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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
West Penn Allegheny Health System Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
C/O Tax Dept Two Allegheny Center

City or town, state or country, and ZIP + 4
Pittsburgh, PA 15212

D Employer identification number
25-0969492

E Telephone number
(412) 330-6022

G Gross receipts $ 1,658,840,427

F Name and address of principal officer
Matthew Peterson
Two Allegheny Center 11th Fl
Pittsburgh, PA 15212

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 wpahs org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1848 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
See Form 990, Page 2, Part III

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**	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	9,912
6	Total number of volunteers (estimate if necessary)	**6**	800
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,950,805
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-43,093

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,448,809	32,207,430
	9 Program service revenue (Part VIII, line 2g)	1,128,960,901	1,082,525,696
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,626,364	41,990,794
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	35,477,421	62,177,577
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,191,513,495	1,218,901,497
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	337,590	349,751
	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)	491,091,346	464,543,965
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶221,693		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	621,970,142	636,123,935
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,113,399,078	1,101,017,651
	19 Revenue less expenses Subtract line 18 from line 12	78,114,417	117,883,846

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,023,486,557	1,029,709,145
	21 Total liabilities (Part X, line 26)	1,239,508,664	1,167,217,731
	22 Net assets or fund balances Subtract line 21 from line 20	-216,022,107	-137,508,586

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: 2012-05-04

MATTHEW PETERSON TREASURER
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 ▶ GRANT THORNTON LLP				Firm's EIN ▶
Firm's address ▶ 2001 MARKET STREET SUITE 3100 PHILADELPHIA, PA 19103				Phone no ▶ (215) 561-4200

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

WEST PENN ALLEGHENY HEALTH SYSTEM, INC IS AN ORGANIZATION DEFINED BY OUR TALENTED PEOPLE AN ORGANIZATION COMMITTED TO EXCELLENCE, AN ORGANIZATION WITH ONE PURPOSE AND ONE MISSION OUR ONE PURPOSE IS TO IMPROVE THE HEALTH OF THE PEOPLE IN THE WESTERN PENNSYLVANIA REGION OUR ONE MISSION IS TO PRACTICE MEDICINE, EDUCATE AND CONDUCT RESEARCH AS AN INTEGRATED TEAM OF PHYSICIANS, NURSES AND SUPPORT PROFESSIONALS WHO ARE COMMITTED TO IMPROVING THE HEALTH OF OUR PATIENTS

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 $ 539,869,424 including grants of $ 80,302) (Revenue $ 615,833,016)

See Schedule O - West Penn Allegheny Health System, Inc - Allegheny General Hospital Division

4b (Code) (Expenses $ 259,445,757 including grants of $ 1,595) (Revenue $ 270,715,941)

See Schedule O - West Penn Allegheny Health System, Inc - The Western Pennsylvania Hospital Division

4c (Code) (Expenses $ 168,485,719 including grants of $ 7,330) (Revenue $ 195,976,739)

See Schedule O - West Penn Allegheny Health System, Inc - The Western Pennsylvania Hospital - Forbes Regional Campus Division

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

(Expenses $ 41,851,933 including grants of $ 260,524) (Revenue $)

4e **Total program service expenses** ▶ $ 1,009,652,833

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		No
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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *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	Yes	
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	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, 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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
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**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	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**	Yes	
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**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**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	739		
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	9,912		
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 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	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization 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	21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its 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		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
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 ▶

MATTHEW PETERSON
TWO ALLEGHENY CENTER 11TH FLOOR
Pittsburgh, PA 15212
(412) 330-6012

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)**								14,551,108	5,644,439	0

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 ▶ 299

			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**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *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
Allscripts LLC 24630 Network Place CHICAGO, IL 60673	Software App Service	9,848,619
Pricewaterhouse Coopers LLP PO Box 7247-8001 PHILADELPHIA, PA 171708001	Operational Advisors	8,517,800
Clean Care PO Box 40330 PITTSBURGH, PA 15201	Linen Services	3,170,774
Tedco Construction 3824 Northern Pike MONROEVILLE, PA 15146	Construction	3,700,635
Maxit Healthcare LLC PO Box 2589 FORT WAYNE, IN 468012589	Temporary Staffing	2,368,944

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 ▶ 91

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	7,567				
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	32,199,863				
	g Noncash contributions included in lines 1a-1f $	400,506				
	h **Total.** Add lines 1a-1f		32,207,430			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENUE	621110	1,082,525,696	1,079,437,845	3,087,851	
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		1,082,525,696			
	3 Investment income (including dividends, interest and other similar amounts)		22,247,916			22,247,916
	4 Income from investment of tax-exempt bond proceeds . .		1,755,216	1,755,216		
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	12,364,038				
	b Less rental expenses					
	c Rental income or (loss)	12,364,038				
	d Net rental income or (loss)		12,364,038		1,862,954	10,501,084
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	446,336,551	11,590,041			
	b Less cost or other basis and sales expenses	439,300,855	638,075			
	c Gain or (loss)	7,035,696	10,951,966			
	d Net gain or (loss)		17,987,662			17,987,662
Other Revenue	8a Gross income from fundraising events (not including $ 2,915 of contributions reported on line 1c) See Part IV, line 18 . . . a	7,550				
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . .		7,550			
	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 PARKING REVENUE	621110	5,397,679	5,397,679		
	b CAFETERIA SALES	621110	4,738,301	4,738,301		
	c OFFSETTING GRANT REVENUE	621110	1,231,495	1,231,495		
	d All other revenue		38,438,514	38,438,514		
	e **Total.** Add lines 11a–11d		49,805,989			
	12 **Total revenue.** See Instructions . . .		1,218,901,497	1,130,999,050	4,950,805	50,736,662

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	337,251	337,251		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	12,500	12,500		
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	10,691,674	9,087,923	1,603,751	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	389,045,847	344,657,087	44,210,358	178,402
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	19,956,560	17,857,079	2,099,481	
9 Other employee benefits	17,530,838	15,465,790	2,065,048	
10 Payroll taxes	27,319,046	24,241,541	3,068,364	9,141
a Fees for services (non-employees) Management	0			
b Legal	3,981,511	3,511,240	470,271	
c Accounting	497,032		497,032	
d Lobbying	424,588	424,588		
e Professional fundraising services *See Part IV, line 17*	0			
f Investment management fees	560,732	504,394	56,338	
g Other	65,900,703	59,310,631	6,568,454	21,618
12 Advertising and promotion	7,882,052	7,094,033	788,019	
13 Office expenses	5,747,409	5,172,668	574,287	454
14 Information technology	20,774,352	18,696,917	2,077,435	
15 Royalties	0			
16 Occupancy	20,247,777	18,222,999	2,024,778	
17 Travel	1,670,353	1,503,538	166,815	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	1,452,453	1,307,013	145,440	
20 Interest	50,617,187	42,961,101	7,656,086	
21 Payments to affiliates	1,955,271	1,759,744	195,527	
22 Depreciation, depletion, and amortization	48,219,090	43,396,314	4,822,776	
23 Insurance	12,238,737	11,201,217	1,037,520	
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 PATIENT CARE SUPPLIES	222,091,317	222,091,317		
b REPAIR AND MAINTENANCE	72,318,518	65,061,390	7,257,128	
c BAD DEBT	51,214,894	51,214,894		
d PA ACT 49 - QUALITY CARE	19,241,142	19,241,142		
e RESTRUCTURING COSTS	15,853,027	13,732,008	2,121,019	
f All other expenses	13,235,790	11,586,514	1,637,198	12,078
25 **Total functional expenses.** Add lines 1 through 24f	1,101,017,651	1,009,652,833	91,143,125	221,693
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		70,101	1	3,084,511
	2	Savings and temporary cash investments		225,138,364	2	181,909,129
	3	Pledges and grants receivable, net		1,105,147	3	1,053,360
	4	Accounts receivable, net		125,793,223	4	109,540,322
	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		0	7	3,185,000
	8	Inventories for sale or use		20,893,692	8	18,732,275
	9	Prepaid expenses and deferred charges		11,261,420	9	15,612,161
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 935,870,218			
	b	Less accumulated depreciation	10b 631,729,376	264,851,062	10c	304,140,842
	11	Investments—publicly traded securities		230,813,240	11	242,957,197
	12	Investments—other securities See Part IV, line 11		16,623,228	12	5,378,609
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		18,225,793	14	16,997,276
	15	Other assets See Part IV, line 11		108,711,287	15	127,118,463
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,023,486,557	16	1,029,709,145
Liabilities	17	Accounts payable and accrued expenses		118,166,230	17	147,239,366
	18	Grants payable			18	
	19	Deferred revenue		55,845,517	19	47,562,530
	20	Tax-exempt bond liabilities		747,693,619	20	736,998,726
	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		64,361,987	23	69,916,636
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		253,441,311	25	165,500,473
	26	**Total liabilities.** Add lines 17 through 25		1,239,508,664	26	1,167,217,731
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		-376,844,944	27	-318,883,645
	28	Temporarily restricted net assets		6,335,267	28	5,632,423
	29	Permanently restricted net assets		154,487,570	29	175,742,636
		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		-216,022,107	33	-137,508,586
	34	Total liabilities and net assets/fund balances		1,023,486,557	34	1,029,709,145

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	1,218,901,497
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,101,017,651
3	Revenue less expenses Subtract line 2 from line 1	3	117,883,846
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-216,022,107
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-39,370,325
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	-137,508,586

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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

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: 25-0969492
Name: West Penn Allegheny Health System 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			
David McClenahan Chairman of the Board	1 0	X						0	0	0
Gerd Mueller Director	1 0	X						0	0	0
John Isherwood Director	1 0	X						0	0	0
David Burstin Director	1 0	X						0	0	0
Alejandro Gonzalez MD Director	1 0	X						0	0	0
Paul Dimmick Director	1 0	X						0	0	0
Emanuel DiNatale Director	1 0	X						0	0	0
Evan Frazier Director	1 0	X						0	0	0
Robert Kampmeinert Director	1 0	X						0	0	0
Basil Cox Director	1 0	X						0	0	0
George Eichleay Director	1 0	X						0	0	0
Theodore Neighbors Director	1 0	X						0	0	0
Joseph Platt Director	1 0	X						0	0	0
Sandra Usher Director	1 0	X						0	0	0
Russell Evans Ex-Officio Director	1 0	X						0	0	0
Joseph Macarelli Ex-Officio Director	1 0	X						0	0	0
David Parda MD Director	1 0	X						0	776,147	0
Patrick Demeo MD Director	1 0	X						0	1,031,314	0
George Magovern MD Director	1 0	X						0	614,319	0
Thomas McClure MD Director	1 0	X						0	319,920	0
Christopher Olivia MD Health System President & CEO	28 0	X		X				1,974,582	0	0
James Wilberger MD Director	1 0	X						0	988,347	0
Diane Dismukes Health System President & CEO	28 0	X		X				0	0	0
Daniel Brailer Director	1 0	X						0	0	0
Roy Santarella Treasurer	29 0			X				1,118,480	0	0

