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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

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

C Name of organization
Thomas Jefferson University Hospitals Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
111 South 11th Street

City or town, state or country, and ZIP + 4
Philadelphia, PA 191074824

D Employer identification number
23-2829095

E Telephone number
(215) 503-8958

G Gross receipts $ 1,585,465,065

F Name and address of principal officer
Thomas J Lewis
925 Chestnut Street
Philadelphia, PA 191070000

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW JEFFERSONHOSPITAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1995 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Attachment 1

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	22
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	8,983
6	Total number of volunteers (estimate if necessary)	**6**	613
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	12,200,785
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	496,459

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	3,866,874	7,452,061
	9 Program service revenue (Part VIII, line 2g)	1,248,736,876	1,409,017,178
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,729,175	15,830,339
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-9,889,462	-851,329
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,250,443,463	1,431,448,249
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	176,508	117,672
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	534,677,665	585,905,564
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶2,481,737		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	666,183,619	784,354,390
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,201,037,792	1,370,377,626
	19 Revenue less expenses Subtract line 18 from line 12	49,405,671	61,070,623

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,133,327,146	1,231,538,242
	21 Total liabilities (Part X, line 26)	669,780,581	671,567,568
	22 Net assets or fund balances Subtract line 21 from line 20	463,546,565	559,970,674

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2012-05-10

NEIL G LUBARSKY SENIOR V P AND CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ PricewaterhouseCoopers LLP				Firm's EIN ▶
Firm's address ▶ 2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103				Phone no ▶ (267) 330-3000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

TJUH IS DEDICATED TO IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE WE ARE COMMITTED TO 1) SETTING THE STANDARD FOR EXCELLENCE IN THE DELIVERY OF PATIENT CARE, PATIENT SAFETY AND THE QUALITY OF THE HEALTHCARE EXPERIENCE 2) PROVIDING EXEMPLARY CLINICAL SETTINGS FOR EDUCATING THE HEALTHCARE DELIVERY PROFESSIONALS WHO WILL FORM THE COLLABORATIVE HEALTHCARE DELIVERY TEAM OF TOMORROW 3) LEADING IN THE INTRODUCTION OF INNOVATIVE METHODOLOGIES FOR HEALTHCARE DELIVERY AND QUALITY IMPROVEMENT WE ACCOMPLISH OUR MISSION IN PARTNERSHIP WITH THOMAS JEFFERSON UNIVERSITY AND AS A MEMBER OF THE JEFFERSON HEALTH SYSTEM

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 1,153,575,293 including grants of $ 117,672) (Revenue $ 1,396,816,393)

TJUH PROVIDES MEDICALLY NECESSARY SERVICES TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY SOME PATIENTS QUALIFY FOR CHARITY CARE BASED ON POLICIES ESTABLISHED BY TJUH AND ARE THEREFORE NOT RESPONSIBLE FOR PAYMENT FOR ALL OR A PART OF THEIR HEALTHCARE SERVICES THESE POLICIES ALLOW FOR THE PROVISION OF FREE OR DISCOUNTED CARE IN CIRCUMSTANCES WHERE REQUIRING PAYMENT WOULD IMPOSE FINANCIAL HARDSHIP ON THE PATIENT CHARGES FOR SERVICES RENDERED TO PATIENTS WHO MEET TJUH'S GUIDELINES FOR CHARITY CARE ARE NOT SEPARATELY RECORDED IN PROGRAM SERVICE REVENUE TJUH COMPLIES WITH THE COMMUNITY BENEFIT STANDARD AS SET FORTH IN REVENUE RULING 69-545 TJUH MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE PROVIDED THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED SUCH AMOUNTS HAVE BEEN EXCLUDED FROM PROGRAM SERVICE REVENUE MANAGEMENT ESTIMATES THAT THE COST OF CHARITY CARE PROVIDED BY TJUH WAS $9,107,044 IN 2011 THIS DOES NOT INCLUDE THE PROVISION FOR BAD DEBTS, AMOUNTING TO $41,835,142 WHICH IS REFLECTED SEPARATELY IN THE ACCOMPANYING STATEMENT OF FUNCTIONAL EXPENSES SERVICES ARE PROVIDED TO PATIENTS IN THE COMMUNITY WHO ARE INSURED UNDER THE PENNSYLVANIA MEDICAL ASSISTANCE PROGRAM THE COSTS OF PROVIDING SERVICES TO ELIGIBLE WELFARE RECIPIENTS WHO PARTICIPATE IN THIS PROGRAM EXCEEDED REIMBURSEMENT BY $52,986,175 IN FURTHERANCE OF ITS EXEMPT PURPOSE TO BENEFIT THE COMMUNITY, TJUH PROVIDES EDUCATION AND TRAINING FOR MEDICAL RESIDENTS, NURSES AND OTHER HEALTHCARE PROFESSIONALS AMOUNTS EXPENDED FOR THESE SERVICES EXCEEDED REIMBURSEMENT BY $23,072,989 TJUH ALSO PROVIDES VARIOUS COMMUNITY SERVICES SUCH AS THE PROVISION OF SUBSIDIZED EMERGENCY SERVICES, EDUCATION FOR DIABETES AND HEART DISEASE, SCREENINGS FOR STROKE AND CANCER RISK, CANCER SUPPORT GROUPS, SENIOR HEALTH EDUCATION, NUTRITIONAL COUNSELING FOR OBESITY, MATERNAL AND CHILDBIRTH EDUCATION, AND YOUTH PARTICIPATION IN VARIOUS WORK-READY OR CAREER PREPARATION PROGRAMS MANY OF THESE SERVICES TARGET AREAS OF HEALTH DISPARITY AND INCLUDE WORKING WITH SCHOOLS, GRASSROOTS ORGANIZATIONS, AND OTHER PARTNERS THE NET AMOUNTS EXPENDED FOR THESE SERVICES WERE $23,212,690

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

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

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

4e **Total program service expenses** ▶ $ 1,153,575,293

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (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		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
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		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	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			
a	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	
c	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		No
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		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
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		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer 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**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (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**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	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* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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	282		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	8,983		
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)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ , UK 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		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	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	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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.

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

Section 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	1a	23		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	22		
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		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
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?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 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	

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

JACQUELINE GUILFOYLE
CONTROLLER TJUH INC601 WALNUT ST
Phila, PA 19106
(215) 503-8958

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								8,515,600	0	972,845

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 443

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Deloitte Consulting LLP PO Box 7247-6447 PHILADELPHIA, PA 191706447	Consulting Services	5,282,092
Harmelin Associates 525 Righters Ferry Road BALA CYNWYD, PA 19004	Advertising Services	5,171,186
Physician Dialysis Acquisitions In PO Box 403008 ATLANTA, GA 30384	Medical Services	2,033,063
Interpark Inc 200 North LaSalle Street Suite 140 CHICAGO, IL 60601	Parking Services	1,310,179
PATHS LLC 756 Haddon Avenue 3rd Floor COLLINGSWOOD, NJ 08108	Medicaid Eligibility	1,306,709

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 39

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c	408,161				
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e	1,692,176				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	5,351,724				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		7,452,061			
Program Service Revenue		Business Code				
	2a Patient Services		1,328,897,297	1,328,897,297		
	b Biomedical Services	811000	10,635,732		10,635,732	
	c TISSUE TYPING SERVICES	621500	1,231,258		1,231,258	
	d CLINICAL LAB SERVICES	621500	333,795		333,795	
	e ALL OTHER PROGRAM SERVICES	621500	67,919,096	67,919,096		
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		1,409,017,178			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		9,735,225			9,735,225
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . . ▶		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	6,354,586				
	b Less rental expenses	7,810,308				
	c Rental income or (loss)	-1,455,722				
	d Net rental income or (loss) . . . . . ▶		-1,455,722			-1,455,722
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	151,916,314	162,309			
	b Less cost or other basis and sales expenses	145,899,104	84,405			
	c Gain or (loss)	6,017,210	77,904			
	d Net gain or (loss) . . . . . ▶		6,095,114			6,095,114
Other Revenue	8a Gross income from fundraising events (not including $ 408,161 of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b	222,999				
	c Net income or (loss) from fundraising events . . ▶		-222,999			-222,999
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶		0			
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶		0			
	Miscellaneous Revenue	Business Code				
	11a Gains on Interest Rate SWAP Contracts	900099	827,392			827,392
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		827,392			
	12 **Total revenue.** See Instructions . . . ▶		1,431,448,249	1,396,816,393	12,200,785	14,979,010

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	117,672	117,672		
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	8,515,601	0	8,515,601	0
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	448,785,568	407,156,875	40,847,706	780,987
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	27,237,780	24,868,093	2,335,081	34,606
9 Other employee benefits	74,039,793	67,430,412	6,453,862	155,519
10 Payroll taxes	27,326,822	25,147,029	2,129,292	50,501
a Fees for services (non-employees) Management	0			
b Legal	1,422,737	0	1,422,737	0
c Accounting	494,698	0	494,698	0
d Lobbying	685,393	0	685,393	0
e Professional fundraising services *See Part IV, line 17*	0			
f Investment management fees	105,554	0	105,554	0
g Other	9,404,053	0	9,404,053	0
12 Advertising and promotion	9,097,801	649,704	8,448,097	
13 Office expenses	22,592,551	19,912,750	2,673,890	5,911
14 Information technology	0			
15 Royalties	0			
16 Occupancy	25,502,410	14,140,974	11,318,334	43,102
17 Travel	818,516	560,302	229,551	28,663
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	394,205	323,461	69,490	1,254
20 Interest	9,155,803		9,155,803	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	51,698,061		51,698,061	
23 Insurance	21,859,443		21,859,443	
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)				
a Medical Supplies	261,358,544	261,358,544		
b Purchased Services	221,283,681	200,284,125	19,737,056	1,262,500
c Bad Debt	41,835,142	41,835,142		
d EQUIPMENT,RENTAL,MAINTENANCE	42,958,704	32,940,853	10,000,192	17,659
e M/A TAX ASSESSMENT	49,778,281	49,778,281		
f All other expenses	13,908,813	7,071,076	6,736,702	101,035
25 **Total functional expenses.** Add lines 1 through 24f	1,370,377,626	1,153,575,293	214,320,596	2,481,737
26 **Joint costs.** Check here ▶ ☐ if 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				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		10,129,514	1	30,196,491
	2	Savings and temporary cash investments		195,683,528	2	185,031,142
	3	Pledges and grants receivable, net		920,874	3	205,308
	4	Accounts receivable, net		188,284,781	4	204,647,969
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		16,072,034	8	16,719,747
	9	Prepaid expenses and deferred charges		10,856,572	9	9,700,092
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 1,071,793,028			
	b	Less accumulated depreciation	10b 552,626,650	496,554,969	10c	519,166,378
	11	Investments—publicly traded securities		136,459,590	11	161,735,534
	12	Investments—other securities See Part IV, line 11		51,873,880	12	78,023,234
	13	Investments—program-related See Part IV, line 11		3,105,056	13	3,404,171
	14	Intangible assets		11,337,619	14	11,337,619
	15	Other assets See Part IV, line 11		12,048,729	15	11,370,557
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,133,327,146	16	1,231,538,242
Liabilities	17	Accounts payable and accrued expenses		187,391,758	17	215,255,134
	18	Grants payable			18	
	19	Deferred revenue		1,625,875	19	3,455,783
	20	Tax-exempt bond liabilities		207,426,571	20	204,478,046
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		31,516,793	23	30,347,744
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		241,819,584	25	218,030,861
	26	**Total liabilities.** Add lines 17 through 25		669,780,581	26	671,567,568
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		426,382,162	27	518,670,542
	28	Temporarily restricted net assets		25,152,552	28	28,977,864
	29	Permanently restricted net assets		12,011,851	29	12,322,268
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		463,546,565	33	559,970,674
	34	Total liabilities and net assets/fund balances		1,133,327,146	34	1,231,538,242

Part XI Reconcilliation of Net Assets

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	1,431,448,249
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,370,377,626
3	Revenue less expenses Subtract line 2 from line 1	3	61,070,623
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	463,546,565
5	Other changes in net assets or fund balances (explain in Schedule O)	5	35,353,486
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	559,970,674

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

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

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

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

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in 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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in 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 in) ▶	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(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**	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (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 ▶☐

b **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 ▶☐

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

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Additional Data

Software ID:
Software Version:
EIN: 23-2829095
Name: Thomas Jefferson University Hospitals Inc

