amount of \$40,025 for a term of 5 years. The variable interest rate is equal to (75% of one-month LIBOR) plus 0.70%. The rate at June 30, 2011, was 0.89%.
  - WSH issued Series B-2 to Manufacturers and Traders Trust Company in the amount of \$34,000 for a term of 5 years. The variable interest rate is equal to (67% of one-month LIBOR) plus 1 04%. The rate at June 30, 2011, was 1 17%.

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

- WSH issued Series C to TD Bank in the amount of \$56,740 for a term of 7 years. The variable interest rate is equal to 69% of (one-month LIBOR plus 0 89%) plus 0 45%. The rate at June 30, 2011, was 1 20%.
- WSH issued Series D to PNC, N A in the amount of \$80,935 for a term of 10 years The variable interest rate is equal to (65% of one-month LIBOR) plus 0.91% The rate at June 30, 2011, was 1.03%

A minimum of 365 days' notice of non-renewal is required by the banks prior to end of the term

On June 23, 1993, the Authority issued the Hospital Revenue Refunding Bonds, Series 1993 (the 1993 Bonds) to YH The Obligated Group for the 1993 Bonds consists only of YH The proceeds from this bond issuance were \$38,850, consisting of Select Auction Variable Rate Securities (SAVRS) Series B of 1993 (the Variable Rate Bonds) The 1993 Bonds were issued to refund the Hospital Revenue Refunding Bonds, Series 1991 (the 1991 Bonds) The interest rate for the 1993 Variable Rate Bonds for any 35-day auction period may not exceed the lesser of 12% or the maximum rate permitted by applicable law The interest rate on the 1993 Variable Rate Bonds was 1 17% and 49% at June 30, 2011 and 2010, respectively Interest rates for the 1993 bonds are no longer determined by auctions Interest rates on the 1993 bonds are set by the auction agent based on a municipal commercial paper rate and multiplied by 1 75, as described in the documents as the Applicable Percentage Interest rates are reset every 35 days The 1993 Variable Rate Bonds have a final maturity of July 1, 2021 Annual principal payments range from \$1,950 to \$3,700 Variable Rate Bonds The bonds have been insured by AMBAC

The 2008 and 1993 Bond indentures and related agreements contain certain restrictive covenants which, among other things, require the Obligated Group and YH, respectively, to maintain debt service coverage of 110% on all long-term indebtedness. The Obligated Group and YH have complied with all financial covenants at June 30, 2011 and 2010.

On August 15, 2000, AHSCP obtained a mortgage in the amount of \$5,000 from a bank for the construction of the surgery center expansion and other capital equipment. The interest rate is variable, and the rates at June 30, 2011 and 2010, were 0.84% and 0.99%, respectively Repayment is in monthly payments through June 1, 2015. A balloon payment of \$1,548 is due on June 1, 2015. All principal and interest payments on the loan have been collateralized by AHSCP assets.

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

On September 15, 2006, CHIP obtained financing in the amount of \$1,075 from M&T Bank for capital equipment. The interest rate is variable, and the rate at June 30, 2011 and 2010, was 90% and 1 03%, respectively. Repayment is in monthly payments through September 15, 2011. All principal and interest payments on the loan have been collateralized by CHIP cash receipts.

On March 30, 2007, Gettysburg Ambulatory Surgical Center, LLC (the Center) obtained financing in the amount of \$2,750 from M&T Bank The interest is equal to the one-month LIBOR plus 1 40% The interest rate at June 20, 2011 and 2010 was 1 65% and 1 78%, respectively Repayment is in monthly payments through April 2017 The note is secured by substantially all of the Center's assets The Center is required to maintain a cash flow coverage ratio of 1 25 to 1 0 and a minimum tangible net worth of \$300 On May 31, 2009, GH assumed the loan and all assets of the Center and renegotiated the note The interest rate remained consistent with the original note, however, the covenants were changed to be the same as the already-existing Master Trust indenture

On June 20, 1997, LHCP obtained financing in the amount of \$1,500 from PNC Bank for the purpose to fund the purchase and construction of the Littlestown Medical Center The interest is fixed until July 20, 2012, at 6 69% at which time the interest converts to a variable rate of LIBOR plus 2 25% for each succeeding five (5) year term Repayment is in monthly payments through January 20, 2018 The loan is secured by guarantees from the two partners in an amount equal to the principal balance of the loan

On May 17, 2010, WSH obtained financing in the amount of \$250 from Fulton Bank The interest is fixed at 8 25% Repayment is in monthly payments through May 17, 2015 A balloon payment of \$198 is due on May 17, 2015 The loan is uncollateralized

On August 1, 2010, WSH, YH, and GH entered into a master lease agreement and tax-exempt financing arrangement with Philips Medical Capital (Philips), a third-party Through the master lease agreement, WSH, YH, and GH will lease equipment from Adams County Industrial Development Authority, a third-party, which in turn serves as the lessee of Philips The master lease agreement is comprised of four groups of equipment, for which WSH, YH, and GH will receive title at the end of the respective lease terms WSH, YH, and GH may also receive title to the equipment at an earlier date if they exercise their purchase rights per the terms of the master lease agreement WSH has accounted for this transaction as a capital lease in accordance with ASC 840, Leases

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

Each group of equipment is financed through a separate tranche (Schedule) with a 6-year term under the tax-exempt financing arrangement, as follows

Tranche	Close Date	Close Date		
Schedule 1	August 31, 2010	\$	6,672	3 15%
		Ф	,	· ·
Schedule 2	December 10, 2010		4,163	3 29%
Schedule 3	March 23, 2011		4,419	3 39%
Schedule 4	June 24, 2011		1,646	3 15%
		\$	16,900	=

On December 29, 2010, GH closed a purchase agreement for the acquisition of a physical therapy facility. The interest rate is fixed at 2.75%. The note is in the amount of \$1,159 for which repayment is in yearly payments through December 29, 2015. The note is uncollateralized.

On March 25, 2011, WP obtained financing in the amount of \$2,032 from M&T Bank The financing was obtained from an available line of credit of \$5,000 The line of credit has \$2,968 available at June 30, 2011 The interest rate is variable and the rate at June 30, 2011, was 2 19% The note is uncollateralized

### **Maturities of Long-Term Debt**

Maturities of the long-term debt outstanding, as of June 30, 2011, net of \$5,163 in unamortized discount, are as follows

2012	\$ 13,196
2013	10,956
2014	10,981
2015	14,968
2016	13,849
2017 and thereafter	 380,424
	\$ 444,374

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

### **Swap Contracts**

WSH has entered into interest rate swap agreements with the intent of mitigating cash flow risk relating to change in the variable interest rates. Under the swap agreements, WSH pays interest at fixed rates and receives interest at variable rates. The swap settles on a monthly basis. The following schedule outlines the terms and fair market values of the interest rate swap agreements that are included in other liabilities on the accompanying consolidated balance sheets.

	June 30, 2011							
	Series 1993	Series 2005	Series 2007	M & T Note				
Notional amount Effective date Termination date Fixed rate Variable rate basis Recorded liability	\$ 31,000 6/23/1993 7/13/2021 5.540% SAVRS Rate \$ (4,473)	\$ 109,040 5/17/2005 5/15/2031 3.600% USD-Libor-BBA- 1MT *.624 + .0029 \$ (12,448)	\$ 140,000 6/05/2007 6/01/2037 3.636% USD-Libor-BBA- 1MT *.617 + .0031 \$ (19,368)	\$ 1,782 9/21/2007 4/03/2017 5.000% USD-Libor-BBA- 1MT *.617 \$ (181)				
•								
		Juna 2	0.2010					
	Series 1993		0, 2010 Series 2007	M & T Note				
	Series 1993	June 3 Series 2005	,	M & T Note				
Notional amount	Series 1993 \$ 32.850		,	M & T Note \$ 2.088				
Notional amount Effective date		Series 2005	Series 2007					
	\$ 32,850	<b>Series 2005</b> \$ 112,100	Series 2007 \$ 140,000	\$ 2,088				
Effective date	\$ 32.850 6/23/1993	\$ 112,100 5/17/2005	\$ 140,000 6/05/2007	\$ 2.088 9/21/2007				
Effective date Termination date	\$ 32.850 6/23/1993 7/13/2021	\$ 112,100 5/17/2005 5/15/2031	\$ 140,000 6/05/2007 6/01/2037	\$ 2.088 9/21/2007 4/03/2017				

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

The fair value and the presentation of the Company's swap contracts in the consolidated balance sheets are as follows

Derivatives Not Designated as Hedging Instruments		June 3	0
Under ASC 815	Balance Sheet Location	2011	2010
Series 1993		\$ (4,473) \$	(4,473)
Series 2005		(12,448)	(15,396)
Series 2007		(19,368)	(25,046)
M & T Note		(181)	(227)
Total	Interest rate swaps agreements	\$ (36,470) \$	(45,142)

The effect and the presentation of the Company's swap contracts on the consolidated statements of operations are as follows

Derivatives Not Designated		Amount of n Income o		` '
as Hedging Instruments Under ASC 815	Location of Gain (Loss) in Income on Derivatives	Year End 2011	ed J	une 30 2010
Series 2005 Series 2007 M & T Note		\$ 2,948 5,678 46	\$	(4,634) (7,541) (24)
Total	Change in fair value of interest rate swap agreements	\$ 8,672	\$	(12,199)

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 8. Long-Term Debt (continued)

YH entered into an interest rate swap agreement with Lehman Brothers Special Financing, Inc (Lehman) to reduce the impact of changes in interest rates on its 1993 Variable Rate Auction Bonds The interest rate swap agreement was scheduled to mature at the time the 1993 Variable Rate Bonds mature, however, Lehman failed to perform certain activities under the agreement in the second half of 2008 and WSH concluded Lehman to be in default of the swap agreement WSH filed a termination notice under the provisions of the swap agreement on May 20, 2009 Lehman has not agreed to the termination and the matter is further complicated because of Lehman's bankruptcy filing on September 15, 2008 The final settlement will be determined by the Bankruptcy Court The liability recorded at June 30, 2010 is expected to be sufficient to provide for the settlement WSH believes these actions will not have a material adverse effect on its consolidated financial position or the results of operations

The Company paid \$7,926 and \$8,155 for the years ended June 30, 2011 and 2010, respectively These payments are included in interest expense within the consolidated statements of operations and changes in net assets

### 9. Amounts Available Under Line and Letters of Credit

At June 30, 2011, WellSpan Health collectively, maintained two unused lines of credit for \$10,000 each In addition, WP maintained a line of credit with a bank for \$5,000 of which \$2,968 was unused at June 30, 2011 At June 30, 2011, WellSpan Health had unused, unsecured standby letters of credit with a bank totaling \$18,360

### 10. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	June 30				
		2011		2010	
Health care services					
Professional education	\$	1,263	\$	2,794	
Health care promotion		11,860		13,534	
	\$	13,123	\$	16,328	

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 10. Temporarily and Permanently Restricted Net Assets (continued)