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 Albanesi Assistant Treasurer	30.0			X				321,474	0	0
Judy Hlafcsak Secretary	28.0			X				458,102	0	0
Kathleen Sirkoch Secretary	40.0			X				61,298	0	0
Deborah Olszewski Assistant Secretary	29.0			X				188,656	0	0
Tony Farah MD Director & AGH CMO	10.0				X			0	596,625	0
Susan Manzi MD Chair, Department of Medicine	20.0				X			0	366,562	0
John Foley WPAHS Chief Information Offcer	40.0				X			502,265	0	0
David Kiehn WPAHS Chief Financial Officer	30.0				X			555,706	0	0
Sanford Kurtz MD Physician Org Pres & CEO	1.0				X			1,008,252	0	0
Dawn Gideon EVP & Chief Hospital Operator	32.0				X			681,942	0	0
William Edmondson EVP of Strategic Planning	40.0				X			295,661	0	0
Margaret McCormick Barron EVP of External Affairs	40.0				X			368,206	0	0
James Kanuch AGH-WPH VP of Finance	40.0				X			188,003	0	0
Denzil Rupert AGH Chief Operating Officer	40.0				X			296,732	0	0
Sherry Zisk WPH Chief Operating Officer	40.0				X			319,721	0	0
Thomas Moser WPH-FRH Chief Operating Office	40.0				X			303,247	0	0
David Lerberg MD WPH Chief Medical Officer	39.0				X			0	220,060	0
Mark Rubino MD WPH-FRH Chief Medical Officer	10.0				X			0	458,564	0
Judy Zedreck VP & Chief Nursing Executive	40.0				X			231,665	0	0
Sheran Shipley Vice President	40.0				X			185,724	0	0
Pamela Gallagher VP of Finance - FRH	40.0				X			229,133	0	0
Gregory Burfitt AGH & WPH President and CEO	38.0				X			641,952	0	0
Reese Jackson WPH-FRH President & CEO	39.0				X			285,477	0	0
Robert Brandfass EVP-System Chief Legal Counsel	28.0				X			0	0	0
John Lister MD Physician	40.0					X		723,462	45,390	0

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			
Venkatraman Srinivasan MD Physician	39 0					X		650,672	56,210	0
Robert Mendicino MD Physician	40 0					X		749,374	61,957	0
Syed Husaini MD Physician	40 0					X		584,818	54,512	0
James McCormick MD Physician	40 0					X		584,818	54,512	0
James Rosenberg WPAHS Chief Operating Officer							X	180,987	0	0
Michael DeVita MD EVP of Medical Affairs							X	300,183	0	0
Gary Strong FRH President & CEO							X	279,266	0	0
Augustine Lopez Vice President							X	281,250	0	0

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses $ 41,851,933 including grants of $ 260,524) (Revenue $)

SYSTEM WIDE SERVICES TO AFFILIATED ORGANIZATIONS

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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
West Penn Allegheny Health System Inc	25-0969492

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)	0	0
b Total lobbying expenditures to influence a legislative body (direct lobbying)	299,811	424,588
c Total lobbying expenditures (add lines 1a and 1b)	299,811	424,588
d Other exempt purpose expenditures	1,100,717,840	1,647,450,412
e Total exempt purpose expenditures (add lines 1c and 1d)	1,101,017,651	1,647,875,000
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	613,479	585,102	418,483	424,588	2,041,652
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	0	0	0	0	0

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?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
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
Lobbying Expenditures	Form 990, Schedule C, Page 2, Part II-A, Line 1b, Column (a) and (b)	West Penn Allegheny Health System, Inc (WPAHS) has made the IRC Section 501(h) election WPAHS employs an Executive Vice President for External Affairs to lobby issues of importance to the System and all of its members WPAHS also elected to engage the services of outside consultants to assist us in lobbying issues of importance WPAHS directly paid all lobbying expenditures of $424,588 as reflected on Schedule C, Page 2, Part II-A, column (b) The lobbying expenditures of $299,811 attributed to WPAHS on Schedule C, Page 2, Part II-A, column (a) reflect expenditures allocated to WPAHS The difference between total lobbying expenditures of $424,588 and the WPAHS allocated expenditures of $299,811 are reflected on the Form 990, Schedule C, Page 2, Part II-A, column (a) of the affiliated organizations filing Form 990 Schedule C

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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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

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	160,822,837	157,081,075	214,329,180		
b Contributions	2,114,402	1,806,358	3,967,020		
c Investment earnings or losses	29,373,573	15,402,952	-28,171,702		
d Grants or scholarships					
e Other expenditures for facilities and programs	10,460,295	13,396,153	32,430,060		
f Administrative expenses	475,458	71,395	613,362		
g End of year balance	181,375,059	160,822,837	157,081,076		

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 96 000 %
- c Term endowment ▶ 4 000 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,091,958		10,091,958
b Buildings		455,779,421	320,974,990	134,804,431
c Leasehold improvements		28,972,815	21,238,931	7,733,884
d Equipment		367,018,553	260,013,763	107,004,790
e Other		74,007,471	29,501,692	44,505,779
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				304,140,842

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		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
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
(1) DUE FROM AFFILIATES	94,583,570
(2) INVEST - PASSTHROUGH ENTITIES	2,060,312
(3) CAPITALIZED COSTS	288,616
(4) RECEIVABLES - OTHER	29,463,965
(5) LETTER OF CREDIT	362,000
(6) THE PHYSICIAN CONTRACT	360,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	127,118,463

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ACCRUED PENSION LIABILITY	127,640,731
THIRD PARTY SETTLEMENTS	1,126,811
INSURANCE LIABILITIES	25,458,568
CAPITAL LEASES	3,661,418
ASBESTOS RETIREMENT OBLIGATION	3,692,945
PIRATE ADV	215,763
THREE RIVERS ONCOLOGY LIABILIT	2,718,333
PATIENT A/R CREDIT BALANCE - ESCHEAT	955,880
ACCRUED INTEREST - SIEMENS DEBT	30,024
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	165,500,473

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
WPAHS, Inc Inclusion In The Consolidated Audit of WPAHS	Form 990, Schedule D, Part X Question 2, Part XII and XIII	West Penn Allegheny Health System, Inc does not receive its own independent audit It is a member of a regional healthcare system named West Penn Allegheny Health System West Penn Allegheny Health System receives a consolidated audit that includes the operations of West Penn Allegheny Health System, Inc The following analysis represents the reconciliation between the financial statement net income and the net income as reported on Form 990, Page 1, line 19 Net income per financial statements $109,780,880 Plus Income and expense reclassified from restricted net assets on the financial statements to unrestricted income and expense on Form 990 2,492,141 Plus Unrealized Loss reflected in unrestricted income on the financial statements and reclassified to net assets on Form 990 5,610,825 _____ Net income per Form 990 $117,883,846 The following is the footnote to the audited consolidated financial statements of the West Penn Allegheny Health System for FASB ASC 740 WPAHS adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements FASB ASC 740 prescribes a more-likely than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken Under FASB ASC 740, tax positions will be evaluated for recognition, derecognition, and measurement using consistent criteria and will provide more information about the uncertainty in income tax assets and liabilities Based on an analysis prepared by WPAHS, it was determined that the application of FASB ASC 740 had no material effect on the recorded assets and liabilities of WPAHS
Intended Use of the Organization's Endowment Funds	Schedule D, Page 2, Part V, Line 4	The intended use of West Penn Allegheny Health System, Inc permanent and term endowments are for, but not exclusive to capital improvements, research, education, departmental needs, operating efficiencies, and overall patient care The earnings off of the permanent amount are expendable, based on the specific use of the fund

Additional Data

Software ID:
Software Version:
EIN: 25-0969492
Name: West Penn Allegheny Health System Inc

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

1 **(a)** Description of Liability	**(b)** Amount
ACCRUED PENSION LIABILITY	127,640,731
THIRD PARTY SETTLEMENTS	1,126,811
INSURANCE LIABILITIES	25,458,568
CAPITAL LEASES	3,661,418
ASBESTOS RETIREMENT OBLIGATION	3,692,945
PIRATE ADV	215,763
THREE RIVERS ONCOLOGY LIABILIT	2,718,333
PATIENT A/R CREDIT BALANCE - ESCHEAT	955,880
ACCRUED INTEREST - SIEMENS DEBT	30,024

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Central America and the Caribbean	1		Program Services	Captive Insurance	186,274
3a Sub-total	1				186,274
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	1				186,274

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

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

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

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Additional Data

Software ID:
Software Version:
EIN: 25-0969492
Name: West Penn Allegheny Health System Inc

Part V **Supplemental Information**

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

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

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 ____ %	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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)			2,282,736		2,282,736	0 210 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			115,189,739	92,128,243	23,061,496	2 090 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			117,472,475	92,128,243	25,344,232	2 300 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,060,989		1,060,989	0 100 %
f Health professions education (from Worksheet 5)			61,005,848	22,961,150	38,044,698	3 460 %
g Subsidized health services (from Worksheet 6)			275,578,963	261,433,768	14,145,195	1 280 %
h Research (from Worksheet 7)			6,335,820		6,335,820	0 580 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			374,902		374,902	0 030 %
j **Total** Other Benefits			344,356,522	284,394,918	59,961,604	5 450 %
k **Total.** Add lines 7d and 7j			461,828,997	376,523,161	85,305,836	7 750 %

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			9,167		9,167	0 010 %
2 Economic development						
3 Community support			113,550		113,550	0 010 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			88,158		88,158	0 010 %
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**			210,875		210,875	0 030 %

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	12,976,658		
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	5,371,836		
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	195,513,006		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	185,374,909		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	10,138,097		
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 West Penn Amb Surg	Ambulatory Surgery Center	51 000 %		
2 5148 Lib Ave Assoc	Property Rental	50 000 %		
3 Alleg Imag of McCand	Imaging Services	45 000 %		
4 Optima Imaging Inc	Medical Imaging	20 000 %		
5 Forbes Reg Urologic	Equipment Rental	20 000 %		
6 North Shore Endoscop	Endoscopy Services	50 000 %		45 000 %
7 McCandless Endoscopy	Endoscopy Services	50 000 %		49 000 %
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? 3

	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	Allegheny General Hospital 320 East North Avenue Pittsburgh, PA 15224	X	X		X	X	X	X		
2	The Western Pennsylvania Hospital 4800 Friendship Avenue Pittsburgh, PA 15224	X	X		X	X	X	X		
3	Forbes Regional Hospital 2570 Haymaker Road Monroeville, PA 15146	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: Allegheny General 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**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 %			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ 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**	Yes	
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**	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ 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**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ 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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
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: The Western Pennsylvania 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	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 %			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ 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**	Yes	
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**	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ 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**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ 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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
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: Forbes Regional Hospital

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

		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**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 %			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ 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**	Yes	
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**	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ 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**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ 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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
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? **13**

Name and address	Type of Facility (Describe)
1 See Additional Data Table	

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
Bad Debt Expense Financial Statement Footnote and Costing Methodology	Schedule H, Part III, Question 4	West Penn Allegheny Health System, Inc does not issue separate audited financial statements and therefore a footnote does not exist Bad debt expense is accounted for on a charge basis in our internal financial statements A cost to charge ratio is applied to the internal figures to convert the charge to cost It is the opinion of West Penn Allegheny Health System management that because patients are often reluctant to complete the required charity care paperwork that an unquantifiable amount of charity care results in bad debt Thus, it is our opinion that bad debt expense can be considered a justifiable componet of uncompensated care

Identifier	ReturnReference	Explanation
Medicare Costing Methodology	Schedule H, Part III, Question 8	The source used to determine the amount reported on Line 6 is the medicare cost report

Identifier	ReturnReference	Explanation
Collection Practices For Patients Who Qualify For Financial Assistance	Schedule H, Part III, Question 9b	Patients that qualify for charity care or financial assistance are provided with an approval letter with the effective dates for the assistance At any time the individual presents for services within a 90 day span of approval, they show the letter and will be registered as a charity care case Charity care cases are designated in the internal computerized systems with unique plan codes that prevent billing to the patient Reports are run to capture the patient accounts registered with the charity care plan codes so they can be written off to charity care