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS J LEWIS III PRES, CEO & TRUSTEE TJUH,INC	40 0	X		X				1,144,392	0	137,981
BRIAN G HARRISON TRUSTEE	1 0	X						0	0	0
CARO U ROCK TRUSTEE	2 0	X						0	0	0
CARTER R BULLER ESQ TRUSTEE	2 5	X						0	0	0
DAVID R BINSWANGER TRUSTEE	1 5	X						0	0	0
DOUGLAS J MACMASTER JR TRUSTEE	1 0	X						0	0	0
HAROLD A HONICKMAN TRUSTEE	1 5	X						0	0	0
HYMAN R KAHN MD TRUSTEE	2 5	X						0	0	0
IRA BRIND ESQ TRUSTEE	6 3	X						0	0	0
JACK FARBER TRUSTEE	5	X						0	0	0
JANICE R BELLACE ESQ TRUSTEE	4 5	X						0	0	0
JOSEPHINE C MANDEVILLE TRUSTEE	2 5	X						0	0	0
MARK L TYKOCINSKI MD TRUSTEE	1 5	X						0	0	0
R RICHARD WILLIAMS VICE CHAIRMAN	3 8	X						0	0	0
RICHARD W HEVNER SECRETARY / TREASURER	5 3	X						0	0	0
ROBERT L BARCHI MD PHD TRUSTEE	5	X						0	0	0
ROBERT S ADELSON ESQ TRUSTEE	3 5	X						0	0	0
THOMAS B MORRIS ESQ TRUSTEE	1 5	X						0	0	0
WILLIAM A LANDMAN CHAIRMAN	4 0	X						0	0	0
ALEX WASILOV TRUSTEE	1 0	X						0	0	0
THOMAS COSTELLO TRUSTEE	1 0	X						0	0	0
ALBERT P PARKER ESQ TRUSTEE	1 0	X						0	0	0
ANDREW D FREED TRUSTEE	1 0	X						0	0	0
DAVID MCQUAID EXEC VICE PRESIDENT & COO	40 0			X				900,230	0	99,452
NEIL G LUBARSKY SENIOR VP,CFO ,ASST TREASURER	40 0			X				644,618	0	65,086

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RONALD P BURD EXEC VP STRATEGY & ORG DEV	40.0				X			554,793	0	58,945
STEPHEN TRANQUILLO VP CHIEF INFORMATION OFFICER	40.0				X			386,096	0	36,646
MARY ANN FITZPATRICK S VP PATIENT SERVICES & CNO	40.0				X			361,500	0	50,728
JAMES E ROBINSON SR VP AND CAO-METHODIST HOSP	40.0				X			320,007	0	37,133
NANCY RHODES SR DIR BUSINESS SERVICES	40.0				X			224,810	0	29,324
SEAN M FITZPATRICK VP FINANCE - TJUH	40.0				X			232,085	0	25,893
REBECCA O'SHEA SENIOR VP CLINICAL	40.0				X			361,184	0	38,949
ANDREW NATHANS VP FINANCIAL OPERATIONS	40.0				X			205,044	0	33,261
GEORGE T RIZZUTO VP FINANCE METHODIST	40.0				X			281,024	0	32,513
ROBERT BURKHOLDER VP SUPPLY CHAIN MANAGEMENT	40.0				X			215,978	0	35,747
RICHARD J WEBSTER VP PERIOPERATIVE SERVICES	40.0				X			270,994	0	29,428
SHARON MILLINGHAUSEN VP MED/CARDIAC/SPECIALTY SRVCS	40.0				X			207,775	0	30,778
ELEANOR GATES VP SERVICE EXCELLENCE	40.0				X			199,215	0	31,512
STACEY MEADOWS S VP & GENERAL COUNSEL	40.0					X		511,016	0	48,099
ROBERT DIECIDUE CHAIRMAN ORAL SURGERY	40.0					X		500,803	0	39,091
DANIEL TAUB VICE CHAIR ORAL SURGERY	40.0					X		428,685	0	31,643
CARMHIEL BROWN SENIOR VP MARKETING	40.0					X		315,911	0	41,656
BRIAN SWIFT VP CHIEF OF PHARMACY	40.0					X		249,440	0	38,980

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

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

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

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

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization	Employer identification number
Thomas Jefferson University Hospitals Inc	23-2829095

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		680,191
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		5,202
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			685,393
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

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

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

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

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

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

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

		(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a	Beginning of year balance	82,118,580	77,374,255	100,744,414		
b	Contributions	68,339	184,301	167,095		
c	Investment earnings or losses	15,185,235	6,604,458	-20,142,712		
d	Grants or scholarships					
e	Other expenditures for facilities and programs	3,210,593	2,044,434	3,394,542		
f	Administrative expenses					
g	End of year balance	94,161,561	82,118,580	77,374,255		

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

- a Board designated or quasi-endowment ▶ 70 500 %
- b Permanent endowment ▶ 8 400 %
- c Term endowment ▶ 21 100 %

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		16,158,868		16,158,868
b Buildings		514,654,884	181,794,398	332,860,486
c Leasehold improvements		7,523,457	464,201	7,059,256
d Equipment		512,938,795	370,368,051	142,570,744
e Other		20,517,024		20,517,024
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				519,166,378

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) Cash & Cash Equivalents	25,300,000	F
(B) Hedge Funds	25,216,683	F
(C) Private Equity	13,060,936	F
(D) Real Estate	14,445,615	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	78,023,234	

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
Accrued Professional Liability	93,334,658
Accrued Pension Liability	90,313,347
Accrued Workers' Compensation Liability	10,472,363
Asset Retirement Obligation	1,735,374
Interest Rate SWAP Liability	18,202,761
DUE TO UNCONSOLIDATED SUBS	3,972,358
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	218,030,861

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

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

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

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

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

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

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

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

		(a) Event #1 Jefferson Gala (event type)	(b) Event #2 N/A (event type)	(c) Other Events 0 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	408,161			408,161
	2 Less Charitable contributions	408,161			408,161
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	222,999			222,999
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				222,999
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				-222,999

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

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

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	**13a**	
b An outside facility	**13b**	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493132022472

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 500. %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

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 benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			9,107,044		9,107,044	0 680 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			245,776,740	192,790,565	52,986,175	3 980 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			254,883,784	192,790,565	62,093,219	4 660 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			2,866,620	489	2,866,131	0 220 %
f Health professions education (from Worksheet 5)			120,939,487	97,866,498	23,072,989	1 740 %
g Subsidized health services (from Worksheet 6)			291,178,089	274,441,862	16,736,227	1 260 %
h Research (from Worksheet 7)			1,130,397	65,000	1,065,397	0 080 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			1,941,862		1,941,862	0 150 %
j **Total** Other Benefits			418,056,455	372,373,849	45,682,606	3 450 %
k **Total.** Add lines 7d and 7j			672,940,239	565,164,414	107,775,825	8 110 %

Part II **Community Building Activities** during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			603,073		603,073	0 040 %
8 Workforce development						
9 Other						
10 **Total**			603,073		603,073	0 040 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	22,169,278		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	296,417,453
6	Enter Medicare allowable costs of care relating to payments on line 5	6	356,041,859
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-59,624,406
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 Riverview Surgery	Healthcare	51 000 %		38 610 %
2 Bucks County Ortho	Healthcare	15 000 %		64 000 %
3 Hospital				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	THOMAS JEFFERSON UNIVERSITY HOSPITAL 111 SOUTH 11 STREET PHILADELPHIA,PA 191070000	X	X		X			X		
2	METHODIST HOSPITAL 2301 SOUTH BROAD STREET PHILADELPHIA,PA 191480000	X	X		X			X		

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)

Name of Hospital Facility: THOMAS JEFFERSON UNIVERSITY HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		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 assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ 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 community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ 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 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ 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 Assessment			
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 ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
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 care?	8		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11		
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
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		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
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 ☐ 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)			

Billing and Collections

14 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		
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			
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		
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 ☐ 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)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to 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**		
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
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)			

Charges 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**		
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 patient?	**21**		
If "Yes," explain in Part VI			

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)

Name of Hospital Facility: METHODIST HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		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 assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ 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 community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ 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 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ 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 Assessment			
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 ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
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 care?	8		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11		
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
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		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
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 ☐ 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)			

Billing and Collections

14 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		
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			
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		
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 ☐ 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)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to 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**		
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
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)			

Charges 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**		
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 patient?	**21**		
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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? _____

	Name and address	Type of Facility (Describe)
1		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **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

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

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

5 **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)

6 **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 1, LINE 6A		THE COMMUNITY BENEFIT REPORT IS FILED BIENNIALLY PART 1, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDES EMERGENCY AND TRAUMA SERVICES PART III, LINE 4 bad debt expense is the uncollectible portion of the accounts receivable, excluding contractual allowances The bad debt expense at cost calculation is comprised of two parts one part representing the unpaid deductibles and copays for insured patients The other part represents the unpaid balance owed by uninsured patients, reduced to cost using the hospital's cost-to-charge ratio of total operating expenses as compared to total gross charges PART III, LINE 8 Medicare is not treated as a community benefit The source data was generated from THE internal cost accounting system PART III, LINE 9B THE COLLECTION POLICY OF THOMAS JEFFERSON UNIVERSITY HOSPITALS, INC ("TJUH, INC") contains detailed guidelines for patients eligible for charity care THIS INCLUDES A process to determine patient eligibility for charity care prior to the provision of care or as soon as possible thereafter If it is determined that a patient qualifies for partial charity care, the policy requires that the patient and TJUH agree in writing as to the amount due after applying the appropriate charity care discount, and that TJUH negotiate and agree upon a reasonable payment schedule with the patient TJUH ALSO EVALUATES THE ONGOING ABILITY OF THE PATIENT TO PAY THE AMOUNT DUE BEFORE CERTAIN ADDITIONAL COLLECTION ACTIONS ARE TAKEN NEEDS ASSESSMENT TJUH uses a variety of sources to assess the health care needs of our communities including A) Public Health Management Corporation's biennial Community Health Data Base survey on a broad range of health topics including health status, access to and use of health care, personal health behaviors, health screening, health insurance status, women's health, children's health, and older adult health and social support needs B) Philadelphia Department of Health reports C) Focus groups with Jefferson employees who reside in target communities and collaboration with community agencies AND COMMUNITY coalitions D) Discussions with key community stakeholders such as the health department, physicians, and school administrators PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE TJUH informs and educates people through signage, its website, brochures, statement messages, and the paths program, A VENDOR- SUPPORTED SERVICE, WHICH ASSISTS PATIENTS WITH ENROLLMENT IN THE MEDICAL ASSISTANCE PROGRAM COMMUNITY INFORMATION TJUH serves a geographic area extending 60 miles from Center City Philadelphia where approximately 11 million people reside Community benefit programs are primarily located in areas more geographically proximate TO OUR Center City and South Philadelphia hospitals Our community benefit focus areas of South Philadelphia, select areas of Center City, and Near North Philadelphia west of Broad Street are home to approximately 200,000 racially and ethnically diverse people with 25% of the families living below the poverty level PROMOTION OF COMMUNITY HEALTH TJUH's community building activities are focused on providing opportunities for youth to explore careers in health care through health awareness education, mentoring, and internships Additionally, Jefferson staff play leadership roles in community building organizations such as those devoted to assisting older adults and creating career opportunities for youth The hospital also donates FUNDS to many organizations that provide social and community enhancement services in our target communities AFFILIATED HEALTH CARE SYSTEM DESCRIPTION TJUH is a wholly owned subsidiary of TJUH System, Inc , which along with Main Line Health and Magee Rehabilitation Hospital, is a Member of THE Jefferson HeaLth System ("JHS") Each of the three JHS Members are tax exempt organizations that directly and indirectly through their respective affiliates, promote the health of the communities they serve in Southeastern Pennsylvania, Southern New Jersey and Delaware primarily by providing hospital, subacute, outpatient and physician services and by providing facilities in which students, physicians, nurses and other health care professionals are trained in a clinical setting The OPERATIONS OF TJUH INCLUDES Thomas Jefferson University Hospital (including the Jefferson Hospital for Neuroscience) and Methodist Hospital The hospitals OF TJUH provide a full range of health care services and provide training to students and health professionals in a clinical setting JHS AND ITS MEMBERS also provide community health services such as health education, counseling and support services A substantial amount of the services and education provided by JHS Members and their affiliates are provided at no charge or in return for reimbursement below cost COMMUNITY BENEFIT REPORT TJUH DOES NOT FILE A COMMUNITY BENEFIT REPORT AT THE STATE LEVEL

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

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

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) NURSING SCHOLARSHIPS	4	117,672		book	N/A

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

Identifier	Return Reference	Explanation
FORM 990, SCHEDULE I, PART 1, LINE 2		ACTUAL EXPENDITURES FOR ALL APPROVED GRANTS ARE MONITORED AGAINST BUDGETED EXPENDITURES ON A MONTHLY BASIS ANY DISCREPANCIES ARE RESEARCHED AND resolved ACCORDINGLY

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
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**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(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

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, LINE 4A - SEVERANCE PAYMENT		SEAN FITZPATRICK $9,155 00 SCHEDULE J, PART I, LINE 7 - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THOMAS J LEWIS III $113,925 66 DAVID MCQUAID 88,902 44 NEIL LUBARSKY 41,505 37 Ronald Burd 43,670 92 STACEY MEADOWS 26,097 58 STEPHEN TRANQUILLO 16,273 31 MARY ANN FITZPATRICK 26,281 98 JAMES ROBINSON 8,711 18 REBECCA O'SHEA 7,797 39 CARMHIEL BROWN 8,787 22 RICHARD WEBSTER 2,695 64 GEORGE RIZZUTO 1,919 11 SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS A PORTION OF THE COMPENSATION FOR OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE FIVE HIGHEST COMPENSATED EMPLOYEES INCLUDES COMPENSATION that IS BASED ON THE ATTAINMENT OF PATIENT CARE, QUALITY GOALS, STRATEGIC OPERATIONAL INITIATIVES, AND FINANCIAL PERFORMANCE