During 2011 and 2010, \$11,539 and \$6,276 of net assets were released from donor restrictions, respectively, by incurring expenses satisfying the restricted purposes relating to the purchase of property and equipment, providing professional education and health care promotion

Permanently restricted net assets were restricted to

Permanent endowment funds, the income of which was permitted to be used to support health care services Funds held in trust by others

June 30												
2011 2010												
\$	2,976 15,915	\$	2,379 12,147									
\$	18,891	\$	14,526									

WSH is named as a beneficiary under several perpetual trusts WSH's beneficiary interest allocation in each of these trusts varies by trust

### 11. Estimated Self-Insurance Costs

The estimated liability for self-insurance costs consists of

	June 30					
	2011			2010		
Professional liability	\$	33,904	\$	29,801		
Health benefits		8,792		7,965		
Short-term disability		339		375		
Workers' compensation		8,082		7,059		
		51,117		45,200		
Less current portion		(14,812)		(16,826)		
	\$	36,305	\$	28,374		
		•				

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 11. Estimated Self-Insurance Costs (continued)

For the years ended June 30, 2011 and 2010, malpractice claims up to \$500 were paid through WRRRG WSH obtains excess coverage from the Medical Care Availability and Reduction of Error Fund (MCARE Fund) for claims between \$500 and \$1,000 Claims between \$1,000 and \$5,000 in 2011 and 2010 were self-insured by WSH Excess coverage of losses between \$5,000 and \$35,000 was commercially insured At June 30, 2011 and 2010, estimated professional liability reserve requirements for WSH have been discounted at 4%

The MCARE Act was enacted by the Pennsylvania legislature in 2002 The Act created the MCARE Fund, which replaced the Pennsylvania Medical Professional Liability Catastrophe Loss Fund (CAT Fund) as the state-mandated funding mechanism for the payment of medical malpractice claims exceeding the primary layer of professional liability insurance carried by YH, GH and WMG and other health care providers practicing in the state The MCARE Fund is funded on a "pay as you go basis" The MCARE Fund levies health care provider surcharges, calculated as a percentage of the premiums established by the Joint Underwriting Association (also a Commonwealth of Pennsylvania agency) for basic coverage, to pay claims and administrative expenses on behalf of MCARE Fund participants The MCARE Act legislation provides for the gradual phase-out of MCARE Fund coverage, however, this has been recently deferred by the Pennsylvania legislation and will be considered in the future

The unaudited actuarially computed liability for all health care providers (hospital, physicians, and others) participating in the MCARE Fund at June 30, 2008 (the latest date for which such information is available), was \$1.79 billion. Current law provides that the unfunded liability will likely be funded through assessments in future years as MCARE Fund-covered claims are eventually settled and paid. The Commonwealth has agreed to devote the proceeds of the Automobile Catastrophe Fund surcharge, estimated at \$40,000 per year for ten years (for a total of \$400,000) from 2002 through 2012 to help offset the MCARE Fund unfunded liability

WSH's annual premiums for participation in the MCARE Fund were \$1,646 and \$1,789 for the years ended June 30, 2011 and 2010, respectively No provision has been made for any future MCARE Fund assessments in the accompanying consolidated financial statements as WSH's portion of the MCARE Fund unfunded liability cannot be reasonably estimated

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 11. Estimated Self-Insurance Costs (continued)

WSH is self-insured for workers' compensation and most employee health benefit claims up to program-specific limitations. Claims in excess of these limitations are covered by a comprehensive insurance policy on an occurrence basis. At June 30, 2011 and 2010, the reserve for workers' compensation claims, discounted at 5%, was \$8,082 and \$7,059, respectively. At June 30, 2011 and 2010, the reserve for medical claims incurred but not reported was \$8,792 and \$7,965, respectively.

There is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

### 12. Retirement Benefits

### **Defined Benefit Plan**

WSH has a qualified defined benefit pension plan (the WSH Plan) covering all eligible WSH employees hired prior to August 19, 2007 WSH makes contributions to the WSH Plan as determined by the actuary At June 30, 2011 and 2010, the accrued pension liability of the WSH Plan is included in accrued retirement benefits The measurement date of the WSH Plan is June 30

WellSpan Health also offers a Retirement Savings Plan to eligible active employees who are not eligible for the defined benefit plan. Any existing employee who met certain eligibility requirements and was hired prior to August 19, 2007 had the option to stay within the existing defined benefit plan and continue to accrue benefits or opt out and receive benefits under the new defined contribution plan with matching contributions. If an individual opted out of the defined benefit plan, any benefits accrued through December 31, 2007 were frozen. All employees hired after August 19, 2007 are automatically enrolled in the defined contribution plan.

Retired employees of WSH, who have met the requirements to become vested under the terms of the WSH Plan and are over 55 years of age at the time of their retirement, are provided health and life insurance benefits (Other Benefits) The measurement date of the Other Benefits is June 30

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

The following table summarizes information about the Plans

		Pension	Ber	efits		Other Benefits			
				Jun	e 30	ı			
		2011		2010		2011		2010	
Changes in benefit obligations									
Benefit obligation at beginning of year	\$	542,829	\$	412,191	\$	21,907	\$	19,578	
Service cost, net		18,965		15,855		1,391		1,242	
Interest cost		30,340		28,491		1,280		1,298	
Change due to assumption change		(22,117)		89,877		(337)		986	
Actuarial loss (gain)		7,780		5,655		60		(467)	
Loss recognized due to temporary									
deviation in substantive plan				_		88		96	
Benefits paid		(10,550)		(9,240)		(905)		(826)	
Benefit obligation at end of year	\$	567,247	\$	542,829	\$	23,484	\$	21,907	
Accumulated benefit obligation	\$	478,802	\$	457,720	\$	N/A		N/A	
Changes in plan assets Fair value of plan assets at beginning of									
year	\$	322,075	\$	285,558	\$	_	\$	_	
Actual return on plan assets		68,232		32,324		_		_	
Contributions by WSH		10,921		13,433		905		826	
Benefits and expenses paid		(10,550)		(9,240)		(905)		(826)	
Fair value of plan assets at end of year	\$	390,678	\$	322,075	\$	_	\$		
Funded status at end of year	\$	(176,569)	\$	(220,754)	\$	(23,484)	\$	(21,907)	
Amounts recognized in the consolidated balance sheets consist of Accrued retirement benefits	\$	(176,569)	\$	(220,754)	\$	(23,484)	\$	(21,907)	
Accided retifement benefits	<u> </u>	(1/0,309)	Ф	(220,734)	Þ	(43,404)	Ф	(21,907)	

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

	<b>Pension Benefits</b>			Other Benefits			
	June			e 30	)		
		2011		2010		2011	2010
Amounts recognized in accumulated unrestricted net assets consist of							
Prior service cost	\$	1,214	\$	1,992	\$	3,776 \$	3,821
Net actuarial loss (gain)		156,891		230,412		(4,495)	(4,458)
C ,	\$	158,105	\$	232,404	\$	(719) \$	(637)
Components of net periodic benefit cost							
Service cost	\$	18,965	\$	15,855	\$	984 \$	869
Interest cost		30,340		28,491		1,280	1,298
Expected return on assets		(28,509)		(24,535)		_	_
Loss recognized due to temporary deviation in substantive plan		_		_		88	96
Amortization of prior service cost		778		774		407	373
Amortization of unrecognized net		, , ,		,,,		107	2,2
actuarial loss (gain)		19,462		12,282		(195)	(690)
Net periodic benefit cost		41,036		32,867		2,564	1,946
Other changes in retirement benefits recognized in unrestricted net assets consist of							
Current-year actuarial (gain) loss		(54,059)		87,744		(371)	519
Recognized actuarial (gain) loss		(778)		(774)		289	423
Amortization of prior service cost		(19,462)		(12,282)		_	267
Total recognized in unrestricted net assets		(74,299)		74,688		(82)	1,209
Total recognized in net periodic benefit							
cost and unrestricted net assets	\$	(33,263)	\$	107,555	\$	2,482 \$	3,155

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

The estimated amounts of net actuarial loss (gain) and the prior service cost that are expected to be amortized from other changes in unrestricted net assets into net periodic benefit cost for the next fiscal year are as follows

	Pension		Other	
	Benefits		Benefits	Total
Prior service cost	\$ 736	\$	- \$	736
Net loss (gain)	11,105		(280)	10,825
Total	\$ 11,841	\$	(280) \$	11,561

_	Pension 1	Benefits	Other B	enefits
		June	30	
_	2011	2010	2011	2010
Assumptions				
Weighted-average				
assumptions used to				
determine benefit				
obligations at June 30				
Discount rate	5.85%	5 65%	5.85%	5 65%
Rate of increase in future				
compensation levels	4.00%	4 00%	N/A	N/A
Weighted-average				
assumptions used to				
determine net periodic				
benefit cost for the years				
ended June 30				
Discount rate	5.65%	7 00%	5.65%	7 00%
Rate of increase in future				
compensation levels	4.00%	4 75%	N/A	N/A
Expected long-term rate of				
return on assets	8.75%	8 75%	N/A	N/A

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

To develop the expected long-term rate of return on assets assumption, WSH considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio

The WSH Plan weighted-average asset allocations by asset category are as follows

	A	Asset Allocation			ie 30
	Minimum	Target	Maximum	2011	2010
Asset category					
Equity securities	45%	50%	55%	58%	54%
Debt securities	15	20	25	17	19
Other	25	30	35	25	27
			_	100%	100%

The above allocation reflects policies that are established to ensure that the portfolio is invested according to modern portfolio theory. The asset allocation is developed to generate growth in asset value by utilizing higher-returning asset classes and proper diversification.