Identifier	ReturnReference	Explanation
Charges For Medical Care	Schedule H, Part V, Line 19	West Penn Allegheny Health System offers uninsured patients a fifty percent (50%) discount on total gross charges to all hospital charges The intent of the discount is to standardize charging practices for covered and non covered patients The discount is offered during patient contact for elective/ urgent (non cosmetic) procedures during the financial counseling process, as well as during the patient statement cycle process for services provided (including Emergency services) Patient statements are clearly marked with the uninsured discount, reducing the 'amount owed' of the gross charges An uninsured discount of 50% is applied to the patient account either at the time of payment or prior to transferring the account to bad debt upon conclusion of the routine four statement cycle, for any unpaid balances This methodology is applied consistently among the three Hospitals of West Penn Allegheny Health System, Inc

Identifier	ReturnReference	Explanation
Charges Equal To Gross Charges For Patient Services	Schedule H, Part V, Line 21	West Penn Allegheny Health System, Inc offers cosmetic procedures Each facility offers a variety of procedures For elective/non medically emergent procedures not covered by health plans, individual fee schedules are published and communicated prior to services Patients are contacted in advance of the procedure by financial counselors and are required to pay for services in full based on the fee schedule The patient is required to pay the hospital fee schedule for the technical component and the physician for the professional services rendered This methodology is applied consistently among the three Hospitals of West Penn Allegheny Health System, Inc

Identifier	ReturnReference	Explanation
Health Needs Assessment	Schedule H, Part VI, Line 2	West Penn Allegheny Health System, Inc management and staff utilize multiple strategies to continually monitor and assess the health care needs of the communities it serves One approach to assessing needs involves surveying community members about health needs related to national and state health goals West Penn Allegheny Health System, Inc also acts on expressed community needs by responding to direct community requests for health screenings, outreach events and other health-related activities and by maintaining longstanding programs that are well attended and positively evaluated by community participants In addition, West Penn Allegheny Health System, Inc gathers community input through participation in area rotaries, chambers of commerce, through partnerships with community organizations and other community engagement activities Another means is through reviewing and taking appropriate actions on feedback gathered from the following sources routine market assessments, patient and family satisfaction surveys, Press Ganey surveys, patient, patient family and staffs' suggestions for improving patient safety, medical staff input and physician surveys In addition to the ongoing community health monitoring and assessment, West Penn Allegheny Health System, Inc is actively working towards a formal community health needs assessment for each Hospital that will be completed in Fiscal 2013

Identifier	ReturnReference	Explanation
Patient Education For Eligibility For Assistance	Schedule H, Part VI, Line 3	Each West Penn Allegheny Health System, Inc Hospital displays signage in various patient Admission, Registration and Emergency Department areas that alerts that patient to Account Assistance program availability and contact information West Penn Allegheny Health System, Inc offers the "Account Assistance Program" which consists of application assistance for governmental eligibility, Charity Care application completion and submission support, as well as uninsured provisions Account Assistance summaries are available on the West Penn Allegheny Health system website www wpahs org under the link titled Care for Uninsured are available to the public The Charity Care application, as well as, a Medical Assistance check list is available for patients who wish to self-apply In addition to the documents, toll free telephone numbers regarding Account Assistance, charity and/or other financial inquiries are available The website also contains a copy of the brochure that summarizes the Account Assistance program, as well as provides various governmental and internal numbers to patients seeking additional support Each Hospital also provides on-site support through Financial Counselor staff who are available to work with patient walk in's Financial Counselors work directly with the patients as well as designated agency support regarding qualifying patients for Medical Assistance Both week day and weekend coverage is available to the patient, as well as field support needed for post discharge follow up needed for application submission The above support is available at no charge to the patient

Identifier	ReturnReference	Explanation
Community Served Information	Schedule H, Part VI, Line 4	West Penn Allegheny Health System, Inc consists of three Hospital Campus locations Two campus locations are in the City of Pittsburgh, located in the North Side and Bloomfield and the third location is in the Municipality of Monroeville Collectively, we provide health care services to the residents of Pittsburgh and Monroeville The City of Pittsburgh has approximately 306,000 residents and the Municipality of Monroeville has approximately 28,000 residents All three Hospital campuses are located in Allegheny County Allegheny County consists of approximately 1,224,000 residents living in a land area of approximately 730 square miles The median housing value in Allegheny County is $115,200

Identifier	ReturnReference	Explanation
Promotion of Community Health	Schedule H, Part VI, Line 5	West Penn Allegheny Health System, Inc promotes the health of the communities we service through the provision of a 24 hour emergency department located at every hospital available 7 days a week for everyone regardless of their ability to pay Allegheny General Hospital's lifeflight provides regional emergency helicopter and critical care ground transportation services for critically ill and injured individuals who need immediate specialized care Lifeflight is available 24 hours a day, 7 days a week The Pennsylvania Trauma Systems Foundation has designated Allegheny General Hospital as a Level I regional resource trauma center The Trauma center has capabilities in patient care, research and education of future medical professions A trauma surgeon is available 24 hours a day, 7 days a week to respond to patient needs We specialize in many forms of highly skilled and technical medical treatment These services are necessary to advance the healthcare of the communities we serve, therefore we undertake and subsidize the services with the understanding that they will result in a financial loss The Board of Directors of West Penn Allegheny Health System, Inc is comprised of a majority of independent community members Further, we apply all surplus funds into the advancement of healthcare for the communities we serve The Hospitals also provide community benefits by contributing support to the community groups as described in the Community Benefit Report contained in Schedule O Please refer to the Community Benefit Report for further information

Identifier	ReturnReference	Explanation
Affiliated Healthcare System	Schedule H, Part VI, Line 6	West Penn Allegheny Health System (WPAHS) is comprised of some of the oldest and best-known names in health care in western Pennsylvania From their inception, the system's hospitals have been in the vanguard of patient care, medical research and health sciences education Comprised of two tertiary and three community hospitals, WPAHS includes Allegheny General Hospital and The Western Pennsylvania Hospital, both in Pittsburgh, Alle-Kiski Medical Center in Natrona Heights, Canonsburg General Hospital in Canonsburg and the Western Pennsylvania Hospital - Forbes Regional Campus in Monroeville Offering a comprehensive range of medical and surgical services, the hospitals serve Pittsburgh and the surrounding five-state area, house nearly 1,600 beds and employ more than 11,000 people Together, the WPAHS hospitals admit nearly 74,000 patients, log over 196,000 emergency visits and deliver more than 4,000 newborns each year Combined, the hospitals are among the leaders in percentages of total surgeries, cardiac surgeries, neurosurgeries and cardiac catheterization procedures performed throughout the region West Penn Allegheny Health System, Inc serves as the flagship for the West Penn Allegheny Health System Through our Allegheny General, Western Pennsylvania and Forbes Regional Campuses we provide exceptional education to the aspiring healthcare professionals of tomorrow We fund research that is conducted through the research arm of the health system, known as Allegheny Singer Research Institute We specialize in areas such as Burn Care at the West Penn Campus and our affiliation with other national organizations such as the Joslin Diabetes Center and the Jones Institute for Reproductive Medicine guarantees the best possible treatment for our patients

Identifier	ReturnReference	Explanation
State Filing of Community Benefit Report	Schedule H, Part VI, Line 7	West Penn Allegheny Health System, Inc files the community benefit report with the state of Pennsylvania as part of our obligation to furnish the state of Pennsylvania with a copy of the IRS Form 990 and related schedules

Additional Data

Software ID:
Software Version:
EIN: 25-0969492
Name: West Penn Allegheny Health System Inc

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

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? **13** Name and address	Type of Facility (Describe)
AGH - Suburban General Campus 101 South Jackson Avenue Pittsburgh, PA 15202	Urgent Care - General Medical
AGH - Dialysis Center 1136 Thorn Run Road Moon Township, PA 15108	Dialysis Center
AGH - Orthopaedic Services 400 Southpoint Boulevard Canonsburg, PA 15317	Orthopaedic Services
AGH - Physician Practices 420 East North Avenue Pittsburgh, PA 15212	General Medical
AGH - Physician Practices 490 East North Avenue Pittsburgh, PA 15212	General Medical
AGH - Child Care 621 East North Avenue Pittsburgh, PA 15212	Child Care
AGH - Ear Treatment and Care 8500 Brooktree Road Wexford, PA 15090	Ear Treatment
AGH - Physician Practices 9335 McKnight Road Pittsburgh, PA 15237	General Medical
WPH - Physician Practices 1 Dolly Avenue Jeanette, PA 15644	General Medical
WPH - Physician Practices 4815 Liberty Avenue Pittsburgh, PA 15224	General Medical
FRH - Diabetes Center 100 Forest Hills Plaza Pittsburgh, PA 15221	Diabetes Treatment
FRH - Diabetes Center 3824 Northern Pike Monroeville, PA 15146	Diabetes Treatment
FRH - Physician Practices One Monroeville Center Monroeville, PA 15146	General Medical

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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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 18

3 Enter total number of other organizations . . . ▶ 0

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

Identifier	Return Reference	Explanation
Procedures for Monitoring the use of Grant Funds In the US	Form 990, Schedule I, Page 1	West Penn Allegheny Health System, Inc upper management analyzes requests for charitable disbursements on an ongoing basis Disbursements are rewarded to organizations that demonstrate a charitable purpose, a community benefit and who will put the use of the funds towards the charitable mission on which West Penn Allegheny Health System, Inc was founded

Additional Data Return to Form

Software ID:
Software Version:
EIN: 25-0969492
Name: West Penn Allegheny Health System Inc

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Carnegie Mellon University 5000 Forbes Avenue Pittsburgh,PA 15213	25-0969449	501(c)(3)	15,000				To further the higher education and research capabilities of the university
American Heart Association 5455 North High Street Columbus,OH 43214	13-5613797	501(c)(3)	60,315				To further the charitable mission of the organization

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Drexel University1601 Cherry Street Ste 11484 Philadelphia, PA 19102	23-1352630	501(c)(3)	5,500				To further the higher education and research capabilities of the university
The Food Alergy and Anaphylaxis Network Inc 11781 Lee Jackson Highway Fairfax, VA 22033	54-1605958	501(c)(3)	10,000				To increase food alergy education, public awareness and education

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Lupus Foundation of America 2000 L Street Washington, DC 20036	43-1131436	501(c)(3)	10,000				To support the charitable mission of the organization
Friends of the Riverfront33 Terminal Way Pittsburgh, PA 15219	25-1655056	501(c)(3)	10,000				To support the charitable mission of the organization

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Gilda's Club Western Pennsylvania2816 Smallman Street Pittsburgh,PA 15222	25-1845284	501(c)(3)	5,450				To support the charitable mission of the organization
Pittsburgh Symphony Orchestra600 Penn Avenue Pittsburgh,PA 15222	25-0986052	501(c)(3)	12,500				To support the charitable mission of the organization

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Junior Achievement of Western PA IncOne Allegheny Center Ste 430 Pittsburgh,PA 15212	25-0983059	501(c)(3)	10,000				To support the charitable mission of the organization
Leukemia and Lymphoma Society333 E Carson Street Ste 441 Pittsburgh,PA 15219	13-5644916	501(c)(3)	10,000				To support the charitable mission of the organization

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Susan G Komen Breast Cancer Foundation1133 South Braddock Avenue Pittsburgh,PA 15218	13-1673104	501(c)(3)	10,000				To support the charitable mission of the organization
Partners For Quality Foundation Inc250 Clever Road McKees Rocks,PA 15136	30-0285255	501(c)(3)	6,000				To support the charitable mission of the organization

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Pittsburgh Aids Task Force 5913 Penn Avenue Pittsburgh, PA 15206	25-1537128	501(c)(3)	10,000				To support the charitable mission of the organization
The Western Pennsylvania Hospital Foundation4800 Friendship Avenue Pittsburgh, PA 15224	25-1470766	501(c)(3)	7,700				To support The Healing Journey - a charitable undertaking of the Foundation