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-2829095
Name: Thomas Jefferson University Hospitals Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DAVID MCQUAID	(I)	504,628	351,861	43,741	94,843	4,609	999,682	0
	(II)	0	0	0	0	0	0	0
RONALD P BURD	(I)	393,795	134,613	26,385	52,328	6,617	613,738	0
	(II)	0	0	0	0	0	0	0
STEPHEN TRANQUILLO	(I)	290,643	78,396	17,057	31,850	4,796	422,742	0
	(II)	0	0	0	0	0	0	0
MARY ANN FITZPATRICK	(I)	262,938	75,548	23,014	41,632	9,096	412,228	0
	(II)	0	0	0	0	0	0	0
THOMAS J LEWIS III	(I)	767,988	350,056	26,348	129,276	8,705	1,282,373	0
	(II)	0	0	0	0	0	0	0
NEIL G LUBARSKY	(I)	417,167	193,468	33,983	56,855	8,231	709,704	0
	(II)	0	0	0	0	0	0	0
STACEY MEADOWS	(I)	328,859	163,334	18,823	41,448	6,651	559,115	0
	(II)	0	0	0	0	0	0	0
ROBERT DIECIDUE	(I)	367,650	133,153	0	31,850	7,241	539,894	0
	(II)	0	0	0	0	0	0	0
JAMES E ROBINSON	(I)	255,709	54,605	9,693	31,850	5,283	357,140	0
	(II)	0	0	0	0	0	0	0
NANCY RHODES	(I)	195,085	29,725	0	25,502	3,822	254,134	0
	(II)	0	0	0	0	0	0	0
SEAN M FITZPATRICK	(I)	196,320	0	35,765	21,531	4,362	257,978	0
	(II)	0	0	0	0	0	0	0
REBECCA O'SHEA	(I)	237,911	63,440	59,833	31,850	7,099	400,133	0
	(II)	0	0	0	0	0	0	0
ANDREW NATHANS	(I)	180,044	25,000	0	24,245	9,016	238,305	0
	(II)	0	0	0	0	0	0	0
GEORGE T RIZZUTO	(I)	215,105	44,112	21,807	26,950	5,563	313,537	0
	(II)	0	0	0	0	0	0	0
ROBERT BURKHOLDER	(I)	174,739	32,069	9,170	27,617	8,130	251,725	0
	(II)	0	0	0	0	0	0	0
RICHARD J WEBSTER	(I)	228,202	40,093	2,699	26,950	2,478	300,422	0
	(II)	0	0	0	0	0	0	0
SHARON MILLINGHAUSEN	(I)	177,453	30,322	0	26,403	4,375	238,553	0
	(II)	0	0	0	0	0	0	0
DANIEL TAUB	(I)	273,175	155,510	0	22,050	9,593	460,328	0
	(II)	0	0	0	0	0	0	0
CARMHIEL BROWN	(I)	228,254	78,738	8,919	31,850	9,806	357,567	0
	(II)	0	0	0	0	0	0	0
BRIAN SWIFT	(I)	198,492	35,020	15,928	30,909	8,071	288,420	0
	(II)	0	0	0	0	0	0	0
ELEANOR GATES	(I)	169,916	29,299	0	25,763	5,749	230,727	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Hospitals & Higher Education Facility of Philadelp	23-1929132	717903ZF8	06-30-2003	6,500,000	Improve facilities, repay debt		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	6,500,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	1,287,663			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2003			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
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?	X							

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 2		Trustees Robert Adelson, William Landman, Richard Williams, Ira Brind, Jack Farber, and Hyman Kahn have a business relationship This business relationship does not involve any transactions with TJUH, Inc FORM 990, PART VI, LINE 6&7 TJUH SYSTEM IS THE SOLE MEMBER OF TJUH, Inc THE BOARD OF TRUSTEES OF TJUH, Inc SHALL BE THOSE PERSONS WHO SERVE FROM TIME TO TIME ON THE TJUH SYSTEM BOARD TJUH SYSTEM RECOMMENDS INDIVIDUALS FOR APPOINTMENT TO ITS BOARD OF TRUSTEES TO ITS SOLE MEMBER, Jefferson Health System, Inc (JHS) JHS ELECTS MEMBERS TO THE TJUH SYSTEM BOARD OF TRUSTEES WHO AUTOMATICALLY BECOME MEMBERS OF THE TJUH inc BOARD OF TRUSTEES FORM 990, PART VI, LINE 11A THE FORM 990 IS REVIEWED INTERNALLY BY MANAGEMENT OF TJUH, Inc IT IS THEN PRESENTED TO THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES FOR REVIEW AND FINAL APPROVAL BEFORE FILING FORM 990, PART VI, LINE 12C ANNUAL CONFLICT OF INTEREST STATEMENTS ARE COMPLETED BY THE BOARD OF TRUSTEES, SENIOR MANAGEMENT, AND KEY REPRESENTATIVES OF TJUH, INC ALL CONFLICTS ARE REFERRED TO THE CORPORATE COMPLIANCE OFFICER FOR RESOLUTION THE CHAIRMAN OF THE BOARD AND THE CEO OF TJUH ARE RESPONSIBLE FOR MONITORING THE CONDUCT OF AND DISCLOSURE BY KEY REPRESENTATIVES AND THEY IDENTIFY, ADDRESS, AND/OR RESOLVE ACTUAL OR POTENTIAL CONFLICTS IN CONSULTATION WITH LEGAL COUNSEL AND/OR THE CORPORATE COMPLIANCE OFFICER IF DEEMED NECESSARY OR ADVISABLE, INDIVIDUAL CASES MAY BE REFERRED TO THE FULL BOARD OR A COMMITTEE THEREOF FOR RESOLUTION FORM 990, PART VI, LINE 15 THE PROCESS FOR DETERMINING COMPENSATION OF THE OFFICERS AND KEY EMPLOYEES OF TJUH, inc USES SEVERAL EXTERNAL MARKET SURVEY DATA PROVIDERS SUCH AS MERCER, SULLIVAN COTTER, AND OLNEY ASSOCIATES THE SALARIES IN THE SURVEYS ARE ANONYMOUS AND CONTAIN SEVERAL OTHER PARTICIPATING ORGANIZATIONS IN HEALTHCARE THE JHS BOARD HIRES AND DETERMINES THE BASE AND INCENTIVE COMPENSATION FOR THE CEO OF TJUH (In his role as CEO for TJUH System, Inc and TJUH, Inc) WHILE CEOS ARE NOT OFFICERS OR EMPLOYEES OF THE JHS LEGAL ENTITY ITSELF, THEY DO REPORT TO THE JHS CEO TJUH FORMULATES MARKET DATA SHEETS BY SHARING THE 25TH, 50TH, AND 75TH PERCENTILES FOR COMPENSATION, TJUH, inc TARGETS THE 50TH PERCENTILE OF THE MARKET HOWEVER LOWER OR HIGHER PERCENTILES MAY BE USED DEPENDING UPON A CANDIDATE'S DEPTH OF EXPERIENCE TJUH ALSO TARGETS ORGANIZATIONS SUCH AS TEACHING HOSPITALS, THOSE FROM NorthEastern U S A , AND THOSE WITH REVENUE GREATER THAN ONE BILLION DOLLARS AS A GAUGE FOR DETERMINING COMPENSATION RANGES Form 990, Part VI, Section c, line 19 THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST FORM 990, PART VII, SECTION B - INDEPENDENT CONTRACTORS TJUH and Thomas Jefferson University (TJU) have maintained a close academic affiliation Services provided by TJU to TJUH include physician and non-physician personnel and other support services necessary to preserve and maintain the tertiary care capacity of TJUH TJU also provides office and clinical space, as well as administrative, finance, human resources, information technology, maintenance, security, temporary staffing and other ancillary services to TJUH Expenses charged for these services aggregated $175,884,239 for the year ended June 30, 2011 FORM 990, PART XI - OTHER CHANGES IN NET ASSETS OR FUND BALANCES UNRESTRICTED UNREALIZED gain $11,403,655 DECREASE IN PENSION LIABILITY 20,152,943 CHANGE IN NONCONTROLLING INTEREST IN JOINT VENTURE 1,065,455 TEMPORARILY RESTRICTED UNREALIZED GAINS 3,040,245 CHANGE IN ASSETS HELD BY AFFILIATED FOUNDATION (619,230) PERM RESTRICTED UNREALIZED gain ON EXTERNALLY HELD TRUSTS 310,417 ---------- TOTAL $35,353,486 ========== Form 990, Schedule K, Part I Certain bond proceeds have been allocated to TJUH from organizations related to TJUH, namely TJUH System, Inc (Pennsylvania Economic Development Financing Authority ("Authority") Series 2007), JHS (series 2005) AND JHS (SERIES 2010) The liabilities for the series 2007 bonds are reported on Schedule K for TJUH System, Inc The liabilities for the series 2005 and 2010 bonds are reported on schedule K for JHS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME THOMAS J LEWIS III TITLE PRES, CEO & TRUSTEE TJUH, INC HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BRIAN G HARRISON TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CARO U ROCK TITLE TRUSTEE HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CARTER R BULLER ESQ TITLE TRUSTEE HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAVID R BINSWANGER TITLE TRUSTEE HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DOUGLAS J MACMASTER JR TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME HAROLD A HONICKMAN TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME HYMAN R KAHN MD TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME IRA BRIND ESQ TITLE TRUSTEE HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JACK FARBER TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JANICE R BELLACE ESQ TITLE TRUSTEE HOURS 4

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOSEPHINE C MANDEVILLE TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MARK L TYKOCINSKI MD TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME R RICHARD WILLIAMS TITLE VICE CHAIRMAN HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RICHARD W HEVNER TITLE SECRETARY / TREASURER HOURS 8

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ROBERT L BARCHI MD PHD TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ROBERT S ADELSON ESQ TITLE TRUSTEE HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME THOMAS B MORRIS ESQ TITLE TRUSTEE HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME WILLIAM A LANDMAN TITLE CHAIRMAN HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ALEX WASILOV TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME THOMAS COSTELLO TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ALBERT P PARKER ESQ TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ANDREW D FREED TITLE TRUSTEE HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME NEIL G LUBARSKY TITLE SENIOR VP,CFO,ASST TREASURER HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JAMES E ROBINSON TITLE SR VP AND CAO-METHODIST HOSP HOURS 4

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME GEORGE T RIZZUTO TITLE VP FINANCE METHODIST HOURS 16

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME STACEY MEADOWS TITLE S VP & GENERAL COUNSEL HOURS 10

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BRIAN SWIFT TITLE VP CHIEF OF PHARMACY HOURS 8

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Riverview Surgery Center Three Crescent Drive Navy Yard Cor Philadelphia, PA191120000 26-3910345	Healthcare	PA	TJUH Inc		174,965	9,121,525		No			No	51 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Jeffcare Inc 211 S 9th Street Walnut Towers S Philadelphia, PA191070000 23-2830152	Healthcare	PA	NA	C Corporation	-313,798	79,608	100 000 %
(2) The Atrium Corporation 925 Chestnut Street Suite 311 Philadelphia, PA191070000 23-2075587	Healthcare	PA	TJUH System Inc	C Corporation	206,800	898,438	100 000 %
(3) Healthmark Inc 2301 South Broad Street Philadelphia, PA191480000 23-2259593	Healthcare	PA	TJUH System Inc	C Corporation	-88,510	225,845	100 000 %
(4) Mid-Atlantic Maternal Fetal Institute 925 Chestnut Street Suite 311 Philadelphia, PA191070000 23-2922471	Healthcare	PA	TJUH Affiliates	C Corporation			100 000 %
(5) Mid-Atlantic Maternal Fetal Institute PC 925 Chestnut Street Suite 311 Philadelphia, PA191070000 22-3536371	Healthcare	PA	TJUH Affiliates	C Corporation			100 000 %
(6) EXTERNALLY ADMINISTERED TRUSTS			N/A			1,177,890	

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-2829095
Name: Thomas Jefferson University Hospitals Inc

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
TJUH System Inc 111 South 11 Street Philadelphia, PA191070000 26-3026795	Healthcare	PA	501(C)(3)	11	JHS		
Emergency Transport Associates Inc 414 North 5TH Street Philadelphia, PA191070000 23-2622004	Healthcare	PA	501(C)(3)	9	TJUH System		
Jeffex Inc 925 Cestnut Street Suite 311 Philadelphia, PA191070000 23-2622009	Healthcare	PA	501(C)(3)	11	TJUH System		
JeffQuip Inc 12 Creek Parkway Boothwyn, PA190610000 23-2622001	Healthcare	PA	501(C)(3)	9	TJUH System		
Walnut Home Therapeutics 919 Walnut Street 5th Floor Philadelphia, PA191070000 23-2622006	Healthcare	PA	501(C)(3)	9	TJUH System		
Suthbreit Prpoerties LTD 2301 South Broad Street Philadelphia, PA191480000 23-2214351	Healthcare	PA	501(C)(2)		TJUH System		
TJUH Health Affiliates 925 Cestnut Street Suite 311 Philadelphia, PA191070000 23-3026939	Healthcare	PA	501(C)(3)	11	TJUH System		
Methodist Associates in Healthcare Inc 2301 South Broad Street Philadelphia, PA191480000 23-2678055	Healthcare	PA	501(C)(3)	11	TJUH System		
Jefferson Medical Care PC 925 Cestnut Street Suite 311 Philadelphia, PA191070000 23-3537847	Healthcare	PA	501(C)(3)	11	TJUH Systems		
Jefferson Medical Care 925 Cestnut Street Suite 311 Philadelphia, PA191070000 23-2858320	Healthcare	PA	501(C)(3)	11	TJUH Systems		
Methodist Hospital Foundation 2301 south broad street philadelphia, PA19148 23-2014559	fund raising	PA	501(c)(3)	11	na		