	June 30			
	2	011	2	2010
Effect of 1% increase/decrease in health care cost				
trend rates on				
Postretirement benefit obligation	\$	42	\$	32
Total of service cost and interest cost component		2		2

The health care cost trend rate for purposes of determining the net periodic benefit cost and disclosure was 5 25% in 2011 and 2010

### **Cash Flows**

### Contributions

WSH expects to contribute during the 2012 fiscal year approximately \$41,300 related to the pension plan and \$504 related to the other benefits

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

### Fair Value Measurements

The following tables set forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of June 30, 2011 and 2010

	June 30, 2011							
	T	otal Fair						
		Value		Level 1	Level 2	Level 3		
Cash and cash equivalents	\$	2,334	\$	2,334 \$	- <b>\$</b>	_		
Aggregate bond index fund	~	28,589	~	_,=====================================	28,589	_		
Commodities/real return		16,413		16,413		_		
Registered investment companies		137,490		52,448	85,042	_		
Private equity <sup>(1)</sup>		64,618		_	_	64,618		
Real estate partnerships <sup>(2).(3)</sup>		14,385		_	_	14,385		
Guaranteed annuity contracts		4,417		_	4,417	<i>-</i>		
Equity securities								
Consumer discretionary and								
services		19,873		19,873	_	_		
Consumer staples		6,821		6,821	_	_		
Financial services		18,297		18,297	_	_		
Healthcare		13,108		13,108	_	_		
Materials and processing		13,701		13,701	_	_		
Other energy		13,974		13,974	_	_		
Producer durables		5,149		5,149	_	_		
Technology		27,855		27,855	_	_		
Utilities		3,654		3,654	_	_		
Total equity securities		122,432		122,432	_			
	\$	390,678	\$	193,627 \$	118,048 \$	79,003		

<sup>(1)</sup> The Plan also maintains investments in private investment funds, these include investments in Common Sense Offshore Ltd (Common Sense), Quellos Institutional Partners (Quellos), Siguler Guff Opportunities III (Siguler Guff), Private Advisors, and Portfolio Advisors Secondary Fund LP (Portfolio Advisors) The estimated fair market value of these

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

investments is determined by the total net assets of the fund attributable to common shares, divided by the number of common shares outstanding. The total net asset value of the fund is determined by the market value of the underlying investments if they are securities listed on a national securities exchange or traded over the counter. For those securities not openly traded, the investment manager generally utilizes the most recent relevant information or performance reports of such managed account or investment partnership, unless the investment manager determines some other valuation is more appropriate. On an annual basis, Common Sense, Quellos, Siguler Guff, Private Advisors, and Portfolio Advisors provide audited financial statements from independent audit firms for review

- The Plan's investments in the Guggenheim Real Estate Commingled Trust include interests in a collection of publicly traded securities, property funds, direct property investments, and mezzanine financings The publicly traded securities and property funds are valued at the last reported sales price on the last day of the period The direct property investments are initially recorded at the total cost to acquire the properties and subsequently these values are adjusted based on the opinions of value obtained quarterly from independent real estate investment managers The mezzanine financings are valued based on fair market values determined by the Guggenheim Real Estate Commingled Trust based upon an estimate of realized proceeds from hypothetical liquidation On an annual basis, the Guggenheim Real Estate Commingled Trust provides a copy of its audited financial statements from an independent audit firm for review
- (3) The Plan's investment in AEW Partners, LP (AEW) includes interests in direct property investment, joint ventures, and debt or real estate-related securities. The investments are initially recorded at the total cost to acquire the properties and related security interests. Annually, the General Partner submits a proposal to the Limited Partners on the method to determine the valuation of each asset. Valuation methods are based on a report by an independent appraiser, a current market price (in the case of marketable securities) or the General Partner's good faith estimate of value. On an annual basis, AEW provides a copy of its audited financial statements from an independent audit firm for review.

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

	June 30, 2010							
	T	otal Fair						
		Value		Level 1		Level 2	Level 3	
Cash and cash equivalents	\$	951	\$	951	\$	- \$	_	
Aggregate bond index fund	Ψ	27,524	Ψ	_	Ψ	27,524	_	
Commodities/real return		12,186		12,186			_	
Registered investment companies		91,655		31,481		60,174	_	
Private equity		58,256		-		_	58,256	
Real estate partnerships		16,400		_		_	16,400	
Guaranteed annuity contracts		4,476		_		4,476	_	
Equity securities		,				,		
Consumer discretionary and								
services		14,912		14,912		_	_	
Consumer staples		6,594		6,594		_	_	
Financial services		19,029		19,029		_	_	
Healthcare		14,125		14,125		_	_	
Materials and processing		10,868		10,868		_	_	
Other energy		9,566		9,566		_	_	
Producer durables		4,098		4,098		_	_	
Technology		27,674		27,674		_	_	
Utilities		3,761		3,761		_		
Total equity securities		110,627		110,627				
	\$	322,075	\$	155,245	\$	92,174 \$	74,656	

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended June 30, 2011

		Level 3	3 As	sets
	In	Private vestment Funds	Par	eal Estate rtnerships and mmingled Trusts
Balance, beginning of year	<del></del>	58,256		16,400
Realized gains (losses)	Ψ	735	Ψ	789
Unrealized gains (losses) Purchases, sales, issuances and settlements, net		3,327 2,300		1,737 (4,541)
Balance, end of year	\$	64,618	\$	14,385

### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

		Pension Benefits	her efits
Fiscal year	_		
2012	\$	12,256	\$ 504
2013		14,243	633
2014		16,583	676
2015		19,058	706
2016		21,746	752
2017-2018		155,338	4,169

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 12. Retirement Benefits (continued)

### **Defined Contribution Plans**

WSH sponsors two defined contribution plans the WellSpan Health 401(k) Plan which is for the benefit of eligible employees of York Health Plan, Apple Hill Surgical Center, and WellSpan Pharmacy, and the WellSpan Health 403(b) Plan which is for the benefit of WellSpan Health, York Hospital, WellSpan Medical Group, Healthy Community Pharmacy, WellSpan Specialty Services, VNA Home Health, VNA Community Services, and Gettysburg Hospital WSH began matching contributions to the plans on January 1, 2008, and employer contributions are based on a formula as defined by the plan document

The amount of expense related to these plans was \$11,171 and \$9,907 for the years ended June 30, 2011 and 2010, respectively

### 13. Minority Interest

In 2011 and 2010, WSH accounted for the following minority interests in joint ventures controlled by WSH based on the minority partner's share of the related (loss) and income of the venture and the ending equity balance of the venture

	Minority Interest	Minority Jur	Inte ie 30		In	come (Loss Interes Year End	t for	the
	<u>%</u>	2011		2010		2011		2010
AHSCP	34%	\$ 2,062	\$	1,741	\$	1,008	\$	850
Q-WH	50%	16		19		(3)		1
CHIP	49%	909		980		(47)		285
CTCC	50%	1,594		1,736		46		(13)
LHCP	50%	1,523		1,283		52		50
AHCA	43%	603		_		15		_
		\$ 6,707	\$	5,759	\$	1,071	\$	1,173

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 14. Investments in Joint Ventures

In 2011 and 2010, WSH accounted for the following investments in joint ventures on the equity method of accounting, and recorded the related equity in (loss) and income on joint ventures

	Ownership	Invest Jun	men ie 30		E	quity in (Loss Investment Year Endec	ts for the
	<u>%</u>	2011		2010		2011	2010
DRF	33%	\$ 260	\$	260	\$	- :	\$ -
PHO	50%	98		109		(11)	(4)
QUEST	20%	6		4		2	1
CPAL	20%	349		348		1	_
		\$ 713	\$	721	\$	(8)	\$ (3)

WHCS guarantees a note related to a loan agreement made by a local bank to LHCP WHCS and an unaffiliated health care provider each own 50% of LHCP. The loan balance was \$148 and \$729 at June 30, 2011 and 2010, respectively. The loan agreement and note originated in June 1997 for the development and construction of health care facilities located in Littlestown, Pennsylvania, and amortizes to December 2017. The note is collateralized by the value of the land and facilities owned by the partnership.

### 15. Commitments and Contingencies

### Health Care Regulatory Environment and Reliance on Government Programs

The health care industry in general and the services that WSH provides are subject to extensive federal and state laws and regulations. Additionally, a portion of WSH's revenue is from payments by government-sponsored health care programs, principally Medicare and Medicaid, and is subject to audit and adjustments by applicable regulatory agencies. Failure to comply with any of these laws or regulations, the results of regulatory audits and adjustments, or changes in the amounts payable for WSH's services under these programs could have a material adverse effect on WSH's consolidated financial position and results of operations

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 15. Commitments and Contingencies (continued)

### **Operating Leases**

WSH leases office space and medical practice sites under operating leases. The following is a summary of future minimum rental payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2011

2012	\$ 6,028
2013	5,075
2014	3,794
2015	2,593
2016	2,393
2017 and thereafter	11,209
Total minimum payments required	\$ 31,092

Rent expense under operating leases was \$6,160 and \$5,757 for the years ended June 30, 2011 and 2010, respectively, and is included in supplies and other expenses in the consolidated statements of operations Some of the rental agreements include clauses for rent escalation

### **Commitment**

In August 2011, WSH entered into a \$9,389 two-year fixed technology fee arrangement with its primary inpatient electronic health record (EHR) software vendor. This vendor is one of the industry's leading suppliers of healthcare information technology solutions and already supplies WSH with the operating system for its EHR, and many of the key clinical applications already in place or currently being implemented.

The two-year agreement is for a total of \$9,389 and will be paid over the contract term in equal yearly payments. It provides for the acquisition of a specific set of software subscriptions from the EHR's catalogue of products, a given amount of implementation support services and software maintenance support over the contract period

### Notes to Consolidated Financial Statements (continued) (In Thousands)

### 15. Commitments and Contingencies (continued)

### Litigation

WSH is involved in litigation and regulatory investigations arising in the normal course of business After consultation with legal counsel, management believes that these matters will be resolved without material adverse effect on WSH's future consolidated financial position or results of operations

### 16. Functional Expenses

WSH provides general health care services to residents within its geographic location Expenses related to providing these services are as follows

	Year End	ed	June 30
	 2011		2010
Program activities General and administrative	\$ 978,394 152,813	\$	910,893 149,379
	\$ 1,131,207	\$	1,060,272

### 17. Subsequent Events

The Company has evaluated subsequent events that have occurred for recognition or disclosure through October 18, 2011, the date the financial statements were available to be issued





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### Report of Independent Auditors on Other Financial Information

Board of Directors WellSpan Health

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The following financial information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements of WellSpan Health. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole