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Pittsburgh Arts & Lectures Inc301 S Craig Street 200 Pittsburgh,PA 15213	25-1657947	501(c)(3)	7,000				To further the charitable mission of the organization
Historical Society of Western Pennsylvania1212 Smallman Street Pittsburgh,PA 15222	25-0965391	501(c)(3)	10,000				To further the charitable purpose of the organization

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Woodlands Foundation Inc 134 Shenot Road Building One Wexford, PA 15090	25-1818538	501(c)(3)	5,500				To further the charitable mission of the organization
Young Womens Christian Association of Greater PGH 305 Wood Street Pittsburgh, PA 15222	25-0965639	501(c)(3)	6,000				To further the charitable mission of the organization

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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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☑ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☑ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**	Yes	
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**	Yes	

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
Additional Compensation Disclosure	Form 990, Schedule J	The following represents additional disclosure for Schedule J, line 1a pertaining to officers and key employees listed in Form 990, Part VII, Section A, Line 1a During the June 30, 2011 fiscal year, multiple executives were provided tax gross-up payments, multiple executives received country club dues and one executive received a housing allowance In all cases, these amounts were included in each individual's IRS Form W-2 and are reflected in the compensation amounts listed on Form 990, Part VII and Schedule J The following represents additional disclosure for Schedule J, line 4a pertaining to officers and key employees listed in Form 990, Part VII, Section A, Line 1a receiving severance pay during the calendar year ended within the June 30, 2011 fiscal year end James Rosenberg $172,779 Dawn Gideon $104,173 Judy Hlafcsak $125,276 Augustine Lopez $281,250 Gary Strong $101,169 Michael Devita $230,217 The following represents additional disclosure for Schedule J, line 8 pertaining to amounts reported in Form 990, Part VII subject to the initial contract exception During the June 30, 2011 fiscal year, multiple executives received compensation based upon their initial contract signed with West Penn Allegheny Health System The amounts reported in Form 990, Part VII for these executives represent compensation paid subject to the initial contract exception described in Regs Section 53 4958-4(a)(3) The following list represents Officers, Directors or Key Employees of West Penn Allegheny Health System, Inc listed on Form 990, Part VII who did not serve a full consecutive twelve month tenure for the year ended June 30, 2011 along with the dates served Alejandro Gonzalez, MD 07-01-2010 - 08-26-2010 Thomas McClure, MD 07-01-2010 - 08-26-2010 Christopher Olivia, MD 07-01-2010 - 06-28-2011 Diane Dismukes 06-29-2011 - 06-30-2011 Judy Hlafcsak 07-01-2010 - 09-03-2010 Kathleen Sirkoch 09-27-2010 - 06-30-2011 Thomas Albanesi 07-01-2010 - 01-27-2011 David Kiehn 01-27-2011 - 06-30-2011 Dawn Gideon 07-01-2010 - 10-31-2010 Sherry Zisk 07-01-2010 - 02-28-2011 Robert Brandfass 02-01-2011 - 06-30-2011
Deferred Compensation	Schedule J, Part II, Column C	Retirement and other deferred compensation reflect amounts accrued to the benefit of the applicable individuals related to qualified pension and severance plans In this regard, the following individuals have amounts accrued related to future severance payments to be made Christopher Olivia, MD Roy Santarella Judy Hlafcsak Thomas Albanesi Sanford Kurtz Dawn Gideon Sherry Zisk Gary Strong

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 25-0969492
Name: West Penn Allegheny Health System 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 Parda MD	(I)	0	0	0	0	0	0	0
	(II)	690,787	85,000	360	9,800	22,226	808,173	0
Patrick Demeo MD	(I)	0	0	0	0	0	0	0
	(II)	864,512	166,250	552	10,819	18,526	1,060,659	0
George Magovern MD	(I)	0	0	0	0	0	0	0
	(II)	613,287	0	1,032	12,250	19,726	646,295	0
Tony Farah MD	(I)	0	0	0	0	0	0	0
	(II)	596,073	0	552	9,800	19,726	626,151	0
Thomas McClure MD	(I)	0	0	0	0	0	0	0
	(II)	273,254	45,634	1,032	12,250	19,428	351,598	0
Christopher Olivia MD	(I)	1,209,879	678,000	86,703	5,396,562	20,495	7,391,639	0
	(II)	0	0	0	0	0	0	0
Roy Santarella	(I)	745,857	321,000	51,623	1,418,288	16,555	2,553,323	0
	(II)	0	0	0	0	0	0	0
Thomas Albanesi	(I)	278,626	42,488	360	293,054	18,346	632,874	0
	(II)	0	0	0	0	0	0	0
Judy Hlafcsak	(I)	252,637	8,351	197,114	287,243	4,480	749,825	0
	(II)	0	0	0	0	0	0	0
James Rosenberg	(I)	0	0	180,987	0	5,401	186,388	172,779
	(II)	0	0	0	0	0	0	0
Susan Manzi MD	(I)	0	0	0	0	0	0	0
	(II)	316,424	50,000	138	0	11,944	378,506	0
John Foley	(I)	367,985	133,728	552	9,800	18,261	530,326	0
	(II)	0	0	0	0	0	0	0
David Kiehn	(I)	444,122	110,000	1,584	14,700	14,449	584,855	0
	(II)	0	0	0	0	0	0	0
Sanford Kurtz MD	(I)	734,648	232,000	41,604	684,210	14,252	1,706,714	0
	(II)	0	0	0	0	0	0	0
Dawn Gideon	(I)	520,544	10,139	151,259	530,667	16,045	1,228,654	0
	(II)	0	0	0	0	0	0	0
Michael DeVita MD	(I)	69,794	0	230,389	0	2,000	302,183	230,217
	(II)	0	0	0	0	0	0	0
William Edmondson	(I)	295,109	0	552	9,800	17,066	322,527	0
	(II)	0	0	0	0	0	0	0
James Wilberger MD	(I)	0	0	0	0	0	0	0
	(II)	844,713	95,000	48,634	77,084	17,935	1,083,366	0
Margaret McCormick Barron	(I)	265,654	102,000	552	9,800	19,360	397,366	0
	(II)	0	0	0	0	0	0	0
Gary Strong	(I)	174,199	0	105,067	74,791	12,452	366,509	0
	(II)	0	0	0	0	0	0	0
Augustine Lopez	(I)	0	0	281,250	0	0	281,250	0
	(II)	0	0	0	0	0	0	0
James Kanuch	(I)	187,829	0	174	6,311	17,346	211,660	0
	(II)	0	0	0	0	0	0	0
Denzil Rupert	(I)	296,372	0	360	9,800	16,875	323,407	0
	(II)	0	0	0	0	0	0	0
Sherry Zisk	(I)	319,407	0	314	348,659	18,290	686,670	0
	(II)	0	0	0	0	0	0	0
Thomas Moser	(I)	284,860	17,835	552	9,800	2,252	315,299	0
	(II)	0	0	0	0	0	0	0
David Lerberg MD	(I)	0	0	0	0	0	0	0
	(II)	217,408	0	2,652	14,416	12,870	247,346	0
Mark Rubino MD	(I)	0	0	0	0	0	0	0
	(II)	414,445	43,567	552	9,800	17,942	486,306	0
Judy Zedreck	(I)	231,154	0	511	9,393	10,694	251,752	0
	(II)	0	0	0	0	0	0	0
John Lister MD	(I)	497,516	225,000	946	11,229	19,429	754,120	0
	(II)	45,304	0	86	1,021	1,691	48,102	0
Venkatraman Srinivasan MD	(I)	609,959	39,767	946	12,391	8,681	671,744	0
	(II)	45,624	10,500	86	1,127	789	58,126	0
Robert Mendicino MD	(I)	681,196	67,848	330	8,983	18,268	776,625	0
	(II)	61,927	0	30	817	1,661	64,435	0
Syed Husaini MD	(I)	560,783	22,583	1,452	12,418	14,644	611,880	0
	(II)	45,547	8,833	132	1,129	1,098	56,739	0
James McCormick MD	(I)	560,783	22,583	1,452	12,418	14,644	611,880	0
	(II)	45,547	8,833	132	1,129	1,098	56,739	0
Sheran Shipley	(I)	181,231	2,500	1,993	11,222	7,849	204,795	0
	(II)	0	0	0	0	0	0	0
Pamela Gallagher	(I)	228,793	0	340	9,243	7,796	246,172	0
	(II)	0	0	0	0	0	0	0
Gregory Burfitt	(I)	527,923	75,000	39,029	0	18,474	660,426	0
	(II)	0	0	0	0	0	0	0
Reese Jackson	(I)	243,542	40,000	1,935	0	801	286,278	0
	(II)	0	0	0	0	0	0	0
Deborah Olszewski	(I)	171,611	16,070	975	9,433	1,690	199,779	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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

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	Allegheny County Hospital Development Authority	25-1327925	01728AG83	06-19-2007	758,726,273	See Schedule O		X		X		

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	20,275,000			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	758,726,273			
4	Gross proceeds in reserve funds	84,074,315			
5	Capitalized interest from proceeds	2,013,153			
6	Proceeds in refunding escrow	605,198,542			
7	Issuance costs from proceeds	15,174,525			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	109,942,784			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2012			

		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 ▶	0 930 %							
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	0 930 %							
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	Hypo Public Finance							
c	Term of GIC	3							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?	X							
6	Did the bond issue qualify for an exception to rebate?		X						

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 M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures	X	1	217,206	Sale Price
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts	X	1	183,300	Sale Price
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 | 0

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

Part II

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

Identifier	Return Reference	Explanation
Third Party Services Utilized for the Sale of Contributed Property	Schedule M, Line 32a and b	West Penn Allegheny Health System, Inc engaged the services of two auction houses to assist in the liquidation of the donated property

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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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

Identifier	Return Reference	Explanation
Subsequent Event - Proposed Affiliation	Form 990 - General Information	West Penn Allegheny Health System, of which West Penn Allegheny Health System, Inc is an affiliate, is pursuing a formal corporate affiliation with UPE, a recently formed tax-exempt organization, and Highmark Inc , a non-profit corporation with substantial health insurance operations throughout Western Pennsylvania UPE has made filings with the applicable regulatory authorities to acquire control of Highmark. Following the anticipated affiliation, UPE also will assume control of West Penn Allegheny Health System West Penn Allegheny Health System approved the affiliation in 2011 in order to restore financial viability to the System and ensure its long term survival as a provider of quality healthcare services to the communities it has served for several generations Among other advantages to the transaction, the affiliation will create a regional integrated health care services delivery and financing system that will better position West Penn Allegheny Health System given the competitive pressures in the Western Pennsylvania market An affiliation agreement was signed by the parties in October, 2011 As of the date of this filing the regulatory agencies that must approve the transaction have either given their approval or are in the process of undertaking their review We are optimistic that all approvals will be granted by the end of the 2012 calendar year and possibly sooner