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	EMERGENCY TRANSPORT ASSOCIATES INC	R	3,372,686	
(2)	JEFFQUIP INC	R	2,137,736	
(3)	WALNUT HOME THERAPEUTICS	R	18,575,951	
(4)	SUTHBREIT PROPERTIES	R	237,568	
(5)	METHODIST ASSOCIATES IN HEALTHCARE INC	R	1,520,851	
(6)	JEFFERSON MEDICAL CARE	R	5,694,124	
(7)	METHODIST ASSOCIATES IN HEALTHCARE INC	Q	8,267,844	
(8)	EMERGENCY TRANSPORT ASSOCIATES INC	Q	1,724,636	
(9)	JEFFERSON MEDICAL CARE	Q	530,598	

TJUH System

Consolidated Financial Statements
June 30, 2011 and 2010

TJUH System
Table of Contents
June 30, 2011 and 2010

pwc

Report of Independent Auditors

Board of Trustees
TJUH System
Philadelphia, Pennsylvania

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of TJUH System and its subsidiaries ("TJUH") at June 30, 2011 and 2010, and the results of their operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of TJUH's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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.

PricewaterhouseCoopers LLP

October 13, 2011

PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1700, 2001 Market Street, Philadelphia, PA 19103-7042
T: (267) 330-3000, F: (267) 330-3300, www.pwc.com/us

TJUH System
Consolidated Balance Sheets
June 30, 2011 and 2010

Assets	2011	2010
Current assets:		
Cash and cash equivalents	$30,395,551	$10,998,138
Short-term investments	185,031,142	195,683,528
Accounts receivable, less allowance for doubtful accounts of $26,882,000 in 2011 and $26,098,000 in 2010	213,411,643	195,680,172
Inventory	17,674,446	17,031,051
Assets whose use is limited, current	16,503,534	21,563,023
Other current assets	10,245,010	11,248,146
Total current assets	473,261,326	452,204,058
Long-term investments	195,900,663	164,128,292
Assets whose use is limited, noncurrent	25,135,051	7,681,411
Assets held by affiliated foundation	5,882,954	6,502,183
Goodwill, net	11,417,619	11,337,619
Other noncurrent assets	6,045,922	6,131,064
Land, buildings and equipment, net	531,341,720	503,960,609
Total assets	$1,248,985,255	$1,151,945,236
Liabilities and Net Assets		
Current liabilities:		
Current portions of:		
Long-term obligations	$2,675,950	$2,174,407
Due to Jefferson Health System	6,245,000	7,720,000
Accrued professional liability claims	9,860,519	14,907,957
Accrued workers' compensation claims	6,001,973	6,283,123
Accounts payable and accrued expenses	129,040,726	125,935,603
Payable to Thomas Jefferson University	21,211,578	3,661,758
Accrued payroll and related costs	56,272,401	41,022,217
Total current liabilities	231,308,147	201,705,065
Long-term obligations	128,911,793	130,787,386
Due to Jefferson Health System	197,053,047	198,261,571
Accrued pension liability	90,313,347	115,021,171
Accrued professional liability claims	93,334,658	87,061,260
Accrued workers' compensation claims	10,472,363	8,055,745
Other noncurrent liabilities	20,044,211	22,439,600
Total liabilities	771,437,566	763,331,798
Net assets:		
Unrestricted	435,182,102	351,449,035
Noncontrolling interest in joint venture	1,065,455	-
Temporarily restricted	28,977,864	25,152,552
Permanently restricted	12,322,268	12,011,851
Total net assets	477,547,689	388,613,438
Total liabilities and net assets	$1,248,985,255	$1,151,945,236

The accompanying notes are an integral part of the consolidated financial statements.

TJUH System
Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating revenues, gains and other support:		
Net patient service revenue	$1,382,640,275	$1,209,587,283
Investment income	6,317,200	4,183,049
Other revenue	83,250,340	95,056,574
Net assets released from restriction	1,539,621	1,346,316
Total operating revenues, gains and other support	1,473,747,436	1,310,173,222
Operating expenses:		
Salaries and employee benefits	589,007,317	536,650,343
Pension	27,237,780	26,533,333
Supplies	295,055,993	267,444,303
Purchased services	227,879,951	168,573,897
Depreciation and amortization	54,776,205	47,005,966
Interest	10,251,956	10,709,510
Insurance	23,153,368	36,703,046
Provision for bad debts	43,137,190	45,561,233
Utilities	17,716,775	16,513,761
Other	140,175,754	103,747,843
Total operating expenses	1,428,392,289	1,259,443,235
Income from operations	45,355,147	50,729,987
Loss on extinguishment of debt	(3,844,488)	-
Income from operations after extinguishment of debt	41,510,658	50,729,987
Nonoperating gains (losses):		
Investment earnings	7,960,000	2,331,465
Contributions	711,119	1,001,413
Contributions expense	(2,481,737)	(1,544,576)
Net assets released from restriction	255,904	1,194,002
Other, principally interest rate swap contracts	905,296	(8,524,737)
Total nonoperating gains (losses)	7,350,581	(5,542,433)
Excess of revenues over expenses	48,861,239	45,187,554
Change in unrealized gains on investments	11,404,027	6,379,586
Net assets released from restrictions used for purchase of property and equipment	3,314,858	4,448,763
Change in noncontrolling interest in joint venture	1,065,455	-
Decrease (increase) in pension liability	20,152,943	(28,553,239)
Increase in unrestricted net assets	$84,798,522	$27,462,664

The accompanying notes are an integral part of the consolidated financial statements.

TJUH System

Consolidated Statements of Operations and Changes in Net Assets, continued

For the Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted net assets:		
Excess of revenues over expenses	$48,861,239	$45,187,554
Change in net unrealized gains on investments	11,404,027	6,379,586
Net assets released from restrictions used for purchase of property and equipment	3,314,858	4,448,763
Change in noncontrolling interest in joint venture	1,065,455	-
Decrease (increase) in pension liability	20,152,943	(28,553,239)
Increase in unrestricted net assets	84,798,522	27,462,664
Temporarily restricted net assets:		
Contributions	5,048,966	704,785
Interest, dividends, and net realized gains on investments	1,475,713	1,136,756
Net assets released from restriction	(5,120,383)	(7,524,815)
Change in net unrealized gains on investments	3,040,245	910,185
Change in assets held by an affiliated foundation	(619,229)	16,892
Increase (decrease) in temporarily restricted net assets	3,825,312	(4,756,197)
Permanently restricted net assets:		
Contributions	-	21,306
Change in net unrealized gains on externally held trusts	310,417	160,062
Increase in permanently restricted net assets	310,417	181,368
Increase in net assets	88,934,251	22,887,835
Net assets, beginning of year	388,613,438	365,725,603
Net assets, end of year	$477,547,689	$388,613,438

The accompanying notes are an integral part of the consolidated financial statements.

TJUH System
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Increase in net assets	$88,592,651	$22,887,835
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Decrease) increase in pension liability	(20,152,943)	28,553,239
Depreciation and amortization	54,776,205	47,005,966
Provision for bad debts	43,137,190	45,561,233
Loss on disposal of ambulatory/orthopaedic project	6,566,716	-
Loss on extinguishment of debt	3,844,488	-
Assets held by affiliated foundation	619,229	(16,892)
Amortization of (premium) debt discount	(71,650)	236,379
Net realized and unrealized gains on investments	(29,948,234)	(11,580,958)
Other-than-temporary impairment of assets	341,933	731,469
Net (gain) loss on interest rate swap	(4,861,767)	5,354,664
Net gain on sale of assets	(77,904)	(77,904)
Equity in earnings of joint venture	(1,639,155)	(2,051,565)
Noncontrolling interest in joint venture	(552,354)	404,551
Net change due to:		
Accounts receivable	(57,686,931)	(71,046,255)
Inventories	(643,395)	(948,608)
Other current and noncurrent assets	(76,940)	(2,140,583)
Accounts payable and accrued expenses	16,067,778	31,022,785
Payable to Thomas Jefferson University	17,549,820	(9,033)
Accrued pension liability	(4,554,881)	100,638
Accrued professional claims liability	1,225,960	6,502,205
Accrued workers' compensation liability	2,135,468	1,583,778
Other liabilities	3,188,831	(582,125)
Net cash provided by operating activities	117,780,115	101,490,820
Cash flows from investing activities:		
Short-term investments, net	10,652,386	(71,562,043)
Assets whose use is limited, net	(12,394,150)	33,609,824
Change in securities lending invested collateral	816,296	(776,613)
Purchase of land, buildings and equipment	(88,455,111)	(104,944,230)
Purchases of investments	(152,443,229)	(146,153,073)
Sales of investments	151,916,314	149,311,567
Net cash used in investing activities	(89,907,494)	(140,514,567)

(continued)

TJUH System
Consolidated Statements of Cash Flows, continued
For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from financing activities:		
Contribution received from minority interest	171,500	137,200
Change in securities lending payable	(816,296)	776,613
Proceeds from long-term borrowings	186,007,097	6,460,718
Repayment of long-term borrowings	(193,837,509)	(8,267,219)
Net cash used in financing activities	(8,475,208)	(892,688)
Net increase (decrease) in cash and cash equivalents	19,397,413	(39,916,437)
Cash and cash equivalents at beginning of year	10,998,138	50,914,575
Cash and cash equivalents at end of year	$30,395,551	$10,998,138
Supplemental disclosure of cash flow information:		
Interest paid, net of amount capitalized	$14,774,049	$13,929,422

TJUH entered into a mortgage obligation in 2010 for the property at 925 Chestnut Street and a capital lease obligation for the Voorhees Ambulatory Facility in the aggregate amounts of $21,972,500 and $3,560,794, respectively.

The accompanying notes are an integral part of the consolidated financial statements.

1. Summary of Significant Accounting Policies:

Nature of Operations

TJUH System ("TJUH"), located in Philadelphia, Pennsylvania, is an integrated healthcare organization that provides inpatient, outpatient, and emergency care services through acute care, ambulatory care, physician, and other primary care services for residents of the Greater Philadelphia Region. Effective July 1, 2000, the Board of Directors of Thomas Jefferson University Hospitals, Inc. (the "Hospital") and Jefferson Health System ("JHS") approved a corporate reorganization of the Hospital. The new operating structure, known as TJUH System, includes all former combined entities of the Hospital. TJUH maintains an academic affiliation with Thomas Jefferson University ("TJU"). Related party transactions and their effects on the financial statements are discussed in Note 11. The consolidated financial statements of TJUH include the accounts and subsidiaries of Thomas Jefferson University Hospital, the Jefferson Hospital for Neuroscience Division, the Methodist Hospital Division, TJUH Health Affiliates, the Atrium Corporation and Jeffex, Inc., and the Riverview Surgery Center at the Navy Yard, LP ("Riverview"), a 51%-owned joint venture.

JHS is the sole corporate member of TJUH. JHS is a regional integrated healthcare delivery system. The other members of JHS are Magee Rehabilitation Hospital ("Magee") and Main Line Health ("MLH").

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The accompanying consolidated financial statements include the financial position, results of operations and cash flows of TJUH and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make, where necessary, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the accompanying notes. Actual results could differ from these estimates.

Financial Statement Presentation

TJUH accounts for its net assets by classifying them into three categories according to externally-imposed restrictions. The three net asset categories are as follows:

- **Unrestricted Net Assets** are available for the support of operations and are not externally restricted, although their use may be limited by other factors such as by contract or board designation.

1. Summary of Significant Accounting Policies, continued:

- **Temporarily Restricted Net Assets** include gifts for which donor-imposed restrictions have not been met and trust activity and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted.

- **Permanently Restricted Net Assets** include gifts, trusts, and pledges which require that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

Income Taxes
TJUH and certain of its subsidiaries are not-for-profit corporations and have been recognized as tax-exempt pursuant to Section 501(c) (3) of the Internal Revenue Code.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash and short-term investments in highly liquid debt instruments with an original maturity of three months or less. Cash and cash equivalents are carried at cost which approximates market value.

Charitable Medical Care Provided
TJUH provides medically necessary services to all patients regardless of their ability to pay. Some patients qualify for charity care based on policies established by TJUH and are therefore not responsible for payment for all or a part of their healthcare services. These policies allow for the provision of free or discounted care in circumstances where requiring payment would impose financial hardship on the patient. Charges for services rendered to patients who meet TJUH's guidelines for charity care are not separately recorded in the accompanying consolidated financial statements.