October 18, 2011

## WellSpan Health Consolidating Balance Sheet (In Thousands)

June 30, 2011

	WellSpan	York	WellSpan Health Care Services	WellSpan Medical	York Health	Apple Hill Surgical Center	WellSpan Reciprocal Risk Retention	WellSpan Specialty Services	York Provider	Gettysburg Hospital	York Health	Consolidating Consolidated	onsolidated
Assets Current assets	nean	nospitai	Consolidated	Croup		rarmers	Group	Consolidated	Network	Consonuated	roundation	Elliniauons	Lotals
Cash and cash equivalents	\$ 5.214	\$ 30,729		\$ 453 \$	324	\$ 2.046	\$ 1.168	\$ 3.103	- I	\$ 3.983	6†8 \$	\$ (8.507) \$	42,433
Due from affiliates	20,483	I	278	I	I	I	I	154	I	I	I	(20.915)	ı
Assets limited as to use	I	∞	I	I	I	I	3,503	I	I	I	I	1	3.511
Patient accounts receivable, net	I	100,119	3.981	12,615	I	1,466	I	1.991	I	16.615	I	I	136.787
Other receivables	1.969	6.531	324	3.250	116	I	134	9	I	1.541	3	I	13.874
Inventories	174	3,108	2,418	389	I	475	I	29	1	837	I	ı	7,430
Prepaid expenses	10.896	2.826	<del>7</del> 07	684	149	16	92	77	I	388	2	I	15.485
Total current assets	38.736	143,321	10,476	17,391	589	4,003	4.881	5.327	I	23,364	854	(29,422)	219,520
Unrestricted investments	7.935	I	5.059	I	I	I	I	7.686	I	640	I	I	21,320
Investments limited as to use													
Board-designated	I	525.858	I	I	I	I	I	16.764	I	86.902	I	I	629.524
Under bond indenture	I	I	I	I	I	I	I	26.775	I	I	I	I	26.775
Self-insurance trust	I	I	1	I	I	1	11.045	1	I	I	I	I	11.045
Temporarily restricted investments	I	319	I	I	I	I	I	1.094	I	625	4.856	I	6.894
Permanently restricted investments	I	350	I	1	I	I	I	2.626	1	I	1	1	2.976
Beneficial interest in perpetual trusts	I	6.759	ı	ı	1	ı	1	3.109	1	6,001	I	ı	15.869
	I	533.286	I	I	I	I	11.045	50,368	I	93.528	4.856	I	693,083
Pledges recen able, net	I	I	I	I	I	I	I	55	I	155	1.573	I	1.783
Property and equipment, net	29,225	227.852	81.192	14.282	345	5.173	1	35,708	I	37,467	9	I	431,250
Investments in joint ventures	4,443	I	190	I	I	I	l	I	I	76	I	(4.017)	713
Notes receivable – affiliates	2.300	l	I	ı	I	I	920	I	I	I	I	(3.220)	I
Deferred financing costs, net	I	2.096	448	I	I	14	I	405	I	203	I	I	3.166
Interest in net assets of Foundation	I	4.856	I	ı	I	I	I	I	I	I	1	(4.856)	I
Other assets	5.990	1	118	1	1	177	1	1	1	7,070	1	1	13,355
Total assets	\$ 88.629	\$ 911,411	\$ 97.483	\$ 31.673 \$	934	\$ 9.367	\$ 16.846	6+5.66 \$	- \$	\$ 162,524	\$ 7.289	\$ (41.515) \$	1.384.190

# Consolidating Balance Sheet (continued) (In Thousands)

June 30, 2011

	WellSpan Hoolth	York Hosnifel	WellSpan Health Care Services	WellSpan Medical Grean	York Health Plan	Apple Hill Surgical Center	WellSpan Reciprocal Risk Retention	WellSpan Specialty Services	York Provider	Gettysburg Hospital	York Health Foundation	Consolidating Consolidated	Consolidated
Liabilities and net assets		mobitan	College	droid			dno 15	College					
of capital lease obligations	· · · · · · · · · · · · · · · · · · ·	\$ 3.192	s,   	\$	1	- 	- 	- -	-	- I - S		<del>S</del>	\$ 3.192
	911		1.288	I	I	250	I	088	I		I	I	
Accounts payable and accrued expenses	12.933	12.972	1.570	887	199	234	74	6.027	I	2,500	11	I	37,407
Bank pay able	2.037	I	932	I	I	I	I	5.538	l	I	l	(8.507)	I
Accrued interest pay able	I	2.307	I	I	I	2	1	I	l	I	l	I	2.309
Accrued salaries and wages	9.516	25.363	633	16,075	486	469	I	922	I	4,771	16	I	58,105
Advances from third-party payor	101	2.391	I	I	88	I	I	06	1	423	21	I	3,114
Self-insurance costs and postretirement benefits	11.308	505	I	I	I	Í	3.503	I	l	I	I	I	15,316
Estimated third-party payor settlements	I	1.025	I	I	I	I	I	I	I	767	I	I	1.319
Due to affiliates	I	10,830	266	216	200	48	1	1.591	I	6,730	303	(20.915)	I
Total current liabilities	36.806	64,057	5,420	17,178	973	1,003	3.577	14,902	I	15,921	351	(29,422)	130,766
Estimated self-insurance costs	23,636	I	I	I	I	I	12.669	I	I	I	I	I	36,305
Long-term capital lease obligations, less current portion	I	14,128	I	I	I	1	I	I	I	I	I	I	14.128
Long-term debt, less current portion	6.927	264,491	61.976	I	I	2,271	I	49.331	l	32.054	l	I	417,050
Accrued retirement benefits	184,127	15,422	I	I	I	I	I	I	I	I	I	I	199,549
Note pay able – affiliates	14	614	2.300	140	I	12	ı	19	1	121	I	(3.220)	1
Interest rate swap agreements	I	24.286	8.301	I	I	I	1	I	1	3.883	I	I	36,470
Other noncurrent liabilities	I	1.511	I	I	I	I	I	I	I	I	I	ı	1.511
Total liabilities	251,510	384.509	146611	17.318	973	3.286	16.246	64.252	I	51.979	351	(32,642)	835.779
Net assets													
Unrestricted	(163.250)	510,555	14.843	14,338	(39)	6.081	009	28.389	l	103,711	543	(6.081)	509,690
Temporarıly restricted	369	4.346	I	17	I	I	I	1.173	I	823	6.395	I	13.123
Permanently restricted	l	7.145	l	l	I	I	I	5.735	I	6,011	I	- (350 F)	18.891
IIIIelest III liet assets of Foundation	1	4,000		1   !	1		1	1	1	1		(4.000)	
WellSpan Health net assets	(162.881)	526,902	14,843	14.355	(39)	6,081	009	35.297	I	110.545	6.938	(10.937)	541,704
Minority interest	_	I	4.643	_	_	_	_	_	I	_	-	2,064	6.707
Total net assets	(162.881)	526,902	19.486	14,355	(39)	6.081	009	35.297	ı	110.545	6.938	(8.873)	548,411
Total liabilities and net assets	\$ 88,629	\$ 911,411	\$ 97,483 \$	31.673 \$	934 \$	\$ 9,367	\$ 16.846	\$ 99.549	- \$	\$ 162,524	\$ 7.289	\$ (41.515)	\$ 1,384,190

# Consolidating Statement of Operations (In Thousands)

Year Ended June 30, 2011

			WellSpan Health Care	WellSpan	York	Apple Hill Surgical	WellSpan Reciprocal	WellSpan Specialty	York	Gettysburg	York		
	WellSpan Health	York Hospital	Services Consolidated	Medical Group	Health Plan		Risk Retention Group	Services Consolidated	Provider Network	Hospital Consolidated	Health Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted revenues, gains, and other support Net patient service revenue	₩	l	\$ 6567		\$	l		\$ 11.374	 	\$ 135.564	- I	\$ 1.349	\$ 1.093.377
Capitation revenue	I			5,471									
Other revenue  Not accept released from restrictions used for anerations	210.838	12.578	46.529	53.599	7.256	25	6.147	9	1	824	784	(285,315)	53.271 5 9.18
Total revenues, gains, and other support	212,984	807.885	51.488	192,773	7.256	13,820	6.147	11.445	1	136,611	1.624	(283.966)	1.158.067
Expenses													
Salaries and wages	51.995	245.161	6.011	132,774	3.836	3,479	I	7.929	I	44,615	†0†		196.204
Employ ee benefits Drofessional fees	125.959	97,314	2.508	37.921	1.672	1.427 585	_ - \$71	3.249		13,6118	150	(106.943)	1/9.3/5
Supplies and other	54.510	243.486	31.973	30.793	1.535	797 1504	5.486	1.824		35.379	1.050	(91.132)	319.408
Depreciation and amortization	11.623	30,330	4,108	3,999	79	599		179	l	5.596	3		56.516
Interest	1.117	14,423	3.628	I	I	24	I	I	I	1.753	I	(1.012)	19,933
Provision for bad debts	I	33,530	147	5,336	1	227	I	39	1	7,415	I	1	16,694
Total operating expenses	245.579	743.536	19.657	212,639	7.854	10.845	5.661	13.553	_	124,494	1.624	(284,235)	1.131.207
Operating income (loss)	(32,595)	645,49	1.831	(19.866)	(598)	2.975	98†	(2.108)	I	12,117	I	269	26.860
Other income (expense)													
Contributions	I	214	72	I	I	I	I	216	l	95	77	I	674
Investment income, net	336	57.544	I	112	+	10	634	7.006	I	12.856	<del>-1</del>	(1.012)	74,494
Equity in income of joint ventures	1.908	747	<del>†</del> 6	171	I	14	I	23	I	136	I	(3.101)	(8)
Gam (loss) on sale of assets/other	12	62	1 :	(26)	I	I	I	2	1	2	I	I	52
Change in fair value of interest rate swap agreements	1 (	5.160	2,434	- ć	I	I (	I	1	l	1.078	l	1	8,672
Other income (expense)	76	(1.362)	(/)	(35)	I	(9)	1	I	1	8+I	I	/+3	(/9+)
Total other income (expense)	2,308	62.365	2.593	225	<del>-</del> †	15	634	4.247	I	14,315	81	(3.370)	83,417
Excess (deficiency) of revenues over expenses before minority interest	(30.287)	126.714	1,124	(19,641)	(594)	2.990	1.120	2.139	l	26.432	81	(3.101)	110.277
Minority interest	Ι	Ι	(63)	-	Ι	1	1	-	_	-	-	(1.008)	(1.071)
Excess (deficiency) of revenues over expenses	(30.287)	126.714	1361	(19,641)	(594)	2.990	1.120	2.139	I	26,432	81	(4.109)	109,206
Other changes in unrestricted net assets Change in unrealized gains and losses on assets limited													
as to use and un estments  Net assets released from restrictions for nurchase of	ı	ı	I	I	I	ı	(233)	I	I	I	I	I	(233)
property and equipment	ĸ	5,421	I	I	I	I	I	34	I	205	I	1	5.663
Merged assets	I	I	773	I	I	I	I	I	I	I	I	I	773
Distributions to partners	I	I	I	I	I	(2,039)	(1.634)	I	I	I	I	3.673	I
Other change in retirement liability Transfers with affiliates	74.266	(42,000)	- 561	- 579.91	1 1	1 1		1 1	773	- (000 7)	1 1	I 1	74.381
Increase (decrease) in unrestricted net assets	\$ 73,439 \$		\$ 5.329 \$		\$ (565)	951	(747)	\$ 2.173	\$ 273	\$ 18.737	8	\$ (436)	062.681 \$
					1								