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments	Form 990, Page 2, Part III, Line 4a	INTRODUCTION TO WEST PENN ALLEGHENY HEALTH SYSTEM, INC West Penn Allegheny Health System, Inc (WPAHS, Inc) is part of the West Penn Allegheny Health System (WPAHS) Organized in 2000, WPAHS (www wpahs org) is comprised of West Penn Allegheny Health System, Inc (WPAH S, Inc), Alle-Kiski Medical Center (AKMC), Canonsburg General Hospital (CGH), Allegheny M edical Practice Netw ork (AMPN), Allegheny Specialty Practice Netw ork (ASPN), Allegheny-Sin ger Research Institute (ASRI), West Penn Physician Practice Netw ork (WPPPN), West Penn All egheny Oncology Netw ork (WPAON) Canonsburg General Hospital Ambulance Service, Inc (CGH A mbulance), Alle-Kiski Medical Center Trust (AKMC Trust), Forbes Health Foundation (FHF) an d The Western Pennsylvania Hospital Foundation (WPHF) This affiliation ensures that WPAHS , Inc area residents have access to a complete continuum of health care services Through appropriate integration across the System both clinically and operationally, our Hospital s are able to remain a high quality, low-cost provider w ith linkages to the latest medical research and advanced technology WPAHS, Inc w as created on January 1, 2008 as a result of the merger of West Penn Allegheny Health System, Inc , EIN 25-1848306 and Allegheny Ge neral Hospital, EIN 25-1322626 w ith and into The Western Pennsylvania Hospital, EIN 25-0 969492 Immediately follow ing the merger the Western Pennsylvania Hospital changed its nam e to West Penn Allegheny Health System, Inc West Penn Allegheny Health System, Inc consi sts of the follow ing three hospital campuses Allegheny General Hospital (WPAHS, Inc - AG H), The Western Pennsylvania Hospital - Forbes Regional Campus (WPAHS, Inc - FRH) and the Western Pennsylvania Hospital (WPAHS, Inc - WPH) Because each hospital does numerous ch aritable activities for the communities w e serve, w e feel best served by presenting the St atement of Program Service Accomplishments for each hospital separately In total, w e w ill present the Statement of Program Service Accomplishments for WPAHS, Inc - AGH, WPAHS, In c - WPH and WPAHS, Inc - FRH PURPOSE AND MISSION West Penn Allegheny Health System, Inc is an organization defined by our talented people We are an organization committed to e xcellence, an organization w ith one purpose and one mission Our purpose is to improve the health of the people in the Western Pennsylvania region Our mission is to practice medic ine, educate and conduct research as an integrated team of physicians, nurses and support professionals w ho are committed to improving the health of our patients SUPPORT OF RESEAR CH The Hospitals of WPAHS, Inc , through its research arm, an affiliated organization name d Allegheny Singer Research Institute (ASRI), EIN 25-1320493, are extremely dedicated to providing financial support in medical research activities Approximately $6,336,000 w as u nderw ritten by WPAHS, Inc and ASRI in Fiscal 2011 in support of research and education A SRI has a distinguished history of pioneering biomedical research, and its accomplishments are described in greater detail in the filing of its ow n Statement of Program Service Acc omplishments SUPPORT OF EDUCATION The hospitals of WPAHS, Inc , are extremely dedicated t o providing financial support for the education of healthcare professionals During Fiscal 2011, approximately $36,960,000 w as underw ritten by WPAHS, Inc in support of education Among the activities supported w ere the training of medical interns and residents, the ope ration of tw o nursing schools and training programs for students enrolled in the schools o f respiratory, radiology and pharmacy WPAHS, Inc also upholds an affiliation w ith both T emple University and the Drexel University College of Medicine in an effort to ensure the solid education of our healthcare professionals of the future UNCOMPENSATED CARE To enhan ce the health status of the community in w hich it operates and consistent w ith its tax-exe mpt status, WPAHS, Inc provides needed health care services to individuals regardless of their ability to pay for all or part of the services rendered These services include both inpatient and outpatient services as w ell as an emergency room that is available 24 hours a day Consistent w ith the filing of Schedule H, the components of uncompensated care inc lude charity care at cost and unreimbursed Medicaid WPAHS, Inc provided uncompensated ca re at an approximate cost of $25,345,000 in Fiscal 2011 SUBSIDIZED HEALTH SERVICES Subsid ized health services represent those programs provided to the community by WPAHS, Inc des pite the fact the Hospitals incur a financial loss to do so WPAHS, Inc recognizes the ne ed of its community and voluntarily subsidizes these programs in support of its charitable mission Among the subsidized health services provided by WPAHS, Inc is the operation of the emergency department, lifeflight operation, drug and alcohol abuse treatment and burn care Consistent w ith the filing of Schedule H, W

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments	Form 990, Page 2, Part III, Line 4a	PAHS, Inc provided subsidized health services at an approximate cost of $14,146,000 in Fiscal 2011 INTRODUCTION TO ALLEGHENY GENERAL HOSPITAL Founded in 1885 on Pittsburgh's historic North Side, West Penn Allegheny Health System, Inc - Allegheny General Hospital Campus (WPAHS, Inc - AGH) has earned an international reputation for excellence and innovation in the care of patients, medical education and research Serving Pittsburgh and the surrounding five-state area, the 661 bed academic health center offers a wide array of medical and surgical services as well as an emergency room open 24 hours a day 7 days a week open to everyone regardless of their ability to pay WPAHS, Inc - AGH has historically won and continues to win both national and international recognition and awards for its programs in numerous specialty areas Thomson Healthcare has recognized WPAHS, Inc -AGH as one of the country's 100 Top Hospitals - and recently named our network of hospitals one of the best healthcare systems in the nation WPAHS, Inc - AGH also received the Consumer Choice Award for Western Pennsylvania from the National Research Corporation, and Solucient Inc , one of the healthcare industry's leading quality research organizations, recognizes Allegheny General as a Top 100 hospital in the country for both orthopaedic surgery and the treatment of stroke Allegheny General Hospital has been recognized by U S News & World Reports in 9 areas of excellence and has been recognized by U S News & World Report as one of the country's best hospitals

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	As one of the largest tertiary facilities in the region, the 661 bed WPAHS, Inc - AGH main campus and its two main outpatient campuses, AGH Suburban in nearby Bellevue and AGH McCandless in the North Hills offers the most advanced care available in specialty areas, including allergy, immunology, anesthesiology, pain medicine, bariatric weight loss surgery, cardiology, cardiothoracic surgery, colorectal surgery, critical care medicine, dental medicine, diagnostic and interventional radiology, emergency medicine, endocrinology, family medicine, gastroenterology, general surgery, gynecology, infectious disease, internal medicine, maternal and fetal medicine, minimally invasive surgery, nephrology, neurology, neurosurgery, nutrition, oncology, ophthalmology, oral and maxillofacial surgery, orthopaedic surgery, otorhinolaryngology, pathology and laboratory medicine, pediatrics, psychiatry, pulmonary medicine, radiation oncology, reproductive medicine and infertility, rheumatology , transplant surgery, urogynecology and vascular surgery AGH McCandless gives patients in the North Hills easy access to a host of its state-of-the-art services and leading physicians At AGH McCandless, the latest in imaging capabilities are available including open bore MRI, CT scans, ultrasound, x-ray, digital mammography, bone densitometry and nuclear medicine An array of some of the region's finest doctors are seeing patient at AGH McCandless From cardiology to rheumatology, general surgery, neurosurgery, thoracic surgery and vascular surgery, AGH McCandless brings the highly regarded expertise of Allegheny General right into the northern suburbs In addition, there is on-site lab services and free parking A long-standing commitment to education and research remains a cornerstone of WPAHS, Inc - AGH philosophy, as evidenced by it serving as a regional campus of the Philadelphia -based Drexel University College of Medicine and Temple University School of Medicine and ongoing, innovative research studies in the neurosciences, medical oncology, human genetics, cardiovascular and pulmonary diseases, orthopedics and trauma During FY 2011, WPAHS, Inc - AGH admitted over 24,000 patients and logged over 49,000 emergency visits and 25,000 surgical procedures Over 800 physicians and 4,500 employees share the hospital's commitment to excellence in patient care, medical education and research WPAHS, Inc - AGH Bariatric Surgery Center was named a Center for Excellence by the American Society of Bariatric Surgery - a designation that recognizes surgical programs with a demonstrated track record of favorable outcomes in bariatric surgery Health care industry experts consider the hospital among the country's best in orthopedics for patient care and for being on the forefront of design, development and introduction of new orthopedic technology During Fiscal 2011 WPAHS, Inc - AGC was named a Highmark Blue Distinction Center for spine surgery by Highmark Blue Cross/Blue Shield as well as a Highmark Blue Distinction Center for hip and knee replacement surgery The Hospital's highly regarded sports medicine program serves as the official medical provider for the Pittsburgh Pirates professional baseball club The Hospital also supports and directs numerous scholastic sports medicine programs WPAHS, Inc - AGH has a longstanding successful partnership with the Northside Community and is celebrating its 21st year of the Northside Partnership Agreement WPAHS, Inc - AGH provides many programs, services and community benefit activities to Pittsburgh's Northside in the areas of reinvestment, mortgage and marketing, workforce home benefit, education programs and health improvement programs WPAHS, Inc - AGH Suburban offers the best in outpatient services to residents of the northern communities while maintaining a close connection with the physicians and services at WPAHS, Inc - AGH's main campus, which is just a few miles away on the city's North Side It provides an urgent care center which is open from 10 00 am to 10 00 pm daily, seven days per week. Board-certified physicians and pediatricians treat many common emergency injuries and illnesses Outpatient services provide the residents of Bellevue and surrounding neighborhoods a variety of outpatient services including out patient testing, cardiogram (EKG) and lab work, GI lab services, outpatient rehabilitation services including physical therapy, speech therapy and occupational therapy, radiology and diagnostic imaging services including CT scan, ultrasound, mammography and bone density scanning and cardiology services including echo, stress testing and nuclear medicine AGH Suburban (WPAHS, Inc - SGH) provides multiple health screening and educational programs for the Bellevue and surrounding Northern Pittsburgh communities Physicians and other healthcare providers facilitate sessions aimed at improving health and injury prevention Sessions are offered at the WPAHS, Inc - SGH as well

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	as in collaboration with other local community groups and partners The hospital's highly acclaimed physicians are leaders in a vast array of specialty areas WPAHS, Inc - AGH specialists in cardiology and cardiothoracic surgery have been recognized among the nation's best for their experience and achievements in providing superior heart care Through the Gerald McGinnis Cardiovascular Institute, these specialists offer a more streamlined pathway of care for treating cardiac and vascular diseases Patients can receive the latest and most innovative therapies, as well as diagnostic and educational services, in one convenient location Neurologists and neurosurgeons at WPAHS, Inc - AGH are advancing groundbreaking, effective treatments for stroke, epilepsy, movement disorders and disorders of the peripheral nerves and muscles The Hospital's neuroscience programs were collectively recognized as a Neuroscience Center of Excellence Designated as a Primary Stroke Center by the Joint Commission, WPAHS, Inc - AGH offers a dedicated Stroke Unit that serves as the primary destination for stroke patients admitted to the hospital, providing highly specialized acute care for ischemic and hemorrhagic stroke, including the post-operative care of patients who undergo interventional stroke procedures The WPAHS, Inc - AGH Cancer Center is one of the nation's most advanced facilities, offering patients access to state-of-the-art programs for the complete spectrum of malignant disease, including centers for lung, esophageal, prostate, breast, colon and rectal, liver, brain, pancreatic, gynecologic, head and neck, and blood-borne cancers WPAHS, Inc - AGH is the gateway to some of the most prominent research into breast and colorectal cancer treatment and prevention through studies conducted by the National Surgical Adjuvant Breast and Bowel Project The cancer research initiative, supported by the National Cancer Institute, is based on the WPAHS, Inc AGH and coordinates the efforts of more than 6,000 medical professionals in the study of breast and bowel cancer WPAHS, Inc - AGH was the first in the region to receive designation as a Level I Shock Trauma Center, which is the highest designation available, and its Life Flight aeromedical service was the first to fly in the northeastern United States