TJUH maintains records to identify and monitor the level of charity care provided. These records include the amount of charges foregone for services and supplies furnished. Such amounts have been excluded from net patient service revenue. Management estimates that the cost of charity care provided by TJUH was $9,107,044 and $9,438,946 for the years ended June 30, 2011 and June 30, 2010, respectively. These amounts do not include the provision for bad debts of $43,137,190 and $45,561,233 in 2011 and 2010, respectively, which is reflected separately in the accompanying consolidated statements of operations and changes in net assets.

Other Uncompensated Community Services (unaudited)
Services are provided to patients in the community who are insured under the Pennsylvania Medical Assistance Program. The cost of providing services to eligible welfare recipients who participate in this program exceeded reimbursement by $52,986,175 and $47,489,543 in 2011 and 2010, respectively.

In furtherance of its exempt purpose to benefit the community, TJUH provides education and training for medical residents, nurses and other healthcare professionals. Amounts expended for these services exceeded reimbursement by $23,072,989 and $25,384,431 in 2011 and 2010, respectively.

1. Summary of Significant Accounting Policies, continued:

TJUH also provides various community services such as the provision of subsidized emergency services; telemedicine services for stroke patients at community hospitals; education for diabetes and heart disease; screenings for stroke and cancer risk; cancer support groups; senior health education; nutritional counseling for obesity; maternal and childbirth education; and youth participation in various work-ready or career preparation programs. Many of these services target areas of health disparity and include working with schools, grassroots organizations and other partners. The net amounts expended for the foregoing services were $23,212,690 and $17,271,029 in 2011 and 2010, respectively.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Revenue from the Medicare and Medicaid fee-for-service and managed care programs accounted for approximately 32.33% and 10.22%, respectively, and 31.50% and 11.78%, respectively of net patient service revenue in 2011 and 2010, respectively. Most payments to TJUH from the Medicare and Pennsylvania Medicaid programs for inpatient hospital services are made on a prospective basis. Under these programs, payments are made at a pre-determined specific rate for each discharge based on a patient's diagnosis. Additional payments are made to TJUH as a teaching and disproportionate share hospital, as well as for cases that have an extremely long length-of-stay or unusually high costs. Laws governing the Medicare and Medicaid programs are complex and subject to interpretation. In addition, TJUH received funds from both the Philadelphia Hospital Assessment program and Medical Assistance Modernization Act-Quality Care Assessment program in the amount of $65,933,355 in 2011 and from the Philadelphia Hospital Assessment program in the amount of $27,358,089 in 2010. TJUH paid taxes in respect to these programs amounting to $49,778,281 and $23,329,947 in 2011 and 2010, respectively, and are recorded in other operating expenses. Both programs were designed to provide supplemental funding for licensed acute care hospitals with the Philadelphia Hospital Assessment program specifically designated for hospital emergency services.

TJUH has also entered into agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to TJUH under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates and capitated rates. Revenue from the most notable of these types of insurers amounted to 24.41% and 8.37%, respectively, and 24.13% and 11.20%, respectively, of TJUH's net patient service revenue in 2011 and 2010, respectively.

Land, Buildings, Equipment and Depreciation

Land, buildings and equipment are stated at cost. Depreciation is calculated utilizing the straight-line method based on the estimated useful lives of the underlying assets. Gains and losses from retirement or disposition of fixed assets are recognized in the consolidated statements of operations and changes in net assets as nonoperating income at the time of disposition.

1. Summary of Significant Accounting Policies, continued:

Goodwill

The gross amount of the intangible asset is $11,417,619 comprised primarily of assets related to the acquisition of the inpatient ophthalmology program from Wills Eye Hospital and the acute care program from St. Agnes Medical Center. Upon adoption of this guidance, TJUH performed an impairment assessment by comparing the assets' fair value to the carrying value of the goodwill. TJUH completed this impairment assessment as of the end of the fourth quarter 2011, and no impairment charge was warranted.

Investments and Investment Income

TJUH records investments in marketable securities with readily determinable fair values and investments in debt securities at fair value in the consolidated balance sheets. Fair values for certain private equity and real estate investments ("alternative investments") are estimated by the respective external investment managers if market values are not readily ascertainable. Investments in joint ventures are accounted for under the equity method.

Net realized gains and losses, interest and dividends on unrestricted cash, cash equivalents, short-term investments, and trustee held funds associated with self-insurance and debt obligations are included in operating income. Net realized gains and losses, interest and dividends on long-term investments and changes in unrealized gains or losses on alternative investments and on impaired assets are included in nonoperating income. Changes in unrealized gains or losses on all other long-term investments are shown as a change in net assets, unless other than temporary impairments of investments are recognized, in which case, unrealized losses are recorded in nonoperating income.

Income on investments of donor-restricted funds, including unrealized gains and losses, is added to or deducted from the appropriate net asset category based on donor restrictions or state law.

TJUH followed an endowment spending policy in 2011 and 2010 of 5% of the three-year moving average of the market value of its long-term investment portfolio measured annually at March 31st. As a result of this policy, funds released from restricted long-term investments and amounts withdrawn from unrestricted long-term investments amounted to $1,539,621 and $3,615,503 respectively, and $1,346,316 and $3,186,969, respectively, in 2011 in 2010, respectively. Additionally, funds released from restricted net assets for receipt of external pledges and donor-restricted gifts amounted to $255,904 and $1,194,002 in 2011 and 2010, respectively.

Investment in Assets of Affiliated Foundation

The Methodist Hospital Foundation (the "Foundation"), a separate corporation not under the control of TJUH, accepts gifts and bequests and engages in fundraising activities for the benefit of Methodist Hospital. The Board of Trustees of the Foundation, at its sole discretion, is authorized to contribute Foundation funds to Methodist Hospital. Underlying investments held by the Foundation with restrictions benefiting only Methodist Hospital amounting to $5,882,954 and $6,502,183 at June 30, 2011 and 2010, respectively, are presented in the consolidated balance sheets. Net changes in the fair market value of such assets were recorded as changes in assets held by an affiliated foundation in the consolidated statements of changes in net assets.

1. Summary of Significant Accounting Policies, continued:

While the sole purpose of the Foundation is to support Methodist Hospital, this accounting treatment does not imply that the Foundation's assets or investment income are those of TJUH. The consolidated financial statements do not reflect or establish the legal relationship, agency or otherwise, between the Foundation and TJUH, or any right to assets owned by the Foundation. The by-laws of the Foundation provide that all assets held by it shall not be subject to attachments, execution, or sequestration for any debt, obligation or liability of TJUH or any other person or entity. In particular, the Foundation is not party to or obligated by any debt instrument of TJUH, and assets owned by the Foundation are not subject to the lien of any such debt instrument.

Beneficial Interest in Perpetual Trusts
Beneficial interest in perpetual trusts represents TJUH's interest in perpetual trusts, which are administered by independent trustees and generally consist of marketable equity securities. Because the trusts are perpetual and the original corpus cannot be violated by spending, they are reported as permanently restricted net assets.

Donor-Restricted Gifts
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 purpose 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 restriction, unless expended for the purchase of long-lived assets, in which case, they are reported as a change in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements.

Excess of Revenues over Expenses
TJUH's excess of revenues over expenses in the consolidated statements of operations and changes in net assets includes all unrestricted revenues, expenses, gains and losses from continuing operations; contributions of long-lived assets and the costs of related fundraising efforts; and, realized gains and losses on long-term investments and the undistributed earnings thereon, including changes in unrealized gains or losses on alternative investments and on impaired assets. Changes in unrealized gains or losses on all other long-term investments, and the permanent transfers of assets to and from affiliates for other than goods and services are excluded.

Reclassifications
Certain prior year amounts in the consolidated balance sheets have been reclassified to conform to the current year presentation.

Subsequent Events
TJUH has performed an evaluation of subsequent events through September 22, 2011, which is the date the financial statements were issued.

2. Net Assets:

Temporarily and permanently restricted net assets are classified according to donor or time restrictions. Temporarily restricted net assets are restricted for patient care and various healthcare-related expenditures that can be spent in the future subject to certain spending limitations by Pennsylvania statute. Net assets are categorized as follows at June 30, 2011 and 2010:

	2011	2010
Temporarily restricted net assets consist of the following:		
Long-term investments	$19,904,004	$16,871,955
Special purpose funds	8,868,552	7,359,723
Pledges	205,308	920,874
	$28,977,864	$25,152,552
Permanently restricted net assets consist of the following:		
Long-term investments	$7,871,205	$7,880,477
Assets held by affiliated foundation	2,259,295	2,259,295
Externally held trusts	2,191,768	1,872,079
Total	$12,322,268	$12,011,851

3. Assets Whose Use is Limited:

Assets whose use is limited are presented in the consolidated balance sheets at June 30, 2011 and 2010 and consisted of the following:

	2011	2010
Board designated funds for plant replacement and expansion	$25,000,000	$0
Board designated funds for self-insurance arrangements	15,862,492	21,191,080
Unspent bond proceeds	-	7,557,892
Debt service funds	114,173	148,476
Translational Medicine program funds	300,000	-
Women's Board and Medical Staff funds	361,920	346,986
Total	$41,638,585	$29,244,434
Less: Current portion	(16,503,534)	(21,563,023)
Noncurrent portion	$25,135,051	$7,681,411

4. Investments and Investment Income:

Short term investments were $185,031,142 and $195,683,528 at June 30, 2011 and June 30, 2010, respectively, and included amounts set aside for working capital obligations. Long-term investments were $195,900,663 and $164,128,292 at June 30, 2011 and June 30, 2010, respectively. For its long-term investment portfolio, TJUH pools funds with TJU and utilizes the unitization method of accounting for investments in pooled funds. TJUH had approximately 30% of the total shares of the pooled funds at June 30, 2011 and 2010. Also included in long-term investments were non-pooled investments of $3,404,171 and $3,105,056 at June 30, 2011 and June 30, 2010, respectively.

TJUH has made commitments to various private equity and real estate limited partnerships. The total amount of unfunded commitments is $16,062,549 and $17,122,053 at June 30, 2011 and June 30, 2010, respectively, which represents 9.7% and 11.6% of the value of TJUH's pooled investments at June 30, 2011 and June 30, 2010, respectively. TJUH expects these funds to be called over the next 3 to 5 years.

The fair value of all debt and equity securities with a readily determinable fair value is based on quotations obtained from national securities exchanges. The alternative investments, which are not readily marketable, are carried at net asset values as provided by the investment managers. These investments are valued at the latest available unaudited net asset value of the investments. Management reviews the values as provided by the investment managers and believes that the carrying amount of these investments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Alternative investments were valued at $44,977,231 and $44,554,871 at June 30, 2011 and June 30, 2010, respectively. TJUH recorded net unrealized gains on these investments of $3,096,118 in 2011 and net unrealized losses on these investments of $603,331 in 2010.

Investment securities with an aggregate fair value of $2,423,213 and $3,239,519 at June 30, 2011 and June 30, 2010, respectively, were loaned primarily on a short-term basis to various brokers in connection with a securities lending program. These securities are returnable on demand and are collateralized by cash deposits amounting to 103% and 102% at June 30, 2011 and June 30, 2010, respectively, of the market value of the securities loaned. TJUH receives lending fees and continues to earn interest and dividends on the loaned securities.

4. Investments and Investment Income, continued:

Investment income, realized gains and unrealized losses included in the consolidated statements of operations and changes in net assets are comprised of the following in 2011 and 2010:

	2011	2010
Investment income included in operating income:		
Interest and dividends	$4,052,643	$2,799,772
Net realized gains (losses) on sales of investments	625,402	(668,288)
Equity in earnings of joint venture	1,639,155	2,051,565
	6,317,200	4,183,049
Investment income included in nonoperating income:		
Interest and dividends	947,788	432,809
Net realized gains on sales of investments	4,258,027	3,233,456
Change in unrealized gains (losses) on alternative investments	3,096,118	(603,331)
Other-than-temporary impairment of assets	(341,933)	(731,469)
	7,960,000	2,331,465
Total	$14,277,200	$6,514,514

Unrealized gains on investments amounted to $14,500,145 (inclusive of gains of $3,096,118 for alternative investments) and $5,776,255 (inclusive of losses of $603,331 for alternative investments) in 2011 and 2010, respectively. Except for unrealized gains and losses on alternative investments, all other unrealized gains and losses are included in the change in net assets.

5. Fair Value Measurement:

This guidance defines fair value, establishes a framework for measuring fair value and enhances disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

There is a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar instruments; quoted prices in markets that are not active; or other inputs that are observable or that can be corroborated by observable market data.

5. Fair Value Measurement, continued:

Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value measurement.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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.

Assets and liabilities measured at fair value are based on one or more of the three valuation techniques as follows:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost).

Income approach – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models).