# Consolidating Statement of Changes in Net Assets (In Thousands)

Year Ended June 30, 2011

			WellSpan	WollGreen	Your	Apple Hill	WellSpan Reciprocal	WellSpan	<b>1</b>	Cottechning	<b>1</b>		
	WellSpan Health	York Hospital	neam Care Services Consolidated	wenspan Medical Group	r ork Health Plan	Surgical Center Partners	KISK Retention Group	Specialty Services Consolidated	rork Provider Network	Gettysburg Hospital Consolidated	rork Health Foundation	Consolidating Consolidated Eliminations Totals	Consolidated Totals
Unrestricted net assets  Excess (deficiency) of revenues over expenses	\$ (30.287) \$	126.714	\$ 4.361	\$ (19,641) \$	\$ (594)	2.990	0,	\$ 2.139	- \$	\$ 26,432	\$ 81	(4.109)	\$ 109.206
Other changes in unrestricted net assets													
Change in unrealized gains and losses on assets investments limited as to use and investments	I	I	I	I	I	I	(233)	I	I	I	I	I	(233)
Net assets released from restrictions for purchase of							,						
property and equipment	3	5.421	I	I	I	I	I	34	I	205	l	l	5.663
Merged assets	I	I	773	I	I	I	I	I	I	I	I	I	773
Distributions to partners	I	I	I	I	I	(2.039)	(1.634)	I	I	I	I	3.673	I
Other change in retirement liability	74,266	115	I	I	I	I	I	I	I	I	I	I	74.381
Transfers with affiliates	29,457	(42,000)	195	19.975	Ι	I	I	I	273	(7.900)	I	I	I
Increase (decrease) in unrestricted net assets	73,439	90.250	5.329	334	(594)	951	(747)	2.173	273	18,737	81	(436)	189,790
Temporarily restricted net assets													
Net realized and unrealized gains and losses on													
ınvestments	1	260	I	1	I	I	I	103	l	70	516	I	646
Net investment income	I	301	I	I	I	I	I	61	I	I	292	I	654
Change in net assets of Foundation	I	268	I	ı	I	I	I	I	I	I	I	(368)	I
Contributions	2.259	3.938	I	9	I	I	I	101	I	297	130	I	6.731
Net assets released from restrictions	(2.146)	(8,095)	I	I	ı	1	1	(100)	I	(358)	(840)	1	(11.539)
Increase (decrease) in temporarily restricted net assets	113	(3.028)	I	9	I	I	I	165	I	6	86	(568)	(3.205)
Permanently restricted net assets Net realized and unrealized gams and losses on													
ınvestments	I	1.079	I	I	I	I	I	699	I	800	I	I	2.548
Net investment income	I	259	l	ı	ĺ	I	I	148	I	165		l	572
Contributions	1	1	1	I	1	I	I	I	I	1.817	l	ĺ	1.817
Net assets released from restrictions	I	(259)	I	I	I	I	I	(148)	I	(165)	l	I	(572)
Increase in permanently restricted net assets		1.079		_	_		-	699		2.617		_	4.365
Increase (decrease) in net assets	73.552	88.301	5.329	340	(594)	951	(747)	3,007	273	21.363	179	(1.004)	190,950
Net assets Beginning of year	(236 433)	438 601	9.514	14 015	555	5.130	1.347	32.290	(2.73)	89 182	6.759	(9 933)	350 754
End of year	\$ (162,881) \$		\$ 14.843	\$ 14,355 \$	(36)	6.081	009 \$	\$ 35.297	\$ \$	\$	\$ 6.938	\$	\$ 541,704

## WellSpan Health Care Services

## Consolidating Balance Sheet (In Thousands)

June 30, 2011

	WellSpan Health Care Services	WellSpan Properties, Inc.	Apple Hill Surgical Center Inc.	WellSpan Pharmacy, Inc.	Community Pharmacy, Inc.	Community Healthcare Imaging Partners	Q-WH, LLC	Cherry Tree Cancer Center	Apple Hill Condominium Association	Littlestown Health Care Partnership	Consolidating Consolidated Eliminations Totals	onsolidated Totals
Assets Current assets Cash and cash equivalents	€	\$ 1,713		\$ 10				\$ 25	\$ 872	\$ 158 \$	<b>S</b> 1	$\kappa$
Due from affiliates Patient accounts receiv able, net	1 1	28	57I -	3.234	70 220	30 295	71	232	1 1	1 1	1 1	3.981
Other recen ables	I	83	I	191	I	I	I	I	9	<del>1</del> 7	I	324
Inventories Denoted expanses	I	_ 131	I	2.372	32	14 C3	I	- 851	~	(	I	2,418
Total current assets		1.965	123	5.842	332	692	12	420	988	204	1	10,476
Unrestricted investments	I	5.059	I	I	I	I	I	l		l	I	5.059
Property and equipment, net	I	72,120	l	867	293	1.316	l	2.866	720	3,010	I	81,192
Investments in joint ventures	6.003	I	191	I	I	I	21	I	I	I	(6.025)	190
Notes receivable – affiliates	I	Ĺ	280	I	I	I	I	I	I	I	(280)	1
Deferred financing costs, net	I	8 <del>+</del> 4	I	١٩	I	I	I	I	I	I	I	448
Other assets Total assets	\$ 6,003	69 \$ 79.661	\$ 594	49 \$ 6.758	\$ 625	\$ 2.008 \$	_ 	\$ 3.286	_ - 1.606	\$ 3.214 \$	 (6.305) \$	97,483
Liabilities and net assets Current liabilities												
Current portion of long-term debt		\$ 1,068		- G	- V	\$ 72 \$	 -	- 2	- 5	\$ 148 \$	<del>\$</del> -	1.288
Accounts pay able and accrued expenses Bank nav able	1 1	1,147	<del>1</del>	99	0 1	/s	<u>-</u> 1	0+	210	07	l I	075.1
Accrued salaries and wages	I	I	I	470	50	61	I	52	I	I	I	633
Due to affiliates	1	I	I	995	1	1	I	1	2	ı	ļ	766
Total current liabilities	I	2.215	7	2.496	99	170	_	86	212	168	I	5,420
Long-term debt. less current portion	I	61.976	I	I	I	I	I	I	I	I	I	61.976
Note pay able – affiliates Interest rate en an contracts	280	- 8 301	1	2,300	I	[	I	I	•	<b>I</b>	(280)	2.300
Total liabilities	280	72,492	4	4,796	56	170		86	212	168	(280)	77.997
Net assets Unrestricted	5.723	7,169	590	1.962	569	1.838	32	3,188	1.394	3,046	(10,668)	14,843
WellSpan Health net assets	5.723	7,169	590	1.962	999	1.838	32	3.188	1.394	3,046	(10.668)	14.843
Mmority interest	I	1	1	ı	ı	I	1	ı	I	I	4.643	4.643
Total net assets	5.723	7,169	590	1.962	569	1.838	32	3.188	1.394	3,046	(6.025)	19,486
Total liabilities and net assets	\$ 6,003	\$ 79,661	\$ 594	\$ 6.758	\$ 625	\$ 2,008 \$	\$ 33	\$ 3.286	\$ 1.606	\$ 3.214 \$	3 (6.305)	97.483

### WellSpan Health Care Services

## Consolidating Statement of Operations (In Thousands)

Year Ended June 30, 2011

tins, and other support  \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		WellSpan Health Care	WellSpan Properties,	Apple Hill Surgical	WellSpan Pharmacy,	Healthy Community Pharmacy,	Community Healthcare Imaging	Q-WH,	Cherry Tree Cancer		Apple Hill Littlestown Condominium Health Care (	Consolidating Consolidated	onsolidated Totals
port	Unrestricted revenues, gains, and other support						2 701						
port         -         12,779         408         30,552         1,491         2,706         101         2,538           -         -         -         -         3,975         556         804         -         676           -         -         -         -         -         -         2,90         -         2,90           -         -         3,435         10         25,172         1,070         864         -         2,90           -         -         2,755         -         2,172         1,070         864         -         509           -         -         2,755         -         2,172         1,070         864         -         509           -         -         2,755         -         2,180         -         -         509           -         -         2,776         302         31,487         1,968         2,801         106         2,166           -         -         9,776         302         31,487         1,968         2,801         106         2,166           -         -         -         -         -         -         -         -         -         - <th>Other revenue</th> <th></th> <th></th> <th>408</th> <th></th> <th>_</th> <th>5.701</th> <th></th> <th></th> <th>1,155</th> <th>285</th> <th>(247)</th> <th>46.529</th>	Other revenue			408		_	5.701			1,155	285	(247)	46.529
Swap agreement     -	Total revenues, gams, and other support		12,779	408	30,552	1,491		101	2,258	1,155	285	(247)	51,488
swap agreement     -	Expenses												
- 132 292 301 246 339 - 290 290 290 200 200 200 200 200 200 200	Salaries and wages	I	1	1	3.975	556	804	I	929	1	I	I	6.011
- 132 292 301 19 374 106 114 - 2,435 10 25,172 1,070 864 - 576 - 2,455 - 280 864 - 576 - 3,454 - 121 8 22 - 107 - 3,454 - 121 8 2 2 - 11  - 3,454 - 121 8 2 2 - 11  - 3,454 - 121 8 2 2 - 11  - 9,776 302 31,487 1,968 2,801 106 2,166  - 3,003 106 (935) (477) (95) (5) 92  - 10,000	Employ ee benefits	I	l	I	1.573	246	399	I	290	l	ı	I	2.508
Color	Professional fees	I	132	292	301	19	374	106	114	45	I	(101)	1.282
- 2.755 - 280 69 276 - 509 - 3.454 - 121 8 2 - 509 - 3.454 - 121 8 2 2 - 509 - 3.454 - 121 8 2 2 - 509 - 3.454 - 121 8 2 2 - 11 - 9.776 302 31.487 1.968 2.801 106 2.166 - 9.776 302 31.487 1.968 2.801 106 2.166 - 9.4	Supplies and other	I	3,435	10	25.172	1.070	864	I	576	953	39	(146)	31.973
a. 4.54     -     121     8     2     -     1       -     -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       (890)     -     -     -     -     -     -     -       revpenses     (890)     5.437     200     (937)     (405)     (95)     (6)     92       revpenses     (890)     5.437     200     (937)     (405)     (95)     (6)     92       sets     150     -     -     -     -     -     -     -       (1745)     -     -     -     -     -     -     -       1750     -     -     -     -     -     -     -       revpenses     (890)     5.437     200     (937)     (405)     (95)     (6)     92       sets     -     -     -     -     -     -     -     -       -     -     -     -     -	Depreciation and amortization	I	2,755	I	280	69	276	I	509	118	101	1	4,108
-     -     -     65     -     -     -       -     9,776     302     31,487     1,968     2,801     106     2,166       -     3,003     106     (935)     (477)     (95)     (5)     92       -     3,003     106     (935)     (477)     (95)     (5)     92       snap agreement     -     -     -     -     -     -     -       -     2,434     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -     -       -     -     -     -     -     -     -     -     -     -       -     -	Interest	I	3,454	I	121	<b>∞</b>	2	I		I	42	I	3.628
-     9,776     302     31,487     1,968     2,801     106     2,166       -     3,003     106     (935)     (477)     (95)     (5)     92       -     3,003     106     (935)     (477)     (95)     (5)     92       swap agreement     -     2,434     -     -     -     -     -     -       -     2,434     -     -     -     -     -     -     -       (890)     2,434     94     (2)     72     -     -     -       (890)     5,437     200     (937)     (405)     (95)     (6)     92       r expenses     (890)     5,437     200     (937)     (405)     (95)     (6)     92       sets     150     -     -     -     -     -     -     -     -       (175)     -     -     -     -     -     -     -     -     -       150     -     -     -     -     -     -     -     -     -       150     -     -     -     -     -     -     -     -     -       -     -     -     -     -     -	Provision for bad debts	I	I	I	65	I	82	I	I	I	I	I	147
sv. ap agreement	Total operating expenses	1	9,776	302	31,487	1.968	2.801	106	2.166	1,116	182	(247)	49,657
swap agreement	Operating income (loss)		3,003	106	(935)	(477)	(95)	(5)	92	39	103	I	1.831
swap agreement	Other income (expense)												
swap agreement $(890)$ $ 2.434$ $  (1)$ $  (1)$ $         -$	Contributions	I	I	I	I	72	I	I	I	I	I	I	72
swap agreement	Equity in income of joint ventures	(068)		94	I	I	I	(1)	I	I	I	891	64
xenues over expenses (890) 2.434 94 (2) 72	Change in fair value of interest rate swap agreement	I	2,434	I	I	I	I	I	I	I	I	I	2,434
(890)     2.434     94     (2)     72     —     (1)     —       st     (890)     5.437     200     (937)     (405)     (95)     (6)     92       renues over expenses     (890)     5.437     200     (937)     (405)     (95)     (6)     92       reted net assets     150     —     —     —     —     —       resued     150     —     —     —     —     —       resued     —     —     —     —     —     —       resued     —     —     —     —     —     —       resued     —     —     —     —     —     —     —       resued <t< td=""><td>Other expense, net</td><td>I</td><td>1</td><td>1</td><td>(2)</td><td>1</td><td>I</td><td>I</td><td>1</td><td>(5)</td><td>I</td><td>I</td><td>(7)</td></t<>	Other expense, net	I	1	1	(2)	1	I	I	1	(5)	I	I	(7)
y) of revenues over expenses (890) 5.437 200 (937) (405) (95) (6) 92  — — — — — — — — — — — — — — — — — — —	Other income (expense)	(068)		94	(2)	72	I	(1)	I	(5)	I	168	2.593
integral (37) (73) (73) (73) (73) (73) (73) (73)	Excess (deficiency) of revenues over expenses	(108)		0002	(750)	(\$07)	(65)	(9)	97	Pε	103	801	PCP P
ox) of revenues over expenses (890) 5.437 2.00 (937) (405) (95) (6) 92  Unrestricted net assets 150 - (150) - (376) -	Minority interest							(2)	,	,		(63)	(63)
150 — (50) — (376) — (376) — (3776) — (	Excess (deficiency) of revenues over expenses	(068)		200	(937)	(405)	(95)	(9)	92	34	103	828	4.361
150 - (50) - (376) - (376) - (175) - (376) - (175) - (	Other changes in unrestricted net assets												
	Dividends paid/stock issued	150	1	(150)	I	I	(50)	ı	(376)		376	50	I
	Merged assets	I	l	I	I	I	I	I	l	1.360	I	(587)	773
	Transfers with affiliates		€				(1)			- 1		6	1,