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	COMMUNITY ASSESSMENT Community Health Improvement Services and Community Benefit Operation s - Community health improvement services and community benefit operations include activit ies carried out to improve community health They extend beyond patient care to include ac tivities that are subsidized by the Hospital The activities range from community health c linics and screenings to health education programs designed to raise community aw areness o f various healthcare topics and issues As a division of WPAHS, Inc and consistent w ith t he filing of the WPAHS, Inc Schedule H, WPAHS, Inc - AGH provided these services at a co st of $375,798 in Fiscal 2011 WOMEN, INFANTS & CHILDREN High School Observation Program - The Surgery Observation Program invites high school students or those interested in a car eer in surgery to observe open heart surgery and interact w ith cardiac surgeons and other healthcare professionals The program is supported by a coordinator and in Fiscal 2011 the program received 275 visits from approximately 1,500 students representing 70 schools or educational programs Walk to Win Program - The Walk to Win program aims to promote physic al activity in grade school children and teach them about the dangers of childhood obesity and the beneficial effect of w alking for exercise The program's goal is simple - promote more physical activity in youths At the conclusion of the program, each participating el ementary school is presented w ith an educational grant to be used in support of physical e ducation High School Career Days - WPAHS, Inc - AGH held tw o career days at local High S chools Specific department participating in the career days w ere the genetics and cardiol ogy departments Sci Tech Days - AGH Stroke program participating in SciTech days at Carne gie Science Center to promote and demonstrate AGH research in Neuroscience Careers in bio -medical research and stroke aw areness and prevention strategies w ere promoted to the midd le school/high school age groups COMMUNITY HEALTH EDUCATION Stress Management - WPAHS, In c - AGH professionals provided several lectures on the topic of Stress Management The le ctures are provided as part of the lunch and learn program to area businesses as w ell as a t community gathering places such as churches There w as no fee charged to the participant s in these activities Levels of Medical Care - What To Expect - This presentation provide d by a WPAHS, Inc - AGH physician included a discussion of the various levels of medical care, including physician office visit, Urgent Care visit, hospital admission, nursing hom e and w hen each is appropriate as w ell as the care you should expect Complimentary refres hments w ere provided to all participants Community members benefit by becoming better inf ormed consumers of health care services for themselves and loved ones Health Care What Is It Going To Cost Me - WPAHS, Inc - AGH realizes that w e all need to plan for our health care This free lecture included a discussion of w hat you should know about your health ca re plan and steps you should take to ensure that you are prepared should you need to acces s your health care benefits Participants benefit from this lecture as better informed con sumers of health care services Complimentary coffee service w as provided to the participa nts and an informal question and answ er period follow ing the lecture Foods That Fight Dis ease - This presentation w ill teach the participant how foods fight disease, w hat these fo ods are, and help you to identify a few do-able changes you can make in your eating habits to reduce your risk of disease Lecture participants learn about the relationship betw een a healthy diet and lifestyle and disease Complimentary coffee service and social period provided prior to the lecture and an informal question and answ er period follow ing the lec ture Controlling Hypertension - In this presentation, a WPAHS, Inc - AGH physician share s strategies for lifestyle modifications that have proven to be effective in managing hype rtension Lecture participants are better able to utilize life style modifications to cont rol and prevent hypertension Complimentary coffee service and social period provided prio r to lecture w ith an informal question and answ er period follow ing the lecture Relaxation Not Just Peace of Mind - A WPAHS, Inc - AGH professional discusses how relaxation can re verse the adverse affects of stress on our body, mind, and spirit Relaxation can help our body heal and rejuvenate This discussion w as provided in conjunction w ith the YMCA Commu nity Center H20 The Nutritional Secret Weapon - This lecture, presented by a WPAHS, Inc - AGH physician w ill discuss the crucial role w ater plays in the function of major organs of the body This program is offered at no cost and is open to any interested member of th e community 20 Weeks To A Better You - We often loose steam a few w eeks into making healt hy changes Learn some tips and strategies to boos

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	t your enthusiasm, stay motivated, and achieve what you set out to do This program is offered at no cost and is open to any interested member of the community Trauma Prevention - What Can You Do To Reduce Risk - This lecture presented by a WPAHS, Inc - AGH professional discusses the strategies that have been proven to reduce the risk of fall Included in the presentation is a virtual tour of the home and home safety tips for the kitchen, bath, and stairs Cellulitis Discussion - Cellulitis is an inflammation of the soft tissue of the body and can occur anywhere there is skin A WPAHS, Inc - AGH physician led a discussion of this common infection, often involving the MRSA bacteria Exercise Making It Work For You - A WPAHS, Inc - AGH registered nurse explains how exercise can prevent or reverse obesity, heart disease, diabetes and cancer Participants are urged to discover their exercise personality and learn how to match the exercise plan to personal goals and identify ways to incorporate exercise into everyday life Genetics Presentation - A WPAHS, Inc - AGH Certified Genetic Counselor, gave a lecture on genetics to the community at a public library The discussion was based upon how genetics plays a vital role in your health Osteoporosis and Bone Health - This community education lecture was provided by a WPAHS, Inc - AGH physician on the topic of "Osteoporosis and Bone Health" for the residents of a Retirement Community The lecture centered on symptoms and signs of osteoporosis, bone density tests and when is the right time to see a doctor Healthy Behaviors - Do-Able Prevention - This presentation helps the participant learn about important factors than can lead to obesity, heart disease, diabetes and cancer and how these problems can be prevented or made less severe with simple changes in our eating habits, exercise habits, and even our thoughts Bloodless Medicine Community Seminars - Through these seminars, the public is invited to learn more about bloodless medicine and blood conservation Sessions are generally no more than two hours in length, and handout materials are provided During Fiscal 2011, 5 sessions were provided at three different locations and 91 people participated

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III	Bariatric Support - A WPAHS, Inc - AGH registered dietician facilitated a presentation th at focused on techniques to modify recipes to reduce the amount of calories, carbohydrates and fats During the lecture, three recipes w ere produced that w ere low calorie, high pro tein and low fat dishes that the attendees w ere encouraged to sample Bah Humbug Lecture - This lecture w as presented in the month of December by a WPAHS, Inc physician on the top ic of sadness and depression Specifically, the lecture addressed how depression is often intensified around the holiday season and communicated information on how best to deal w it h depression HEALTH FAIRS AND SCREENINGS Hearts in the Park Walk and Rx for a Healthy Hea rt - An annual heart w alk is organized to increase community aw areness on the beneficial e ffect of exercise on heart disease In addition, free blood pressure screenings, as w ell a s information on fitness, preventive heart care measures, cholesterol, sodium and w eight c ontrol are provided to members of the community at no cost Celebration in the Park Health Fair - Tw o employees from the WPAHS, Inc - AGH dental medicine department hosted a denta l educational table at the Celebration in the Park Health Fair The fair included games an d activities for approximately 200 children w ho attended this event Each child w as given a bag containing a child's tooth brush, tooth paste, educational materials and instruction al information concerning proper tooth brushing and flossing techniques This take home ma terial supports healthy oral hygiene in children National Stroke Aw areness Day - The WPAH S, Inc - AGH Stroke program staff provided stroke risk screenings and stroke risk reducti on educational materials to Hospital visitors and during this event Hearts to Soles Influ enza Vaccine Campaign - An Influenza Vaccine Campaign w as conducted by the WPAHS, Inc - A GH as part of the Hearts to Soles Campaign, held in Pittsburgh, Pennsylvania Approximatel y 36,000 deaths occur in the United States annually as a result of influenza virus infecti ons The Centers for Disease Control and Prevention (CDC) recommends that persons ages 6 m onths and older receive the influenza vaccine on an annual basis By protecting the commun ity w ith the influenza vaccine, there is a potential for decreased influenza virus burden w ithin the community Therefore, decreased morbidity and mortality can occur Approximatel y 330 people attended the Hearts to Soles events Community Health Fairs - WPAHS, Inc - A GH travel to many different locations throughout the community to conduct health fairs, sc reening, provide educational materials and to be available to answ er questions During Fis cal 2011, the focus of these health fairs included, but w as not limited to education conce rning the promotion of healthy eating habits and lifestyles, proper nutrition in children, stroke risk screenings and cholesterol screenings Annual Pumpkin Patch Festival - The WP AHS, Inc - AGH dental medicine department participates in this annual children's event T his community event had approximately 1,400 children attend The festival included games a nd activities for the children and each child received a bag containing a child's tooth br ush, tooth paste, a toy inflatable tube of toothpaste In addition, educational dental mat erials that support good oral hygiene and instructional information for proper tooth brush ing and flossing techniques w ere included in the take-home bag Parents could ask a dentis t advice concerning questions they may have regarding their children's teeth Destination Wellness 6th Annual Health Fair - The WPAHS, Inc - AGH Pulmonary Function Lab participate d in this health fair by providing free lung testing screenings and tested Oxygen Saturati on levels The end result of the screening and tests w as a report that individuals could t ake to their physicians If abnormal results w ere identified w e encouraged those individua ls to take the report to their next doctor appointment In addition, w e provided education al literature on lung diseases such as asthma This information included w ebsites for supp ort foundations w here they could find additional information and education about lung dise ase We also provided smoking cessation information and encouragement, and had free give-a w ay items w ith a "don't smoke" message for children and adults Prescription for a Healthy Heart - WPAHS, Inc - AGH provided free blood pressure screenings, body massage, body fat analysis, and other information on achieving a "healthy heart" The Prescription for a He althy Heart Program w as held in conjunction w ith the Hearts in the Park Walk and Walk to W in Program All of these programs are geared at increasing exercise and its positive effec t on the Heart Bellevue Community Health and Safety Day - Tw enty three WPAHS, Inc - AGH physicians and health care professionals participated in a community health and safety day At the invitation of the Bellevue Boro police an

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III	d fire safety personnel, the hospital was the leading participant in the event Eleven various educational stations were provided by hospital physicians and health care professiona ls including "Ask the Doctor" stations and health and wellness lectures The AGH Life Flig ht Helicopter landed and provided community members with the opportunity to inspect the he licopter and ask questions of staff Long sleeve cotton t-shirts were given to the first 3 00 community members to arrive and various prizes were given away Emergency Medicine staf f fitted 150 free bicycle helmets to children in attendance Lifeflight Community Visits - Throughout the year, the WPAHS, Inc - AGH lifeflight team makes several visits to commun ities throughout Western Pennsylvania These visits often coincide with a community gather ing such as a community day's event, at local High Schools or at a workplace gathering Th e visits allow community members to meet the Lifeflight crew and learn about the capabilit ies and life-saving emergency care we provide CANCER Breast Cancer Events, Programs and A ctivities - WPAHS, Inc - AGH participates in many community events geared toward detectio n and prevention of breast cancer Included are the following activities The Pitch for Ho pe program sponsored in part with the Pittsburgh Pirates baseball club, the Making Strikes Kick Off Breakfast with the American Cancer Society, various breast cancer screening even ts, presentation on facts and fiction on breast cancer screening and awareness, counseling women on ways to prevent breast cancer North American Menopause Society annual meeting, l unch and learn sessions provided to employees at various businesses, presentations to the Pennsylvania Breast Cancer Coalition at monthly meetings, presentations on new government guidelines on breast cancer screening, participation in the Salvation Army Breast Cancer L uncheon, participation in the Strides Against Breast Cancer Kickoff Breakfast, a presentat ion of breast cancer to the Jewish Community Foundation panel, a presentation on the facts and myths surrounding breast cancer, participation in the American Cancer Society Survivo rs Luncheon and participation in the Many Faces of Breast Cancer Survivorship Program Kom en Adagio Health Mammogram Voucher Committee - A WPAHS, Inc - AGH physician is a member o f the Komen Adagio Health Mammogram Voucher Committee The Committee meets meets monthly f or approximately 1 hour in an effort to provide vouchers for free screening mammograms for low income and uninsured persons Ask the Doctor about Anal and Colorectal Cancer - A WPA HS, Inc - AGH physician presented "Ask the Doctor about Anal and Colorectal Cancer in con junction with Gilda's Club At this presentation, participants learned about new treatment s and were encouraged to ask questions about side effects" of cancer treatment Complement ary Medicine for Cancer Treatment and Prevention - A WPAHS, Inc - AGH physician presented this community education lecture on the topic of "Complementary Medicine for Cancer Treat ment and Prevention" at the Suburban Campus Complimentary coffee service was provided to all in attendance Skin Cancer - A WPAHS, Inc - AGH physician provided a lecture on the t opic of skin cancer The lectured focused on identifying that cancer can occur at all ages and in all parts of the body Skin cancer is the second leading cause of death in the Uni ted States today and is very common in adults age 65 and over Gilda's Club - WPAHS, Inc - AGH participates in meetings of Gilda's Club, a nationwide cancer support community Amo ng our participation was presentations made by WPAHS, Inc - AGH physicians including Brea st Reconstruction, The Emotional Roller Coaster After Breast Cancer, The role genetics pla ys in cancer and nutritional supplements during and after cancer treatment