The following table presents assets and liabilities measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of June 30, 2011:

	Assets at Fair Value as of June 30, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Hedge funds	$0	$0	$25,216,683	$25,216,683
Cash & cash equivalents	120,577,893	20,817,398	-	141,395,291
Equity securities	23,566,695	-	-	23,566,695
Fixed income securities	25,184,781	121,519,099	-	146,703,880
Mutual funds	-	52,337,201	-	52,337,201
External trusts	-	2,191,768	-	2,191,768
Preferred securities	21,282	-	-	21,282
Private equity	-	-	13,060,936	13,060,936
Real estate	-	7,746,003	6,699,612	14,445,615
Total	$169,350,651	$204,611,469	$44,977,231	$418,939,351

Investments recorded at cost at June 30, 2011 totaled $3,631,039.

	Liabilities at Fair Value as of June 30, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Swap contracts	$0	$18,202,761	$0	$18,202,761
Total	$0	$18,202,761	$0	$18,202,761

5. Fair Value Measurement, continued:

A roll forward of those assets and liabilities as Level 3 within the fair value hierarchy by TJUH is as follows:

Description	Hedge Fund	Private Equity	Real Estate	Total
Opening balance	$23,476,594	$12,262,723	$6,943,475	$42,682,792
Transfer in (out)	-	164,984	(164,984)	-
Acquisitions	2	5,645,388	1,244,216	6,889,606
Dispositions	(120,712)	(7,504,059)	(604,474)	(8,229,245)
Net realized gain (loss)	(420,622)	1,401,610	(168,947)	812,041
Net unrealized gain (loss)	2,281,421	1,090,290	(549,674)	2,822,037
Closing balance at June 30, 2011	$25,216,683	$13,060,936	$6,699,612	$44,977,231

The following table presents assets and liabilities measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of June 30, 2010:

	Assets at Fair Value as of June 30, 2010			
	Level 1	Level 2	Level 3	Total
Hedge funds	$0	$0	$23,476,594	$23,476,594
Cash & cash equivalents	117,964,174	26,260,636	-	144,224,810
Equity securities	20,192,875	-	-	20,192,875
Fixed income securities	2,003,233	132,558,887	-	134,562,120
Mutual funds	-	40,556,119	-	40,556,119
External trusts	-	1,872,079	-	1,872,079
Preferred securities	3,741	-	-	3,741
Private equity	-	-	12,262,723	12,262,723
Real estate	-	1,633,196	6,943,475	8,576,671
Total	$140,164,023	$202,880,917	$42,682,792	$385,727,732

Investments recorded at cost at June 30, 2010 totaled $3,328,522.

	Liabilities at Fair Value as of June 30, 2010			
	Level 1	Level 2	Level 3	Total
Swap contracts	$0	$20,125,484	$0	$20,125,484
Total	$0	$20,125,484	$0	$20,125,484

5. Fair Value Measurement, continued:

A roll forward of those assets and liabilities as Level 3 within the fair value hierarchy by TJUH is as follows:

Description	Hedge Fund	Private Equity	Real Estate	Total
Opening balance	$13,145,293	$9,509,894	$8,185,648	$30,840,835
Transfer in	-	128,597	-	128,597
Acquisitions	14,410,696	3,969,715	743,927	19,124,338
Dispositions	(3,485,326)	(1,988,576)	(692,139)	(6,166,041)
Net realized gain (loss)	(1,489,633)	4,793	13,956	(1,470,884)
Net unrealized gain (loss)	895,564	638,300	(1,307,917)	225,947
Closing balance at June 30, 2010	$23,476,594	$12,262,723	$6,943,475	$42,682,792

6. Endowment:

TJUH's endowment consists of approximately 125 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

TJUH has interpreted the Pennsylvania State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, TJUH classifies as permanently net restricted assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund, except for beneficial interests in perpetual trusts, that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

At June 30, 2011, the endowment net asset composition consisted of the following:

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$66,381,352	$19,909,004	$7,871,205	$94,161,561

6. Endowment, continued:

Also included in permanently restricted net assets were investments in perpetual trust funds of $2,191,768 and assets held by an affiliated foundation of $2,259,295.

Changes in endowment net assets for the year ended June 30, 2011 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$57,366,148	$16,871,955	$7,880,477	$82,118,580
Investment return:				
Investment income	621,360	294,084	-	915,444
Net realized and unrealized appreciation	9,996,966	4,272,825	-	14,269,791
Total investment income	10,618,326	4,566,909	-	15,185,235
Contributions	63,704	4,635	0	68,339
Appropriation of endowment assets for expenditure	(2,995,881)	(1,295,153)	-	(4,291,034)
Other changes:				
Additions/transfers	1,329,055	(239,342)		1,089,713
Reclassification			(9,272)	(9,272)
Endowment net assets, end of year	$66,381,352	$19,909,004	$7,871,205	$94,161,561

At June 30, 2010, the endowment net asset composition by type of fund consisted of the following:

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$57,366,148	$16,871,955	$7,880,477	$82,118,580

Also included in permanently restricted net assets were investments in perpetual trust funds of $1,872,079 and assets held by an affiliated foundation of $2,259,295.

6. Endowment, continued:

Changes in endowment net assets for the year ended June 30, 2010 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$53,433,692	$16,081,392	$7,859,171	$77,374,255
Investment return:				
Investment income	262,733	114,808	-	377,541
Net realized and unrealized appreciation	4,294,784	1,932,133	-	6,226,917
Total investment loss	4,557,517	2,046,941	-	6,604,458
Contributions	157,729	5,266	21,306	184,301
Appropriation of endowment assets for expenditure	(3,038,515)	(1,348,316)	-	(4,386,831)
Other changes:				
Additions/transfers	2,255,725	86,672	-	2,342,397
Endowment net assets, end of year	$57,366,148	$16,871,955	$7,880,477	$82,118,580

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires TJUH to retain as a fund of perpetual duration. Shortfalls of this nature, which are reported in unrestricted net assets, were $4,860 as of June 30, 2011. These shortfalls resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by TJUH's Board of Trustees.

7. Medical Resident FICA Refund:

In March 2010, the IRS announced that for periods ending before April 1, 2005, medical residents would be eligible for the student exception of FICA taxes. Institutions that had filed timely FICA refund claims covering periods up through that date are eligible for refunds of both the employer and employee portions of FICA taxes paid, plus statutory interest. As a result of this decision by the IRS, TJUH recorded other revenue of $14,500,000 for the employer portion and also recorded accounts receivable of $21,750,000 and accrued liabilities of $7,250,000. Accounts receivable include both the employer and medical residents' amounts and accrued liabilities include the portion of the refund which may be collected on behalf of the medical residents. This estimate reflects the initial valuation of the refund, which may be subject to changes in future periods.

8. Land, Buildings and Equipment:

A summary of land, buildings and equipment at June 30, 2011 and 2010 is as follows:

	2011	2010
Land and land improvements	$16,226,973	$16,138,380
Buildings and building improvements	527,082,548	445,006,524
Equipment	518,963,674	473,084,873
Leasehold improvements	7,894,556	4,446,943
Construction in progress	21,957,467	72,154,234
Subtotal	1,092,125,218	1,010,830,954
Less: accumulated depreciation	(560,783,498)	(506,870,345)
Total	$531,341,720	$503,960,609

Buildings and building improvements, leasehold improvements, and land improvements are depreciated using an average estimated useful life of 20 years. Equipment is depreciated using an average estimated useful life of 8 years. No depreciation expense is taken on land or construction in progress. TJUH recorded depreciation expense of $54,427,284 and $45,518,383 in 2011 and 2010, respectively.

9. Long-Term Obligations:

Long-term obligations at June 30, 2011 and 2010 consisted of the following:

	2011	2010
The Hospitals and Higher Education Facilities Authority of Philadelphia Series of 2003 Hospital Revenue Bonds (a)	$1,180,000	$1,445,000
The Pennsylvania Economic Development Financing Authority Series of 2007 TJUH System Revenue Bonds (b)	100,000,000	100,000,000
Mortgage Loan - 925 Chestnut Street (c)	20,707,665	21,602,434
Operating Line of Credit (d)	750,000	500,000
Capital Lease Obligations (e)	8,890,078	9,414,359
Promissory note (f)	60,000	-
Subtotal	131,587,743	132,961,793
Less: amounts due within one year	(2,675,950)	(2,174,407)
Total	$128,911,793	$130,787,386

(a) On June 30, 2003, the Hospitals and Higher Education Facilities Authority of Philadelphia issued the Series of 2003 Hospital Revenue Bonds, maturing on January 1, 2017, in the amount of $6,500,000 for the "Thomas Jefferson University Hospital Project". The proceeds of the bonds were used to provide funding for the construction and equipping of improvements to the existing facilities of TJUH and its affiliates located in the City of Philadelphia, Pennsylvania; the refinancing of the Methodist Hospital Nursing Center Mortgage and Construction Loan, the Methodist Hospital Term Loan, and the Suthbreit Mortgage Loan; and, the payment of the costs of issuing the bonds.

The bonds are remarketed weekly by a bank and traded at a rate of 0.10% at June 30, 2011. Interest rates ranged from 0.10% to 0.31% during 2011. TD Bank is the remarketing agent for the bonds. The bonds may be converted to a long-term rate or to a short-term rate with a different short-term rate period, as elected by TJUH, following which such bonds will bear interest at a variable rate determined by TD Bank.

A reimbursement agreement was entered into with the bank to provide for the issuance of a long-term letter of credit under which TJUH will reimburse the bank for draws upon the letter of credit. The letter of credit provides amounts sufficient to pay the purchase price of any bonds tendered for purchase and not remarketed. The termination date is June 30, 2014.

(b) On August 16, 2007, The Pennsylvania Economic Development Financing Authority (the "Authority") issued the Series 2007 TJUH System Revenue Bonds (the "Bonds"), maturing on October 1, 2037, in the amount of $100,000,000. The bondholders have a put option that can be exercised in August 2012, at which point the Bonds would be either remarketed or repurchased by TJUH. Otherwise, the Bonds are subject to annual mandatory sinking fund redemption from 2027 to 2037 in amounts ranging from $7,400,000 to $11,000,000. The bond proceeds were used to finance the addition of critical care beds; expansion of the emergency department; upgrade and expansion of oncology infusion services; other infrastructure improvements; and, the

9. Long-Term Obligations, continued:

payment of the costs of issuing the Bonds. The total estimated cost for these projects was $137,000,000.

The Bonds were issued in conjunction with $34,650,000 of Series 2007 Main Line Health Revenue Bonds pursuant to a Trust Indenture dated August 1, 2007, with The Bank of New York Trust Company, N.A., as bond trustee. While TJUH and MLH are each solely responsible for payments to be made to the Authority pursuant to separate loan agreements dated August 1, 2007, the payment obligations under each loan agreement is guaranteed by the other borrower that is not party to the agreement. The guarantees are collateralized by certain real estate and are subordinate to the rights of JHS and its other members.

The Bonds bear interest at indexed put rates and may be converted to bonds that bear interest at a daily interest rate, weekly interest rate, long-term interest rate, bond interest term rate, or an auction rate. When converted, the bonds are subject to mandatory tender. The bonds traded at a rate of 0.49% at June 30, 2011. Interest rates ranged from .049% to 0.74% during 2011.

(c) On December 10, 2009, Bank of America N.A. provided a mortgage loan to TJUH. The loan proceeds were used to fund the acquisition of the property located at 925 Chestnut Street, Philadelphia, Pennsylvania. The loan bears interest at a rate equal to LIBOR plus 190 basis points with a mortgage-style amortization of 20 years.

(d) As of June 30, 2011, the balance outstanding for the line of credit for Riverview was $750,000.

(e) On October 9, 2009, a Master Lease Agreement was entered into between TD Equipment Finance, Inc. ("Lessor") and Riverview ("Lessee") for a term of 60 months commencing July 2010 in the amount of $5,960,718. Lease payments are due on the first day of each month and may be adjusted upward by the Lessor in order to preserve the Lessor's pre-tax yield which is indexed on a one-to-one basis to reflect any increases in the Lessor's cost of funds.

In 2010, the operating lease for the Voorhees Ambulatory Facility was recharacterized to a capital lease due to a change in terms of the lease agreement. The Voorhees Ambulatory Facility was capitalized in the amount of $3,560,794. The original lease was entered into on December 31, 1998. The term of the underlying loan is 25 years which includes rate resets every five years. The rate effective January 1, 2009 and for the ensuing five years is 2.55%.

(f) On January 7, 2011, a promissory note was issued as partial payment for an Oral Surgery practice in the amount of Sixty Thousand Dollars ($60,000), together with interest.

Interest shall accrue on the aggregate unpaid principal balance of the promissory note at a rate equal to 4% per annum, from the date hereof until such principal amount has been paid in full. Interest shall be calculated on the basis of a 365-day year for the actual number of days elapsed and shall be payable on the same dates that payments of installments of principal are due. The maker has agreed to repay in full the principal amount of this note, together with accrued interest thereon, on the first anniversary of the date of this note.