### WellSpan Health Care Services

# Consolidating Statement of Changes in Net Assets (In Thousands)

Year Ended June 30, 2011

	;		;			Healthy	Community		į	,	,		
	He	WellSpan Health Care P	WellSpan Properties, Inc	Apple Hill Surgical Center Inc	WellSpan Pharmacy, Inc	Community Pharmacy, Inc	Healthcare Imaging Partners	Q-WH,	Cherry Tree Cancer Center	Cancer Condominium Center Association	Littlestown Health Care Consolidating Partnershin Fliminations	Apple Hill Littlestown Condominium Health Care Consolidating Consolidated Association Partnershin Fliminations Totals	onsolidated Totals
Unrestricted net assets  Excess (deficiency) of revenues over expenses	'  <del>•</del>	\$ (068)	5.437 \$	\$ 200 \$							\$ 103 \$	828 \$	4.361
Other changes in unrestricted net assets													
Dividends received (paid)		150	I	(150)	I	I	(50)	I	(376)	I	376	50	I
Merged assets		I	I	I	I	I	I	I	I	1,360	I	(587)	773
Transfers with affiliates		(175)	I	I	I	370	I	I	I	I	I	I	195
Increase (decrease) in unrestricted net assets		(915)	5.437	50	(937)	(35)	(145)	(9)	(284)	1.394	479	291	5,329
Increase (decrease) in net assets		(615)	5,437	20	(937)	(35)	(145)	(9)	(284)	1.394	62†	291	5.329
Net assets				1	•		•	Ċ					(
Beginning of year		6,638	1.732	240	2.899	604	1.983	38	3,472	1	7,267	(10.959)	9.514
End of year	S	5.723 \$	\$ 691.2	\$ 065 \$	\$ 1.962 \$	\$ 695 \$	\$ 1.838 \$	32 \$	\$ 3.188 \$	\$ 1.394 \$	\$ 3.046 \$	\$ (10,668) \$	14,843

### WellSpan Specialty Services

### Consolidating Balance Sheet (In Thousands)

June 30, 2011

	S	/ellSpan pecialty Services		NA Home Health Services		VNA ommunity Services	Consolio Elimina		Co	nsolidated Totals
Assets										
Current assets										
Cash and cash equivalents	\$	250	\$	2,751	\$	102	\$	_	\$	3,103
Patient accounts receivable, net		_		1,930		61		_		1,991
Due from affiliates		_		135		19		_		154
Other receivable		_		6		-		_		6
Inventory		_		29		_		_		29
Prepaid expenses				44		-				44
Total current assets		250		4,895		182		_		5,327
Unrestricted investments		3,346		3,264		1,076		_		7,686
Investments limited as to use										
Board-designated		16,764		_		_		_		16,764
Under bond Indenture		26,775		-		_		_		26,775
Temporarily restricted investments		975		119		_		_		1.094
Permanently restricted investments		2,508		118		_		_		2,626
Beneficial interest in perpetual trusts		2,950		159						3,109
Diado as masses able mat		49,972		396		_		_		50,368
Pledges receivable, net		35,133		55 572		3		_		55 35,708
Property and equipment, net Deferred financing cost, net		405		372		3		_		405
Total assets	\$	89,106	\$	9,182	\$	1,261	\$		\$	99,549
	<u> </u>						*			
Liabilities and net assets										
Current liabilities										
Current portion of long-term debt	\$	880	\$	_	\$	_	\$	_	\$	880
Accounts payable and accrued expense		5,982		40		5		_		6,027
Accrued salaries and wages		42		714		20		_		776
Deferred revenue		_		90		_		_		90
Bank payable		5,538		_		_		_		5,538
Due to affiliates		1,591		- 0.14						1,591
Total current liabilities		14,033		844		25		_		14,902
Note payable		_		19		_		_		19
Long-term debt, less current portion		49,331						_		49,331
Total liabilities		63,364		863		25		_		64,252
Net assets				<b>-</b> 00::						20.205
Unrestricted		19,273		7.880		1,236		_		28.389
Temporarily restricted		1.011		162		_		_		1.173
Permanently restricted		5,458		277		-		_		5,735
Total net assets	Φ.	25,742	Φ.	8,319	Φ.	1,236	Φ.		Φ.	35,297
Total liabilities and net assets	<u>\$</u>	89,106	\$	9,182	\$	1,261	\$	_	\$	99,549

### WellSpan Specialty Services

### Consolidating Statement of Operations and Changes in Net Assets (In Thousands)

Year Ended June 30, 2011

	WellSpan Specialty Services	VNA Home Health Services	VNA Community Services	Consolidating (	Consolidated Totals
Unrestricted revenues, gains, and other support					_
Net patient service revenue	\$ -	\$ 10,608	\$ 766	\$ - :	\$ 11,374
Other revenue	_	246	_	(240)	6
Net assets released from restrictions used for operations	_	65	_	_	65
Total revenues, gains, and other support		10,919	766	(240)	11,445
Expenses					
Salaries and wages	_	7,470	459	_	7,929
Employee benefits	_	3,042	207	_	3,249
Professional fees	_	329	244	(240)	333
Supplies and other	(6)	1,775	55	_	1,824
Depreciation	15	157	7	_	179
Provision for bad debts		41	(2)	_	39
Total operating expenses	9	12,814	970	(240)	13,553
Operating loss	(9)	(1,895)	(204)	_	(2,108)
Other income (expense)					
Contributions	_	216	_	_	216
Investment income, net	_	3,837	169	_	4,006
Gain on sale on assets/other	_	2	_	_	2
Equity in income of joint ventures		23	_	_	23
Total other income (expense)		4,078	169		4,247
Excess (deficiency) of revenues over expenses	(9)	2,183	(35)		2,139
Net assets released from restriction for purchase of property and equipment		34			34
Increase (decrease) in unrestricted net assets	\$ (9)	\$ 2,217	\$ (35)	\$ - :	\$ 2,173

### WellSpan Specialty Services

### Consolidating Statement of Operations and Changes in Net Assets (continued) (In Thousands)

Year Ended June 30, 2011

	Wells Spec Serv	ialty	NA Home Health Services	C	VNA Community Services	Consolidating Eliminations	Consolidated Totals
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	\$	(9)	\$ 2,183	\$	(35)	\$ -	\$ 2,139
Net assets released from restriction for purchase of property and equipment		_	34		_	_	34
Increase (decrease) in unrestricted net assets		(9)	2,217		(35)	_	2,173
455-415		(-)			(55)		
Temporarily restricted net assets Net realized and unrealized gains and							
losses on investments		92	11		_	_	103
Investment income, net		54	7		_	_	61
Contributions		36	65		_	_	101
Net assets released from restrictions		_	(100)		_	_	(100)
Increase (decrease) in temporarily restricted net assets		182	(17)		_	_	165
Permanently restricted net assets Net realized and unrealized gains and							
losses on investments		627	42		_	_	669
Investment income, net		_	148		_	_	148
Net assets released from restrictions			(148)		_	_	(148)
Increase in permanently restricted net assets		627	42		_	_	669
Change in net assets		800	2,242		(35)	_	3,007
Net assets							
Beginning of year		4,942	6,077		1,271	_	32,290
End of year	\$ 2	5,742	\$ 8,319	\$	1,236	\$ -	\$ 35,297

### York Hospital and Gettysburg Hospital (Obligated Group)

### Combining Balance Sheet (In Thousands)

June 30, 2011

	1	York Hospital	(	Gettysburg Hospital (Only)	nbining inations	C	Combined Totals
Assets							_
Current assets							
Cash and cash equivalents	\$	30,729	\$	3,716	\$ _	\$	34,445
Due from affiliates		_		97	_		97
Assets limited as to use		8		_	_		8
Patient accounts receivable, net		100,119		16,615	-		116,734
Other receivables		6,531		1,532	_		8,063
Inventories		3,108		837	_		3,945
Prepaid expenses		2,826		377	_		3,203
Total current assets		143,321		23,174	_		166,495
Investment limited as to use							
Board-designated		525,858		80,838	_		606,696
Temporarily restricted investment		319		130	_		449
Permanently restricted investment		350		_	_		350
Beneficial interest in perpetual trusts		6,759		_	_		6,759
		533,286		80,968	_		614.254
Property and equipment, net		227,852		37,458	_		265,310
Investments in joint ventures		_		97	_		97
Deferred financing costs, net		2,096		203	_		2,299
Interest in net assets of the Foundation		4,856		13,676	_		18,532
Other assets		_		6,858	_		6,858