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	ELDERLY Flu Clinics - WPAHS, Inc - AGH conducted four flu clinics that targeted the elderly population within the region Three Registered Nurses participated in each clinic and 135 elderly community members were provided flu shots Understanding Diabetes - A WPAHS, Inc - AGH physician provided a lecture at a Masonic Village Retirement Community to the community members and invited guests This lecture provided information concerning diabetes and the treatment and care of individuals with diabetes Health Eating Habits - A WPAHS, Inc - AGH Registered Dietician spoke to a group of thirty seniors that reside in a local High-rise The discussion centered on the importance of including increased amounts of fruits, vegetables and other high fiber sources in the diet to reduce blood pressure and control weight Ohh, My Aching Joints - This community health education lecture was provided at a local Lutheran Senior Center by a WPAHS, Inc - AGH physician on the topic of "Ohh, My Aching Joints" This program discussed different options related to the relief and aching joints and arthritis Who's In Charge - Your Body or Your Mind - A WPAHS, Inc - AGH employee provided a lecture to a group of senior citizens called "Who's In Charge - Your Body or Your Mind" This program centers around how mental well-being can be an important factor in an individual's overall health How Will This Flu Season Affect You - This community education lecture was provided by a WPAHS, Inc - AGH physician at a local Senior Center on the topic of "How Will This Year's Flu Season Affect You?" This program attempted to educate the elderly population about how to detect symptoms of the flu versus the common cold, prediction of when the flu season will occur and the importance of receiving a flu shot as a preventative measure Heat Stroke - A community health education lecture was provided for residents of the Masonic Village and their guests on the topic of "Heat Stroke" by a WPAHS, Inc - AGH physician In total, seventeen community members attended the lecture that centered around the importance of proper hydration and care during the summer months AARP - Dementia lecture - This community education lecture is provided by a WPAHS, Inc - AGH physician on the topic of dementia This lecture will identify and describe the difference between normal aging, mild cognitive impairment and dementia Additionally, methods for promoting a healthy life style and protecting against cognitive decline will be discussed When You Can't Speak - A WPAHS, Inc - AGH physicians covers topics related to what is a living will and when one is needed The lectures helps the participants understand the choices offered in a living will Heart Failure - The Basics- A WPAHS, Inc - AGH physician lead a discussion on heart failure at a local retirement center This presentation included an informal question and answer period after the discussion How to Prevent Pneumonia - A WPAHS, Inc - AGH physician presented a lecture on how to prevent pneumonia, including a discussion of precautions to take in the prevention of pneumonia Complimentary coffee and cookies were provided as well as an informal question and answer period following the lecture MASS MEDIA COMMUNICATIONS Medical Frontiers Radio Talk Show - An interactive radio talk show named Medical Frontiers feature various WPAHS, Inc - AGC physicians discussing different health topics These talk shows provide patient education and public health awareness Among the topics covered during the talk shows include breast cancer, women's heart disease, liver disease, diabetes, heart failure, knee and hip replacement, carotid artery disease and lung disease Television Interviews and News Reports - WPAHS, Inc - AGC provides health information via mass media by making its physicians available for interviews and helping to develop health related news reports Included in the topics discussed on local television include open heart surgery, lung cancer in women, heart pumps, breast cancer screening, heart transplants, chemotherapy, eating disorders and the surgical observation program for high school students Regional and Neighborhood Periodicals - WPAHS, Inc - AGC provided health related educational articles in local newspapers either in print or on-line and neighborhood periodicals The topics covered include observation programs for high school students, heart health care, heart pumps, chemotherapy, surviving cancer, pain therapy for children and liver disease Health Professions Education WPAHS, Inc - AGC provides aspiring health professionals with many educational opportunities to further their career in healthcare In addition to the educational support we provide to interns, residents, fellows, nurses and other allied health professionals, WPAHS, Inc - AGC provides health-profession education to the community in a variety of ways and forums As a division of West Penn Allegheny Health System, Inc (WPAHS,

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	Inc) and consistent with the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - AGC provided these services in addition to the educational support provided to interns, residents, fellows, nurses and other allied health professionals at a cost of $345,507 in Fiscal 201 1 Nurse Externs - 15 Junior and/or senior nursing students have the opportunity to experi ence nursing at the bedside This externship is a ten week program which enhances and buil ds upon what the nursing student has learned in nursing school Emergency Medical Technici an Training - WPAHS, Inc is involved in the training of emergency medical technicians (EM S) throughout the region In an effort to ensure our region has the most efficient EMS tec hnicians possible, we conduct a variety of continuing education and case reviews for our a reas EMS providers including, but not limited to the appropriate treatment of firefighters , treating patients with penetrating band ballistic injuries, hands on training for the ap propriate and safe use of medical helicopters, mock mass-casualty simulated training the u se of an electrocardiogram (EKG), advanced stroke life support, obstetrical and gynecologi cal emergencies, the treatment of sports related injuries, trauma in the elderly, initial care and assessment of poisoned patients and new treatment modalities Community College o f Allegheny County Health Information Management - WPAHS, Inc - AGH allows hands on exper ience to college students that often do not have any prior experience in a Hospital Medica l Records Department This experience exposes the student to different aspects of jobs in the hospital, which helps them apply know ledge learned to actual work processes In additi on, this experience broadens their exposure to different job processes that they can apply to future classes or employment and furthering the profession in Health Information Manag ement and related departments Occupational Therapy Student Affiliation - Occupational The rapy (OT) students complete required observation and training in the evaluation and treatm ent of patients under direct supervision of a licensed Occupation Therapist WPAHS, Inc - AGH hosted two Level II students and 3 Level I students with a total of 1,042 hours on si te Physical Therapy Student Affiliations - Physical Therapist (PT) and Physical Therapist Assistant(PTA) students spend time in the clinical setting observing, training, and parti cipating in the evaluation and treatment of patients This training is done under the dire ct supervision of a licensed Physical Therapist or Physical Therapist Assistant (for PTA s tudents) Included in the affiliation is a Head Injury Conference for students in the phys ical therapy program This conference provided education on how to treat various levels of head injured patients 43rd Annual PA Therapeutic Recreation Institute State Conference - WPAHS, Inc - AGH developed and provided an educational seminar and workshop for Therapeu tic Recreational Therapists at the PA Therapeutic Recreation Institute State Conference on the topic of Mind and Body medicine The seminar included a work shop and strategies for the use of mind and body medicine in the clinical setting PA Society of Radiology Technic ians Seminar - A WPAHS, Inc - AGH physician presented a seminar dedicated to Stress Manag ement Techniques to the PA Society of Radiology Technicians Adagio Health Dietetic Intern ship Dietetic Seminar - A nutrition seminars was provided for the Adagio Health Dietetic I nterns The seminar addressed Bariatric Surgery and Nutrition and discussed the types of b ariatric surgeries and the nutrition implications and interventions

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	Financial Contributions This category includes cash and in-kind services donated to individuals and/or the community at large In-kind services include hours donated by staff to th e community during hospital work hours, overhead expenses of meeting/other space donated t o not-for-profit community groups, and the free provision of food, equipment, supplies and giveaways/raffle items as well as monetary donations As a division of West Penn Alleghen y Health System, Inc (WPAHS, Inc) and consistent with the filing of the WPAHS, Inc Sche dule H, WPAHS, Inc - AGH provided these services at a cost of $360,904 in Fiscal 2011 Ca sh Donations - WPAHS, Inc - AGH supports the community through cash contributions made at the discretion of the Hospital and its directors, benefiting not only the non-profit recipient but also ultimately the community as a whole During the fiscal year ended June 30, 2011, WPAHS, Inc - AGH made cash donations to the following organizations Leukemia and L ymphoma Society Friends of the Riverfront Carnegie Mellon University Junior Achievement Lu pus Foundation of America National Ovarian Cancer Coalition Pittsburgh Aids Task Force Sus an G Komen Breast Cancer Foundation YWCA of Greater Pittsburgh Urban League of Pittsburgh National Pancreas Foundation National Kidney Foundation National Aviary Mario Lemieux Fou ndation Gilda's Club Dapper Dan Charities American Heart Association Crohn's and Colitis F oundation Allegheny Heart Institute Pittsburgh Fire Fighters In-kind Donations - In additi on to the cash contributions, WPAHS, Inc - AGH also made in-kind donations of time and re sources to help support various community functions These donations included the followin g Free Printing for Neighborhood Groups - WPAHS, Inc - AGH allows many worthy community groups use our printing and copying facilities free of charge in order to get their messag e out to the public and continue with their mission Driver Safety Refresher Course - WPAH S, Inc - AGH donates space for this four hour driver safety course renewal course Studen ts review defensive driving techniques, new traffic laws, and rules of the road Through i nteraction with one another, they learn how to safely adjust their driving to compensate f or age-related changes in vision, hearing and reaction time Refreshments are provided at no cost to the participant Donated Food, Beverage and Meeting Space - WPAHS, Inc - AGH s upports many worthy community activities, events and initiatives by supplying food and bev erages to the participants in an effort to make the experience better Community House Pre sbyterian Church - AGH Parking Department provides parking for members and visitors of the Community House Church Parking for 30 plus vehicles is donated every Sunday throughout t he year Additionally, parking for special events at the church is provided at least 4 tim es per year Catholic Charities - Donation of Vaccines - WPAHS, Inc - AGH donated seventy influenza vaccine doses & needles to the Catholic Charities for the Catholic Charities Fr ee Health Care Center Community Building Activities Community Building Activities include activities engaged in for the purpose of improving or protecting the health, future and w ellbeing of the community As a division of West Penn Allegheny Health System, Inc (WPAHS , Inc) and consistent with the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - AGH pr ovided these services at a cost of $140,665 in Fiscal 2011 Northside Holiday Party - The WPAHS, Inc - AGH Northside Partnership provides staffing for the annual Northside Holiday Party, where disadvantaged Northside youth receive a gift The party also provides food, activities and crafts for the children in attendance Northside Youth Summer Guide - The W PAHS, Inc - AGH Northside Partnership and the NSHIP create and distribute a summer guide for youth The guide is a free listing of all summer activities aimed at our youth The No rthside Chronicle prints and circulates the guide to Northside residents and Northside sch ools The goal is to offer parents and guardians options to keep their children engaged in healthy and educational activities all summer Northside Partnership Meeting with WPAHS S enior Leadership - The meeting w as held on July 1, 2010 and provided the opportunity for W PAHS Corporate Leadership and Northside Leadership Conference Executive Committee to meet and discuss AGH-Northside related issues as well as Community Development for Northside N orthside Health Improvement Partnership Meetings - AGH donates space and refreshments for the monthly Northside Leadership Conference (NSHIP) committee meetings NSHIP is comprised of various Northside stakeholders in addition to several WPAHS, Inc - AGH staff members Northside Coordinating Committee - The WPAHS, Inc - AGH Northside Partnership hosts mont hly meetings with AGH employees from various departments, including but not limited to fac ilities, volunteer services, psychiatry, and emerg