9. Long-Term Obligations, continued:

Capital Leases
The following is a schedule by years of future minimum lease payments as of June 30, 2011:

2012	$1,532,792
2013	1,594,897
2014	1,659,296
2015	1,726,667
2016	1,395,921
Thereafter	980,505
Total	$8,890,078

The net book value of property and equipment recorded under capital leases was $9,052,245 and $9,211,925 at June 30, 2011 and June 30, 2010, respectively, representing the building value of the Voorhees Ambulatory Facility and certain equipment at Riverview. Accumulated depreciation of the property and equipment recorded under capital leases was $1,089,844 and $229,890 at June 30, 2011 and June 30, 2010, respectively. Depreciation expense on the outstanding obligations under the capital leases was $859,954 and $229,890 in 2011 and 2010, respectively.

Annual maturities of long-term debt for each of the next five years and thereafter are as follows:

2012	$2,675,950
2013	102,683,054
2014	2,747,454
2015	2,819,825
2016	2,494,079
Thereafter	18,167,381
Total	$131,587,743

Due to Jefferson Health System
"Due to Jefferson Health System" represents $200,765,000, excluding unamortized premium of $2,533,047, which TJUH has agreed to pay JHS pursuant to a certain Group Debt Allocation Agreement among JHS, TJUH, and MLH, collectively referred to as the "Institutions". This agreement allocates the principal and interest owed in connection with the obligations incurred by JHS under an Amended and Restated Master Trust Indenture dated November 1, 1997, and supplemented at March 15, 2000 and April 1, 2005 (collectively, the "Master Obligations") among the Institutions and certain of their respective members.

On December 16, 1997, on behalf of JHS, the Philadelphia Issuer and the Chester County Issuer (collectively referred to herein as the "Authorities") issued $250,465,000 of Health System Revenue Bonds, Series 1997A and 1997B ("1997 Bonds"). The proceeds received by the Authorities were loaned to JHS and were used to fund certain capital expenditures of TJUH, including TJUH's

9. Long-Term Obligations, continued:

purchase of the land and buildings from TJU for $130,000,000; repay an outstanding loan of TJUH; and, pay certain expenses incurred in connection with the issuance of the 1997 Bonds.

On April 7, 2005, the Pennsylvania Economic Development Financing Authority issued the Series 2005A Health System Revenue Bonds, maturing on May 15, 2038, in the amount of $26,720,000. In addition to paying the costs of issuing the bonds, the proceeds of the bonds were used to finance a portion of the costs incurred in the acquisition of the short-term acute care hospital business of St. Agnes Medical Center; a portion of the costs incurred in the expansion of emergency care facilities, capital improvements, equipment purchases and other capital expenditures at Methodist Hospital; and, the costs incurred in the acquisition of a 40% interest in the limited liability partnership established by St. Agnes Medical Center (now named St. Agnes Continuing Care Center) to own and operate St. Agnes Continuing Care Center's new long-term acute care hospital.

The Series 2005A bonds are remarketed weekly and traded at a rate of 0.13% at June 30, 2011. Interest rates ranged from 0.13% to 0.42% during 2011. UBS Financial Services, Inc. ("UBS") is the remarketing agent for the bonds. The bonds may be converted to a daily interest rate, long-term interest rate, bond interest term rate, indexed put rate, or auction rate, as elected by JHS. The bonds also are subject to optional, extraordinary, mandatory, and mandatory sinking fund redemption prior to maturity.

On July 1, 2010, JHS issued $183,395,000 par amount of Series 2010B Bonds to refinance the Series 1997A and 1997B bonds. The Series 2010B Bonds were issued through the Hospitals and Higher Education Facilities Authority of Philadelphia as of July 1, 2010 to: (i) refinance all of the currently outstanding Philadelphia Hospital Authority's Health System Revenue Bonds, Series 1997A, originally issued in the principal amount of $134,835,000, of which $68,520,000 in principal amount was currently outstanding; (ii) refinance TJUH's portion of the Series 1997B Bonds; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2010B Bonds.

As a result of this transaction, TJUH recognized a loss on extinguishment of $3,844,488 in July 2010.

The Institutions and certain of their members (collectively, "Obligated Group Affiliates") and JHS are also parties to a Contribution Agreement dated July 1, 1999 as amended and restated on May 1, 2004 and April 1, 2005, pursuant to which each of the Obligated Group Affiliates agrees, jointly and severally, to pay to JHS such amounts as JHS may require of them to permit JHS to pay the principal and interest on, and otherwise comply with, the Master Obligations. As of June 30, 2011, the Master Obligations aggregated approximately $361,800,000.

In addition, JHS entered into an Amended and Restated Contribution Agreement, dated as of July 1, 2010 with certain TJUH entities and certain MLH entities (the "Institutions") whereby the Institutions have agreed to pay, loan or otherwise transfer to JHS such amounts as are necessary to pay the principal of and interest on the Series 2005A, the Series 2010A Bonds and the Series 2010B Bonds.

The Contribution Agreement and Group Debt Allocation Agreement are based on the debt as allocated and principal and interest repayment amounts will be subject to change if these funds are

9. Long-Term Obligations, continued:

reallocated. As part of this Contribution Agreement, the rate of interest and the annual maturities on the loan from JHS are commensurate with the rate of interest (varying from 0.13% to 0.42% during 2011) and annual maturities on the JHS bonds.

Annual maturities of TJUH's long-term obligation to JHS for each of the next five years and thereafter are as follows:

2012	$6,245,000
2013	4,940,000
2014	5,125,000
2015	5,280,000
2016	5,450,000
Thereafter	173,725,000
Subtotal	200,765,000
Plus: net unamortized premium	2,533,047
Total	$203,298,047

In order to fix its interest rates JHS entered into various interest rate swap agreements with notional amounts of $254,470,000 and $276,590,000 at June 30, 2011 and June 30, 2010, respectively. All of these swap transactions had a forward starting date within 2008. The London InterBank Offered Rate ("LIBOR") British Bankers' Association ("BBA") rates for the one month ranged from 0.19% to 0.35% (average rate of 0.25%) in 2011. The LIBOR BBA rates for the five year ranged from 1.31% to 2.58% (average rate of 1.97%) in 2011.

9. Long-Term Obligations, continued:

Expiration Date	JHS Receives	JHS Pays	Notional Amount at June 30, 2011	Notional Amount at June 30, 2010	Balance Sheet Location	Fair Value at June 30, 2011	Fair Value at June 30, 2010
May 1, 2018	68% of United States Dollar Libor BBA (One Month)	3 8570%	$19,870,000	$20,170,000	Noncurrent liability	$2,655,790	$2,903,000
May 1, 2027	68% of United States Dollar Libor BBA (One Month)	3 919%	$74,475,000	$75,000,000	Noncurrent liability	$11,995,015	$14,019,660
May 1, 2027	68% of United States Dollar Libor BBA (One Month)	3 980%	$42,825,000	$43,125,000	Noncurrent liability	$7,157,045	$8,340,927
May 1, 2018	63 73% of United States Dollar LIBOR BBA (Five Year)	68% of United States Dollar Libor BBA (One Month)	$0	$20,170,000	Noncurrent liability	$0	-$901,161
May 1, 2027	68% of United States Dollar LIBOR BBA (Five Year minus 0 2930%)	68% of United States Dollar Libor BBA (One Month)	$74,475,000	$75,000,000	Noncurrent liability	-$3,559,096	-$2,786,530
May 1, 2027	68% of United States Dollar LIBOR BBA (Five Year minus 0 325%)	68% of United States Dollar Libor BBA (One Month)	$42,825,000	$43,125,000	Noncurrent liability	-$45,994	-$1,450,412

Nonoperating gains of $4,861,767 and nonoperating losses of $5,354,664 on the swap agreements were included in the consolidated statements of operations in 2011 and 2010, respectively. Accumulated losses of $18,202,761 and $20,125,484 at June 30, 2011 and 2010, respectively, for these transactions are included in other noncurrent liabilities.

10. Commitments and Contingencies:

Operating Leases

TJUH has various lease obligations for buildings, equipment and ambulatory facilities. Lease expenses charged to operations were $20,063,646 and $17,711,861 in 2011 and 2010, respectively. At June 30, 2011 the estimated minimum future non-cancelable rental lease commitments are as follows:

2012	$15,290,723
2013	14,328,496
2014	13,115,491
2015	12,493,048
2016	9,795,705
Thereafter	22,684,468
Total	$87,707,931

Certain of the future minimum lease payments related to the ambulatory facilities leases are contingent upon the interest rates indexed to various standard financial instruments. In addition, certain leases for office space are on a year-to-year basis.

Line of Credit

TJUH had an available unsecured line of credit of $15,750,000 as of June 30, 2011 and June 30, 2010. Outstanding amounts were $750,000 and $500,000 as of June 30, 2011 and June 30, 2010, respectively.

Letters of Credit

TJUH had available open letters of credit aggregating $24,440,000 at June 30, 2011 and June 30, 2010, respectively. The letters of credit expire between December 31, 2011 and June 30, 2012.

Litigation

TJUH is involved in litigation and regulatory investigations arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by commercial insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position or results of operations of TJUH.

On November 20, 2009, a class action lawsuit was filed against JHS and the Members by certain hourly employees alleging restitution for unfair business practices, injunctive relief for unfair business practices, failure to pay overtime wages, and penalties associated therewith. On September 8, 2011, the Court granted the defendants' motions to dismiss all asserted claims but provided the plaintiffs with thirty days to file a second complaint. JHS is unable to determine the cost of defending the lawsuit or the impact, if any, this action may have on its results of operations.

11. Related Party Transactions:

Thomas Jefferson University
Services provided by TJU to TJUH include physician and non-physician personnel and other support services necessary to preserve and maintain the tertiary care capacity of TJUH. TJU also provides office and clinical space, as well as administrative, finance, human resources, information technology, maintenance, security, temporary staffing and other ancillary services to TJUH. Expenses charged for these services aggregated $175,884,239 and $134,249,620 in 2011 and 2010, respectively. The costs in 2011 include $17,500,000 to offset a portion of professional liability expense incurred by Jefferson University Physicians ("JUP"), an affiliate of TJU.

TJUH provides TJU with certain office and clinical space, as well as housekeeping, catering, employee health, information systems, telecommunications, supply chain management, and other support services. Expenses charged to TJU for these services aggregated $36,977,199 and $33,764,730 in 2011 and 2010, respectively.

Jefferson Health System
TJUH has been charged a management fee, internal audit fees and information systems support costs by JHS of $4,434,491 and $3,654,465 in 2011 and 2010, respectively. TJUH has recorded expense related to the JHS bonds of $8,018,165 and $10,010,839 in 2011 and 2010, respectively.

TJUH has been charged by MLH for management support services, rent, and clinical lab services. Expenses charged for these services aggregated $1,066,801 and $1,179,328 in 2011 and 2010, respectively.

TJUH provided various services to MLH and Magee for biomedical engineering, physician referral, residency program, laundry, pastoral care, accounting management, temporary patient care, and equipment rental. Expenses charged to affiliates for these services aggregated $1,900,749 and $1,724,167 in 2011 and 2010, respectively.

12. Pension Plan:

TJUH has a non-contributory defined benefit plan covering full-time employees who were at least age 50 or had 15 years of service as of June 30, 2004 and elected to remain in the defined benefit plan. Generally, benefits under the plan are based on the employee's compensation and years of service. Contributions to the plan are designed to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

Items included in unrestricted net assets represent amounts that have not been recognized in net periodic pension expense. The components recognized in unrestricted net assets as of June 30, 2011 and 2010 include:

12. Pension Plan, continued:

	2011	2010
Amounts recognized in unrestricted net assets		
Net actuarial loss	$70,195,953	$90,348,896
Total	$70,195,953	$90,348,896

The net actuarial loss amortized from unrestricted net assets into net periodic benefit cost was as follows:

	2011	2010
Net actuarial loss	$5,685,272	$3,502,461

The following table sets forth the change in the projected benefit obligation and the change in the fair value of plan assets based on the measurement date, as well as the amounts recognized in the accompanying consolidated financial statements at June 30, 2011 and 2010:

	2011	2010
Accumulated benefit obligation, end of year	$265,384,382	$247,831,138
Change in projected benefit obligation		
Benefit obligation, beginning of year	$274,704,722	$224,980,408
Service cost	6,361,473	5,905,011
Interest cost	14,278,899	14,334,350
Actuarial loss	1,993,382	34,560,049
Benefits paid	(5,882,185)	(5,075,096)
Projected benefit obligation, end of year	$291,456,291	$274,704,722
Change in plan assets		
Fair value of plan assets, beginning of year	$159,683,551	$138,613,114
Actual return on plan assets, net of expenses	30,057,946	14,161,002
Employer contributions	17,283,632	11,984,531
Benefits paid	(5,882,185)	(5,075,096)
Fair value of plan assets, end of year	$201,142,944	$159,683,551
Net pension liability, end of year	($90,313,347)	($115,021,171)
Amounts recognized in the consolidated balance sheets consist of		
Noncurrent liabilities	(90,313,347)	(115,021,171)
Total recognized in the consolidated balance sheets	($90,313,347)	($115,021,171)

12. Pension Plan, continued:

The weighted-average assumptions used in measurement of the projected benefit obligation were as follows:

	2011	2010
Discount rate	5 53%	5 26%
Expected return on plan assets	8 25%	8 25%
Rate of compensation increase	3 25%	3 50%

The following table sets forth the periodic benefit cost activity of the Plan at June 30, 2011 and 2010:

	2011	2010
Components of net periodic pension cost		
Service cost	$6,361,473	$5,905,011
Interest cost	14,278,899	14,334,350
Expected return on plan assets	(13,596,893)	(11,656,653)
Actuarial loss	5,685,272	3,502,461
Net periodic cost	$12,728,751	$12,085,169
Other changes in plan assets and benefit obligation recognized in changes to unrestricted net assets		
Net actuarial (gain) loss arising during measurement period	(14,467,671)	32,055,700
Net actuarial loss	(5,685,272)	(3,502,461)
Total recognized in changes to unrestricted net assets	($20,152,943)	$28,553,239

The weighted-average assumptions used in measurement of the periodic pension costs were as follows:

	2011	2010
Discount rate	5 26%	6 45%
Expected return on plan assets	8 25%	8 25%
Rate of compensation increase	3 50%	4 00%

For its defined benefit pension plan, TJUH pools funds for investment with TJU and utilizes the unitization method of accounting for investments in pooled funds. TJUH had 66% and 64% of the total shares of the pooled funds at June 30, 2011 and 2010, respectively.