Total assets 911,411 162,434 1,073,845

Current portion of capital lease obligations   \$ 3.192   \$ - \$ 3		I	York Hospital	Settysburg Hospital (Only)	Combining Eliminations	(	Combined Totals
Current portion of capital lease obligations         \$ 3.192         \$ - \$         \$ 3.192           Current portion of long-term debt Accounts pay able and accrued expenses         12.972         2.425         - 15.397           Accrued interest payable Accrued salaries and wages         2.307         2.307         - 2.307           Accrued salaries and wages         25.363         4.771         - 30.134           Advances from third-party pay or settlements         1.025         294         - 1.319           Estimated self-insurance costs and postretirement benefits         505         505         - 505           Due to affiliates         10.830         6.715         - 17.545           Total current liabilities         64.057         15.831         - 79.888           Long-term capital lease obligations. less current portion         14.128         14.128           Long-term debt. less current portion         264.491         32.054         - 296.545           Accrued retirement benefits         15.422         15.422           Note payable – affiliates         614         121         - 735           Interest rate swap contracts         24.286         3.883         - 28.169           Other noncurrent liabilities         1.511         1.511           Total liabilities <td>Liabilities and net assets</td> <td></td> <td>•</td> <td><u> </u></td> <td></td> <td></td> <td></td>	Liabilities and net assets		•	<u> </u>			
obligations         \$ 3.192         -         \$         3.192           Current portion of long-term debt         5.472         1.203         -         6.675           Accounts pay able and accrued expenses         12.972         2.425         -         15.397           Accrued interest pay able         2.307         -         -         2.307           Accrued salaries and wages         25.363         4.771         -         30.134           Advances from third-party pay or settlements         2.391         423         -         2.814           Estimated self-insurance costs and postretirement benefits         505         294         -         1.319           Estimated self-insurance costs and postretirement benefits         505         -         -         505           Due to affiliates         10.830         6.715         -         17.545           Total current liabilities         64.057         15.831         -         79.888           Long-term capital lease obligations. less current portion         264.491         32.054         -         296.545           Accrued retirement benefits         15.422         -         -         15.422           Note pay able – affiliates         614         121         -         735 <td>Current liabilities</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Current liabilities						
Current portion of long-term debt         5.472         1.203         -         6.675           Accounts payable and accrued expenses         12.972         2.425         -         15.397           Accrued interest payable         2.307         -         -         2.307           Accrued salaries and wages         25.363         4.771         -         30.134           Advances from third-party payor         2.391         423         -         2.814           Estimated third-party payor settlements         1.025         294         -         1.319           Estimated self-insurance costs and postretirement benefits         505         -         -         505           Due to affiliates         10.830         6.715         -         17.545           Total current liabilities         64.057         15.831         -         79.888           Long-term capital lease obligations.         less current portion         14.128         -         -         14.128           Long-term debt. less current portion         264.491         32.054         -         296.545           Accrued retirement benefits         15.422         -         -         15.422           Note payable – affiliates         614         121         - <t< td=""><td>Current portion of capital lease</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Current portion of capital lease						
Accounts payable and accrued expenses   12.972   2.425   - 15.397	obligations	\$	3,192	\$ _	\$ -	\$	3,192
expenses         12.972         2.425         —         15.397           Accrued interest payable         2.307         —         —         2.307           Accrued salaries and wages         25.363         4.771         —         30.134           Advances from third-party payor         2.391         423         —         2.814           Estimated third-party payor         settlements         —         2.94         —         1.319           Estimated self-insurance costs and postretirement benefits         505         —         —         505           Due to affiliates         10.830         6.715         —         17.545           Total current liabilities         64.057         15.831         —         79.888           Long-term capital lease obligations.         less current portion         14.128         —         —         14.128           Long-term debt. less current portion         264.491         32.054         —         296.545           Accrued retirement benefits         15.422         —         —         15.422           Note payable — affiliates         614         121         —         735           Interest rate swap contracts         24.286         3.883         —         28.169 <td>Current portion of long-term debt</td> <td></td> <td>5,472</td> <td>1,203</td> <td>_</td> <td></td> <td>6,675</td>	Current portion of long-term debt		5,472	1,203	_		6,675
Accrued interest payable         2.307         -         -         2.307           Accrued salaries and wages         25.363         4.771         -         30.134           Advances from third-party pay or settlements         2.391         423         -         2.814           Estimated third-party pay or settlements         -         294         -         1.319           Estimated self-insurance costs and postretirement benefits         505         -         -         505           Due to affiliates         10.830         6.715         -         17.545           Total current liabilities         64.057         15.831         -         79.888           Long-term capital lease obligations.         less current portion         14.128         -         -         14.128           Long-term debt, less current portion         264.491         32.054         -         296.545           Accrued retirement benefits         15.422         -         -         15.422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24.286         3.883         -         28.169           Other noncurrent liabilities         1.511         -         -         1.511 <td>Accounts payable and accrued</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Accounts payable and accrued						
Accrued salaries and wages         25,363         4,771         -         30,134           Advances from third-party payor         2,391         423         -         2,814           Estimated third-party payor         settlements         1,025         294         -         1,319           Estimated self-insurance costs and postretirement benefits         505         -         -         505           Due to affiliates         10,830         6,715         -         17,545           Total current liabilities         64,057         15,831         -         79,888           Long-term capital lease obligations.         less current portion         14,128         -         -         14,128           Long-term debt, less current portion         264,491         32,054         -         296,545           Accrued retirement benefits         15,422         -         -         15,422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24,286         3,883         -         28,169           Other noncurrent liabilities         1,511         -         -         1,511           Total liabilities         384,509         51,889         -         4	expenses		12,972	2,425	_		15,397
Advances from third-party payor   2.391   423   - 2.814	Accrued interest payable		2,307	_	_		2,307
Estimated third-party payor settlements         1.025         294         -         1.319           Estimated self-insurance costs and postretirement benefits         505         -         -         505           Due to affiliates         10.830         6.715         -         17.545           Total current liabilities         64.057         15.831         -         79.888           Long-term capital lease obligations. less current portion         14.128         -         -         14.128           Long-term debt. less current portion         264.491         32.054         -         296.545           Accrued retirement benefits         15.422         -         -         15.422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24.286         3.883         -         28.169           Other noncurrent liabilities         1.511         -         -         1.511           Total liabilities         384.509         51.889         -         436.398           Net assets         Unrestricted         4.346         159         -         4.505           Permanently restricted         7.145         -         -         7.145	Accrued salaries and wages		25,363	4,771	_		30,134
Settlements	Advances from third-party payor		2,391	423	_		2,814
Estimated self-insurance costs and postretirement benefits         505         -         -         505           Due to affiliates         10,830         6,715         -         17,545           Total current liabilities         64,057         15,831         -         79,888           Long-term capital lease obligations.         less current portion         14,128         -         -         14,128           Long-term debt, less current portion         264,491         32,054         -         296,545           Accrued retirement benefits         15,422         -         -         15,422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24,286         3,883         -         28,169           Other noncurrent liabilities         1,511         -         -         1,511           Total liabilities         384,509         51,889         -         436,398           Net assets           Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145 <td>Estimated third-party payor</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Estimated third-party payor						
postretirement benefits         505         -         -         505           Due to affiliates         10,830         6,715         -         17,545           Total current liabilities         64,057         15,831         -         79,888           Long-term capital lease obligations.         14,128         -         -         14,128           Long-term debt. less current portion         264,491         32,054         -         296,545           Accrued retirement benefits         15,422         -         -         15,422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24,286         3,883         -         28,169           Other noncurrent liabilities         1,511         -         -         1,511           Total liabilities         384,509         51,889         -         436,398           Net assets           Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundatio	settlements		1,025	294	_		1,319
Due to affiliates         10.830         6.715         —         17.545           Total current liabilities         64.057         15.831         —         79.888           Long-term capital lease obligations.         Iess current portion         14.128         —         —         14.128           Long-term debt. less current portion         264.491         32.054         —         296.545           Accrued retirement benefits         15.422         —         —         15.422           Note payable – affiliates         614         121         —         735           Interest rate swap contracts         24.286         3.883         —         28.169           Other noncurrent liabilities         1.511         —         —         1.511           Total liabilities         384.509         51.889         —         436.398           Net assets           Unrestricted         510.555         96.710         —         607.265           Temporarily restricted         4.346         159         —         4.505           Permanently restricted         7.145         —         —         7.145           Interest in net assets of the Foundation         4.856         13.676         —         18.532     <	Estimated self-insurance costs and						
Total current liabilities         64.057         15.831         -         79.888           Long-term capital lease obligations. less current portion         14.128         -         -         14.128           Long-term debt. less current portion         264.491         32.054         -         296.545           Accrued retirement benefits         15.422         -         -         15.422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24.286         3.883         -         28.169           Other noncurrent liabilities         1.511         -         -         1.511           Total liabilities         384.509         51.889         -         436.398           Net assets         Unrestricted         510.555         96.710         -         607.265           Temporarily restricted         4.346         159         -         4.505           Permanently restricted         7.145         -         -         7.145           Interest in net assets of the Foundation         4.856         13.676         -         18.532           Total net assets         526,902         110.545         -         637.447	postretirement benefits		505	_	_		505
Long-term capital lease obligations.   less current portion   14.128   -   -   14.128   Long-term debt, less current portion   264.491   32.054   -   296.545   Accrued retirement benefits   15.422   -   -   15.422   Note payable – affiliates   614   121   -   735   Interest rate swap contracts   24.286   3.883   -   28.169   Other noncurrent liabilities   1.511   -   -   1.511   Total liabilities   384.509   51.889   -   436.398   Net assets   Unrestricted   4.346   159   -   4.505   Permanently restricted   7.145   -   -   7.145   Interest in net assets of the Foundation   4.856   13.676   -   18.532   Total net assets   526.902   110.545   -   637.447	Due to affiliates		10,830	6,715	_		17.545
less current portion         14,128         —         —         14,128           Long-term debt, less current portion         264,491         32,054         —         296,545           Accrued retirement benefits         15,422         —         —         15,422           Note payable – affiliates         614         121         —         735           Interest rate swap contracts         24,286         3,883         —         28,169           Other noncurrent liabilities         1,511         —         —         1,511           Total liabilities         384,509         51,889         —         436,398           Net assets         Unrestricted         4,346         159         —         4,505           Temporarily restricted         4,346         159         —         4,505           Permanently restricted         7,145         —         —         7,145           Interest in net assets of the Foundation         4,856         13,676         —         18,532           Total net assets         526,902         110,545         —         637,447	Total current liabilities		64,057	15,831	-		79,888
Long-term debt. less current portion         264,491         32,054         -         296,545           Accrued retirement benefits         15,422         -         -         15,422           Note payable – affiliates         614         121         -         735           Interest rate swap contracts         24,286         3,883         -         28,169           Other noncurrent liabilities         1,511         -         -         1,511           Total liabilities         384,509         51,889         -         436,398           Net assets           Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Long-term capital lease obligations.						
Accrued retirement benefits       15,422       —       —       15,422         Note payable – affiliates       614       121       —       735         Interest rate swap contracts       24,286       3,883       —       28,169         Other noncurrent liabilities       1,511       —       —       1,511         Total liabilities       384,509       51,889       —       436,398         Net assets         Unrestricted       510,555       96,710       —       607,265         Temporarily restricted       4,346       159       —       4,505         Permanently restricted       7,145       —       —       7,145         Interest in net assets of the Foundation       4,856       13,676       —       18,532         Total net assets       526,902       110,545       —       637,447	less current portion		14,128	_	_		14,128
Note payable – affiliates         614         121         –         735           Interest rate swap contracts         24,286         3,883         –         28,169           Other noncurrent liabilities         1,511         –         –         1,511           Total liabilities         384,509         51,889         –         436,398           Net assets         Unrestricted         510,555         96,710         –         607,265           Temporarily restricted         4,346         159         –         4,505           Permanently restricted         7,145         –         –         7,145           Interest in net assets of the Foundation         4,856         13,676         –         18,532           Total net assets         526,902         110,545         –         637,447	Long-term debt, less current portion		264,491	32,054	_		296,545
Interest rate swap contracts         24,286         3,883         -         28,169           Other noncurrent liabilities         1,511         -         -         1,511           Total liabilities         384,509         51,889         -         436,398           Net assets         Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Accrued retirement benefits		15,422	_	_		15,422
Other noncurrent liabilities         1.511         -         -         1.511           Total liabilities         384,509         51,889         -         436,398           Net assets         Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Note payable – affiliates		614	121	_		735
Total liabilities         384,509         51,889         -         436,398           Net assets         Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Interest rate swap contracts		24,286	3,883	_		28,169
Net assets         Unrestricted       510,555       96,710       -       607,265         Temporarily restricted       4,346       159       -       4,505         Permanently restricted       7,145       -       -       7,145         Interest in net assets of the Foundation       4,856       13,676       -       18,532         Total net assets       526,902       110,545       -       637,447	Other noncurrent liabilities		1,511	_	_		1,511
Unrestricted         510,555         96,710         -         607,265           Temporarily restricted         4,346         159         -         4,505           Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Total liabilities		384,509	51,889	_		436,398
Temporarily restricted       4,346       159       -       4,505         Permanently restricted       7,145       -       -       7,145         Interest in net assets of the Foundation       4,856       13,676       -       18,532         Total net assets       526,902       110,545       -       637,447	Net assets						
Permanently restricted         7,145         -         -         7,145           Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Unrestricted		510,555	96,710	_		607,265
Interest in net assets of the Foundation         4,856         13,676         -         18,532           Total net assets         526,902         110,545         -         637,447	Temporarily restricted		4,346	159	_		4,505
Total net assets 526,902 110,545 - 637,447			7,145	_	_		7,145
	Interest in net assets of the Foundation		4,856	13,676	_		18,532
	Total net assets		526,902	110,545	_		637,447
	Total liabilities and net assets	\$		\$ 162,434	\$	\$	1,073,845