12. Pension Plan, continued:

A summary of the Plan's targeted and actual asset allocations are as follows:

	Targeted Range	% of Actual Plan Assets 2011	% of Actual Plan Assets 2010
Cash	0-5%	6%	8%
Stocks - Domestic	35-45%	35%	33%
Stocks - International	12-18%	19%	18%
Bonds	27-33%	29%	28%
Real Estate and Other	9-21%	11%	13%
Total		100%	100%

	Assets at Fair Value as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Domestic equity	$27,620,604	$33,548,071	$0	$61,168,675
Global equity	0	9,885,881	0	9,885,881
International equity	0	29,628,895	0	29,628,895
Real assets	0	0	1,214,571	1,214,571
Private equity/Venture capital	0	5,507,776	3,710,188	9,217,964
Hedge funds	0	0	20,414,492	20,414,492
Fixed income	3,905,055	54,148,666	0	58,053,721
Cash	(773,274)	12,332,019	0	11,558,745
Total	$30,752,385	$145,051,308	$25,339,251	$201,142,944

	Assets at Fair Value as of June 30, 2010			
	Level 1	Level 2	Level 3	Total
Domestic equity	$19,493,002	$24,686,894	$0	$44,179,896
Global equity	0	8,168,967	0	8,168,967
International equity	0	19,768,599	0	19,768,599
Real assets	0	0	1,073,741	1,073,741
Private equity/Venture capital	0	0	7,804,258	7,804,258
Hedge funds	0	0	19,278,345	19,278,345
Fixed income	6,280,444	38,796,677	0	45,077,121
Cash	1,583,461	12,749,163	0	14,332,624
Total	$27,356,907	$104,170,300	$28,156,344	$159,683,551

12. Pension Plan, continued:

The portfolio utilizes a long-term asset allocation strategy that allows management to rebalance the asset allocation back to target levels on a monthly basis. Short-term compliance with the target ranges can be impacted by the severity of market conditions.

The expected long-term rates of return for the Plan's assets are based on the historical return of each of the above categories, weighted based on the target allocations for each class.

A roll forward of those assets and liabilities as Level 3 within the fair value hierarchy by TJUH is as follows:

Description	Hedge Fund	Real Estate	PE/VC	Total
Opening balance	$19,278,345	$1,073,742	$7,804,257	$28,156,344
Acquisitions	-	13,081	1,947,554	1,960,635
Dispositions	(118,854)	(117,121)	(6,974,869)	(7,210,844)
Realized gain/(loss)	(371,802)	(155,631)	1,488,601	961,168
Unrealized gain/(loss)	1,626,803	400,500	(555,355)	1,471,948
Closing balance at June 30, 2011	$20,414,492	$1,214,571	$3,710,188	$25,339,251

Projected benefit payments for the next ten years are as follows:

2012	$7,807,000
2013	9,071,000
2014	10,419,000
2015	11,878,000
2016	13,400,000
2017 - 2021	91,532,000
Total	$144,107,000

In aggregate, TJUH projects it will make contributions of approximately $8,000,000 to the plan in 2012.

Effective July 1, 2004, TJUH established a defined contribution plan for the following non-union and non-faculty employee groups: new employees; employees below the age of 50; and, employees with less than 15 years of service. Employees age 50 and over and employees with 15 or more years of service were given the option to stay in the defined benefit plan or switch to the new defined contribution plan. Employees who moved to the new defined contribution plan no longer accrue benefits in the defined benefit plan. Their previously accumulated benefits will be distributed to them upon retirement or termination. The defined contribution plan formula includes a fixed employer contribution of 4.5% and a matching contribution of 25% of the first 6% of employee contributions. Employer contribution expenses were $12,044,762 and $12,202,837 in 2011 and 2010, respectively. An employer contribution of 9% to 13% exists for senior faculty administration based upon age and years of service. Employer contribution expenses for senior faculty administration were $2,472,646

12. Pension Plan, continued:

and $2,220,100, in 2011 and 2010, respectively. These amounts have been included in the accompanying consolidated statements of operations and changes in net assets.

13. Professional Liability Claims:

TJUH's professional liability insurance program is administered by JHS. TJUH has accrued professional liability claims of $103,195,177 and $101,969,217 at June 30, 2011 and 2010, respectively, of which $9,860,519 and $14,907,957 were current. TJUH has recognized professional liability expenses of $21,445,290 and $36,050,477 in 2011 and 2010, respectively. The interest rate used to discount malpractice claims was 3% at June 30, 2011 and 2010.

The first ("primary") layer of coverage is claims-made coverage with limits of $500,000 per medical incident and $2,500,000 annual aggregate per hospital and $500,000 per medical incident and $1,500,000 annual aggregate per physician. The limits for this primary coverage layer are statutorily prescribed in Pennsylvania. In addition, a $1,000,000 per medical incident and $3,000,000 annual aggregate limit is provided for scheduled dentists, as well as physicians and residents practicing in Delaware and New Jersey. At June 30, 2011, TJUH non-healthcare provider entities are provided with a shared $1,000,000 per incident and $3,000,000 annual aggregate limit of liability. JUP non-healthcare provider entities continue to be provided with a shared $1,000,000 per incident and $2,000,000 annual aggregate limit of liability. At June 30, 2010, TJUH non-healthcare provider entities are provided with a shared $1,000,000 per incident and $2,000,000 annual aggregate limit of liability. TJUH and its subsidiaries obtain primary hospital and physician professional liability, miscellaneous professional liability and general liability coverage through a policyholder-owned, Vermont-domiciled, risk retention group, Mountain Laurel Risk Retention Group, Inc. (the "RRG"). For professional liability coverage, the RRG is 100% reinsured by a JHS-owned, Delaware-domiciled, 501(c) (3) sponsored protected cell insurance company, Five Pointe Professional Liability Insurance Company ("Five Pointe").

The RRG retains the general liability coverage exposure. The RRG provides a $2,000,000 per incident and $5,000,000 annual aggregate general liability coverage limit shared by TJUH and the other members of JHS. At June 30, 2011 and 2010, a separate general liability policy with a $1,000,000 per incident and $2,000,000 annual aggregate general liability coverage limit is provided to TJUH. The premiums charged for the primary professional and general liability layers of coverage are determined by an independent outside actuary, based on loss and loss adjustment expense experience and other factors, at a 65% confidence level and a 3% discount rate for 2011 and 2010 and include a charge for premium tax and operating expenses.

The second layer of professional liability coverage is provided through Pennsylvania's Medical Care Availability and Reduction of Error Fund (the "MCARE Fund"). This second layer, required by statute, consists of coverage with limits of $500,000 per incident and $1,500,000 annual aggregate per hospital and per employed physician/resident. The annual assessments for MCARE Fund coverage are based on the schedule of occurrence rates approved by the Insurance Commissioner of Pennsylvania for the Pennsylvania Professional Liability Joint Underwriting Association multiplied by an annual assessment percentage. This assessment is recognized as an expense in the period incurred. No provision has been made for future MCARE Fund assessments as the unfunded portion of the MCARE Fund liability cannot be reasonably estimated.

13. Professional Liability Claims, continued:

Liabilities for TJUH for potential losses in excess of the primary and MCARE layers up to $5,000,000 each medical incident and $5,000,000 aggregate retention excess of a $7,000,000 each and every medical incident retention are based on actuarially-determined estimates, which reflect a 65% confidence level and a 3% discount rate for 2011 and 2010. These estimates are based on historical information along with certain assumptions about future events. Changes in assumptions for such considerations as medical costs and actual experience could cause these estimates to change.

During 2011 and 2010, TJUH maintained claims-made excess catastrophic professional liability insurance coverage through Five Pointe in the amount of $90,000,000 per medical incident and $90,000,000 annual aggregate after a $5,000,000 each medical incident and $5,000,000 aggregate retention excess of a $7,000,000 each and every medical incident retention (inclusive of the primary and MCARE layers of coverage). During 2011 and 2010, Five Pointe reinsured 100% of this risk to six currently A-rated insurers (ACE, Zurich, Allied World, Berkley, Endurance, and Swiss Re).

14. Workers' Compensation Claims:

Effective July 1, 2002, TJUH began self-insuring its workers' compensation exposures. TJUH accrues for its workers' compensation liability based upon actuarial estimates using a discount rate of 3%. Accrued workers' compensation liabilities were $16,474,336 and $14,338,868 at June 30, 2011 and 2010, respectively. These amounts are presented in the accompanying consolidated balance sheets. Workers' compensation expense was $7,758,618 and $8,629,893 in 2011 and 2010, respectively.

15. Fair Value of Financial Instruments:

The following methods and assumptions were used by TJUH in estimating fair value disclosures for financial statements:

Cash and Cash Equivalents: The carrying amount of cash and cash equivalents

Short-term investments: Short-term investments are carried at fair value and are comprised of instruments with an average duration of 1 to 3 years.

Investments: The fair values for marketable equity, government, and fixed income securities included in long-term investments are based on quoted market prices. Alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers and are valued at the latest available unaudited net asset value of the investments.

Assets Whose Use Is Limited: Assets whose use is limited are comprised of investments held for self-insurance obligations and debt service requirements and are valued as stated above.

Long-Term Debt Obligations: Management estimates that the fair value of long-term debt is equal to its carrying value.

15. Fair Value of Financial Instruments, (continued):

Assets Held by Affiliated Foundation: Assets held by an affiliated foundation are comprised of investments, which are valued as stated above.

Due to JHS: The fair value of long-term debt is based on quoted market prices or estimated using discounted cash flow analyses based on incremental borrowing rates for similar types of borrowing arrangements.

The carrying amounts and fair values of financial instruments at June 30, 2011 and 2010 were as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Balance sheet assets:				
Cash and cash equivalents	$30,395,551	$30,395,551	$10,998,138	$10,998,138
Short-term investments	$185,031,142	$185,031,142	$195,683,528	$195,683,528
Investments	$195,900,663	$195,900,663	$164,128,292	$164,128,292
Assets whose use is limited	$41,638,585	$41,638,585	$29,244,434	$29,244,434
Assets held by affiliated foundation	$5,882,954	$5,882,954	$6,502,183	$6,502,183
Balance sheet liabilities:				
Long-term debt	$131,587,743	$131,587,743	$132,961,793	$132,961,793
Due to JHS	$203,298,047	$204,682,906	$205,981,571	$208,600,000
Swap	$18,202,761	$18,202,761	$20,125,484	$20,125,484

16. Recent Accounting Pronouncements:

Mergers and Acquisitions
In April 2009, the FASB issued a standard which provides guidance on improving the quality of information in financial reports provided by a not-for-profit organization regarding business combinations with one or more other not-for-profit entities, businesses or nonprofit activities. The guidance will distinguish mergers (carryover method) from acquisitions (acquisition method), as well as provide updated accounting for goodwill and intangibles. Additional disclosures will be required in order to enable users of financial statements to evaluate the nature and financial effects of the merger or acquisition. This standard is effective for years beginning after December 15, 2009. Disclosures pertaining to any future mergers or acquisitions occurring after July 1, 2010 will be expanded in accordance with this standard for the consolidated financial statements beginning in 2011.

16. Recent Accounting Pronouncements, (continued):

Presentation of Insurance Claims and Related Insurance Recoveries
In August 2010, new guidance was issued for the presentation of insurance claims and associated insurance recoveries for healthcare organizations. Under the new guidance, healthcare entities are required to reflect their "gross" exposure to claims liabilities with a corresponding receivable for insurance recoveries in order to be consistent with other industries. This guidance will become effective for TJUH on July 1, 2011

Charity Care Disclosure
In August 2010, new guidance was issued regarding the measurement basis used in the disclosure of charity care. The guidance requires that the disclosures related to the level of charity care provided should be based on a healthcare organization's estimated direct and indirect costs of providing the services and that a healthcare organization should separately disclose the amount of charity care reimbursed by third parties. In addition, disclosure of the method used to identify or determine such costs is required. This guidance will become effective for TJUH on July 1, 2011.