### York Hospital and Gettysburg Hospital (Obligated Group)

### Combining Statement of Operations (In Thousands)

Year Ended June 30, 2011

	I	York Hospital	ettysburg Hospital (Only)	Combining Eliminations	C	ombined Totals
Unrestricted revenues, gains, and other support			-			
Net patient service revenue	\$	792,633	\$ 135,564	\$ -	\$	928,197
Other revenue		12,578	824	(975)		12,427
Net assets released from restrictions						
used for operations		2,674	47	_		2,721
Net revenues, gains, and other support		807,885	136,435	(975)		943,345
Expenses						
Salaries and wages		245,161	44,442	_		289,603
Employee benefits		97,314	16,099	_		113,413
Professional fees		79,292	13,585	_		92,877
Supplies and other		243,486	35,102	(975)		277,613
Depreciation and amortization		30,330	5,594	_		35,924
Provision for bad debts		33,530	7,415	_		40.945
Total operating expenses		743,536	123,990	(975)		866,551
Operating income		64,349	12,445	-		76,794
Other income (expense)						
Contributions		214	_	_		214
Investment income, net		57,544	11,699	_		69,243
Equity in income of joint ventures		747	136	_		883
Loss on sale of assets/other		62	2	_		64
Change in fair value of interest rate						
swap agreements		5,160	1.078	_		6,238
Other expense, net		(1,362)	(129)	_		(1,491)
Total other income		62,365	12,786	_		75,151
Excess of revenues over expenses		126,714	25,231	_		151,945
Other changes in unrestricted net assets Net assets released from restrictions used for purchase of property and						
equipment		5,421	86	_		5,507
Other change in retirement liability		115	_	_		115
Transfers with affiliates		(42,000)	(7,900)	_		(49,900)
Increase in unrestricted net assets	\$	90,250	\$ 17,417	\$ -	\$	107,667

### Gettysburg Hospital

### Consolidating Balance Sheet (In Thousands)

June 30, 2011

	ettysburg Hospital	Gettysburg Hospital Joundation	nsolidating minations	olidated otals
Assets				
Current assets				
Cash and cash equivalents	\$ 3,716	\$ 267	\$ _	\$ 3,983
Due from affiliates	97	_	(97)	_
Patient accounts receivable, net	16,615	_	_	16,615
Other receivables	1,532	9	_	1,541
Inventories	837	_	_	837
Prepaid expenses	377	11	_	388
Total current assets	23,174	287	(97)	23,364
Unrestricted investments	_	640	_	640
Investment limited as to use				
Board-designated	80,838	6,064	_	86,902
Temporarily restricted investment	130	495	_	625
Beneficial interest in perpetual trusts	_	6,001	_	6,001
	80,968	12,560	_	93,528
Pledges receivable, net	_	155	_	155
Property and equipment, net	37,458	9	_	37,467
Investments in joint ventures	97	_	_	97
Deferred financing costs, net	203	_	_	203
Interest in net assets of the Foundation	13,676	_	(13.676)	_
Other assets	6,858	212		7.070
Total assets	\$ 162,434	\$ 13,863	\$ (13,773)	\$ 162,524

	ttysburg Iospital	ettysburg Hospital oundation	solidating minations	Co	nsolidated Totals
Liabilities and net assets					_
Current liabilities					
Current portion of long-term debt	\$ 1,203	\$ _	\$ _	\$	1,203
Accounts payable and accrued					
expenses	2,425	75	_		2,500
Accrued salaries and wages	4,771	_	_		4,771
Advances from third-party payor	423	_	_		423
Estimated third-party payor					
settlements	294	_	_		294
Due to affiliates	6,715	112	(97)		6,730
Total current liabilities	15,831	187	(97)		15,921
Long-term debt, less current portion	32,054	_	_		32,054
Note payable – affiliates	121	_	_		121
Interest rate swap contracts	 3,883				3,883
Total liabilities	 51,889	187	(97)		51,979
Net assets					
Unrestricted	96,710	7,001	_		103,711
Temporarily restricted	159	664	_		823
Permanently restricted	_	6,011	_		6,011
Interest in net assets of the					
Foundation	 13,676		(13,676)		
Total net assets	 110,545	13,676	(13,676)		110,545
Total liabilities and net assets	\$ 162,434	\$ 13,863	\$ (13,773)	\$	162,524

### Gettysburg Hospital

### Consolidating Statement of Operations and Changes in Net Assets (In Thousands)

Year Ended June 30, 2011

		ettysburg Hospital	H	tysburg ospital indation	Consolidating Eliminations		olidated otals
Unrestricted revenues, gains, and other support							
Net patient service revenue	\$	135,564	\$	_	\$ -	\$	135,564
Other revenue		824		277	(277)		824
Net assets released from restrictions							
used for operations		47		176			223
Net revenues, gains, and other support		136,435		453	(277)		136,611
Expenses							
Salaries and wages		44,442		173	_		44,615
Employee benefits		16,099		19	_		16,118
Professional fees		13,585		33	_		13,618
Supplies and other		35,102		277	_		35,379
Depreciation and amortization		5,594		2	_		5,596
Provision for bad debts		7,415		_	_		7,415
Total operating expenses		123,990		504	_		124,494
Operating income		12,445		(51)	(277)		12,117
Other income (expense)							
Contributions		_		95	_		95
Investment income, net		11,699		1,157	_		12,856
Equity in income of joint ventures		136		_	_		136
Loss on sale of assets/other		2		_	_		2
Change in fair value of interest rate							
swap agreements		1.078		_	_		1.078
Other income (expense), net		(129)		_	277		148
Total other income		12,786		1,252	277		14,315
Excess of revenues over expenses		25,231		1,201	_		26,432
Other changes in unrestricted net assets Net assets released from restrictions used for purchase of property and		07		110			205
equipment		86		119	_		205
Transfers with affiliates	<u>(P</u>	(7,900)		1 220	<u> </u>	dh.	(7.900)
Increase in unrestricted net assets	\$	17,417	\$	1,320	\$ -	\$	18,737

### Gettysburg Hospital

### Consolidating Statement of Operations and Changes in Net Assets (continued) (In Thousands)

Year Ended June 30, 2011

	ettysburg Hospital	Gettysburg Hospital Coundation	Consolidating Eliminations	Consolidate Totals	ed
Unrestricted net assets					
Excess of revenues over expenses	\$ 25,231	\$ 1,201	\$ -	\$ 26,43	32
Net assets released from restriction for					
purchase of property and equipment	86	119	_	20	)5
Transfers	(7,900)			(7,90	<u>(0)</u>
Increase in unrestricted net assets	 17,417	1,320		18,73	37_
Temporarily restricted net assets					
Net realized and unrealized gains and					
losses on investments	_	70	_	7	70
Change in net assets of Foundation	3,922	_	(3.922)		_
Contributions	164	133	_	29	7
Transfers	(21)	21	_		_
Net assets released from restrictions	(119)	(239)	_	(35	(8)
Increase (decrease) in temporarily					
restricted net assets	 3,946	(15)	(3,922)		9
Permanently restricted net assets					
Net realized and unrealized gains and					
losses on investments	_	800	_	80	00
Investment income, net	_	165	_	16	55
Contributions	_	1,817	_	1,81	7
Net assets released from restrictions	_	(165)		(16	<u>55)</u>
Increase in permanently restricted net					
assets	_	2,617	_	2,61	
Change in net assets	21,363	3,922	(3.922)	21,36	53
Net assets					
Beginning of year	89,182	9,754	(9,754)	89,18	32_
End of year	\$ 110,545	\$ 13,676	\$ (13,676)	\$ 110,54	15

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