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	ency services These act as advisory meetings to discuss ongoing and upcoming Northside initiatives Northside Partnership Coordinator Salary & Operating Cost - WPAHS, Inc - AGH provides to the Northside Leadership Conference (NSLC) both the salary of the Partnership Coordinator as well as the operating costs associated with the position Coordinating Committee - The Northside Partnership hosts monthly meetings with AGH employees from various departments, including but not limited to, facilities, volunteer services, psychiatry, and emergency services These act as advisory meetings to discuss ongoing and upcoming Northside initiatives Start On Success Mentoring Program - Twenty-one WPAHS, Inc - AGH employees mentor Pittsburgh Public School Students daily throughout the school year These students learn basic workforce skills and job readiness training Board of Director Representation - WPAHS, Inc - AGH staff, executives and physicians hold positions on the Boards of Directors of local organizations or chapters of national organizations such as the American Heart Association These organizations are viewed as important community resources and organizations that can help further our mission of improving the overall well-being of the communities we serve

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	Fresh Fridays at Northside Farmers Market - The WPAHS, Inc - AGH Northside Partnership pr ovided printing and staff time to Fresh Fridays at the Northside Farmers Market events Th e goal of Fresh Fridays is to promote healthy and local eating to the Northside residents w ho shop at the Farmers Market Allegheny Commons Initiative - The Allegheny Commons Initi ative (ACI) is a community based action housed under the Northside Leadership Conference The ACI consists of community stakeholders, neighborhood community organizations, Northsid e businesses and city government The goal of the ACI is to preserve and restore the Alleg heny Commons, the first public park in the city WPAHS, Inc - AGH is a stakeholder in the efforts to enhance the 88 acres serving as the front yard for the neighborhoods and busin esses WPAHS, Inc - AGH has a seat on the ACI steering committee and donates funds and re sources needed for tree care The WPAHS, Inc - AGH representative has created displays an d education programs, presented education sessions to community groups and serves as the p hotographer for the restoration projects Preservation of this urban forest w ith over 1,00 0 trees creates an environment of paths, recreational lake, historic monuments, the Nation al Aviary, tennis courts, playgrounds, and a sense of natural openness in a high density u rban setting Improve The View - WPAHS, Inc - AGH w as the lead sponsor for this one day event geared tow ard the completion of projects to improve the local community Projects i ncluded w ork on Bellevue Park Hike and Bike Trail, Street Sw eeping and Litter Removal, Lin coln Avenue Landscaping and Tree Trimming, w ork at North Hills Community Out Reach Food Ba nk Center, Lincoln Avenue Curb and Meter Painting, Bayne Library Painting and Gazebo Repai r, Bellevue Park Fence Painting, Business Facade Painting The Suburban Hospital campus pr ovided the rental of a food tent, sponsored the main event, sponsored the Bike trail proje ct, and provided a child's mountain bike as a raffle item The first 100 volunteers to reg ister w ere given a commemorative t-shirt This event w as completed in conjunction w ith a l ocal community improvement group B I G Hearts in the Park Walk and Walk to Win - WPAHS, I nc - AGH offers staff support for the AGH Heart Institute Hearts in the Park Walk. This i s an annual event held in a neighborhood community park. The Partnership Coordinator also provides staff time to support Walk to w in, a program for Northside elementary school stud ents encouraging them to be more active on a daily basis Consumer Health Coalition Meetin g - WPAHS, Inc - AGH held a meeting w ith the members of the Consumer Health Coalition to discuss how to better reach the Latin American population of Pittsburgh The goal w as to m ake this population to make them aw are of the availability of grant money for breast imagi ng Flyby Remembrance - The WPAHS, Inc - AGH Lifeflight crew performed tw o flyby activiti es at local events on September 11th as a means of remembering the victims of the tragedy nine years earlier INTRODUCTION TO WEST PENN ALLEGHENY HEALTH SY STEM, INC - WEST PENN CA MPUS (WPAHS, Inc - WPH) Founded in 1848 as Pittsburgh's first chartered public hospital, West Penn Allegheny Health System, Inc - West Penn Campus (WPAHS, Inc - WPH) has earned an international reputation for excellence and innovation in the care of patients, medical education and research Today, WPAHS, Inc - WPH is an academic medical center that serve s Pittsburgh and the surrounding five-state area WPAHS, Inc - WPH is comprised of 251 li censed beds WPAHS, Inc - WPH w as aw arded Magnet recognition status from the American Nur ses Credentialing Center (ANCC) WPAHS, Inc - WPH w as the first hospital in w estern Penns ylvania to receive this prestigious designation and is now among the top 4 percent of all healthcare facilities in the w orld recognized by the ANCC The Magnet Recognition Program w as developed by the ANCC to recognize health care organizations that provide not only exc ellence in nursing, but also the highest quality of patient care at all levels throughout the hospital A Magnet hospital attracts and retains professional nurses w ho experience a high degree of professional and personal satisfaction in their practice Magnet hospitals exhibit improved patient outcomes, enhanced nursing practice, increased staff morale and i mproved recruitment and retention The Magnet Recognition Program provides consumers w ith the ultimate benchmark to measure the quality of care that they can expect to receive WPA HS, Inc - WPH offers advanced care in the follow ing specialty areas allergy, anesthesiol ogy, bone marrow/stem cell transplant, burn care, diagnostic and interventional radiology, endocrinology, family medicine, gastroenterology, gynecology, gynecologic oncology, hemat ology/oncology, internal medicine, maternal and fetal medicine, medical oncology, minimall y invasive surgery, neonatology, nephrology, obste

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	trics, oncology, pathology and laboratory medicine, primary care medicine, pulmonary medic ine, reproductive medicine and infertility, rheumatology, and urogynecology The Hospital also has specialized centers for breast diagnostic imaging, diabetes care, foot and ankle surgery, infant apnea, inpatient physical rehabilitation, reproductive medicine and infert ility, and sleep disorders WPAHS, Inc - WPH has made tremendous strides in burn treatmen t and care The West Penn Burn Center w as the first burn program in the region to receive verification honors by the American College of Surgeons and the American Burn Association The Hospital's obstetrics program is one of the busiest in the region and its neonatal in tensive care unit is one of the region's largest referral resources for sick new borns WPA HS, Inc - WPH is also the home to the patient offices for the Jones Institute at West Pen n Allegheny Health System (WPAHS), an affiliate of the renow ned Jones Institute for Reprod uctive Medicine of the Eastern Virginia Medical School A long-standing commitment to educ ation and research remains a cornerstone of WPAHS, Inc - WPH's mission The Hospital spon sors medical residency and fellow ship programs and provides clinical training to third- an d fourth-year medical students of the Philadelphia-based Temple University School of Medic ine The Hospital also offers a School of Nursing diploma program as w ell as educational o pportunities in respiratory therapy, radiology technology and nursing through affiliations w ith Indiana University of Pennsylvania, Pennsylvania State University and Clarion Univer sity WPAHS, Inc - WPH admits over 9,500 patients annually and treats over 94,500 outpati ent cases Approximately 750 physicians and 1,800 employees share the Hospital's commitmen t to excellence in patient care, education and research In January 2011, WPAHS, Inc - WP H closed its emergency department and moved a number of services to its sister hospital, W PAHS, Inc - AGH, including cardiovascular, orthopaedic, bariatric, and general surgery, i n addition to all neurosurgery All inpatient volume not associated w ith rehabilitation, b urn care, obstetrics, gynecology or oncology w as also relocated How ever, the Hospital is pleased to announce that the emergency department has reopened subsequent to the end of th is Fiscal Year in February 2012 The Hospital also has also reopened some general medical and surgical units, and it is anticipated that the Hospital w ill return cardiovascular, or thopaedic, bariatric and some neurosurgery before the end of calendar year 2012 Additiona lly, it has plans to open a new Wound Care Center, as w ell as expand other outpatient serv ices in autoimmunology in Fiscal Year 2013

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	COMMUNITY ASSESSMENT Community Health Improvement Services and Community Benefit Operation s - Community health improvement services and community benefit operations include activit ies carried out to improve community health They extend beyond patient care to include ac tivities that are subsidized by the Hospital The activities range from community health c linics and screenings to health education programs designed to raise community aw areness o f various healthcare topics and issues As a division of West Penn Allegheny Health System , Inc (WPAHS, Inc) and consistent w ith the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - WPH provided these services at a cost of $568,181 in Fiscal 2011 BURN CARE Burn Ce nter - WPAHS, Inc - WPH provides exceptional, specialized patient care to burn victims in its Burn Center This internationally recognized treatment center for burn victims not on ly deals w ith the immediate crisis of the burn injury, but also the important psychosocial dynamics of a burn victim's rehabilitation and return to the community Approximately 305 patients w ere admitted in fiscal year 2011, and of these, 53 w ere under the age of 18 Ap proximately 498 new patients w ere seen as outpatients The follow ing details highlight the Center's efforts tow ard burn care Burn Care and Prevention Program - The Hospital sponso rs a Burn Care and Prevention Program The outreach coordinator provides educational progr ams to the surrounding communities In fiscal year 2011, the outreach coordinator and/or s taff conducted multiple burn prevention presentations at 6 sites, and provided 86 health f airs and exhibitions The programs covered Allegheny, Beaver and Fayette counties in Penns ylvania Approximately 1,500 children and adults attended the programs, w ith countless oth ers attending the health fairs Summer Burn Camp - A five-day summer camp, sponsored by Al uminum Cans for Burned Children (ACBC), is held each year to provide young campers w ith an opportunity to share their concerns about having been burned and talk about difficult iss ues involved in their recovery Tw enty-seven children attended camp in fiscal year 2011 T he Hospital provides the multidisciplinary staff for the camp, w hich includes registered n urses and other staff from the burn center along w ith other volunteers from the Hospital a nd community There w ere 18 volunteer counselors throughout the w eek There is no charge f or children to attend summer camp COMMUNITY HEALTH EDUCATION Little Italy Days - WPAHS, I nc - WPH w as a sponsor of the Bloomfield Business Association's Little Italy Days festiva l The Hospital provided staffing for a booth w ith educational information for the public WTAE Phone Bank - Three certified diabetes educators for the Joslin Diabetes Center at WP AHAS, Inc - WPH answ ered phone calls for 1 5 hours, answ ering diabetes-related questions including diet and how to manage diabetes Maternal Child Women's Health at The Nursing Ca f - This activity w as started in an effort to provide support to new nursing mothers deliv ering their babies at WPAHS, Inc - WPH and in the surrounding community Mothers attendin g the caf are provided w ith a w arm, supportive atmosphere w here they come to learn how to nurse their babies and get questions answ ered by a board-certified lactation consultant T he Caf is a free service to the community The group size varies but averages 6-10 moms w h o attend regularly at any given w eek. Since the Caf opened five years ago, more than 350 m oms have attended the group The emotional and health benefits for the nursing infant and community at large extend beyond the prevention of common infections and allergies to an i mpressive reduction in the incidence of more serious illnesses including diabetes and chil dhood obesity Perhaps more easily observable how ever is the close emotional relationship nursing mothers and babies enjoy and the feelings of accomplishment moms express w hen they receive the support they need to successfully nurse their babies HEALTH FAIRS AND COMMUN ITY SCREENINGS Hospital School Health Partnership - A partnership agreement w ith the Board of Education and a local high school provides health and w ellness services to support and supplement those offered by the School District of the City of Pittsburgh A certified nu rse practitioner from WPAHS, Inc - WPH, w ith physician supervision, provides free screeni ngs and primary care four half-days and one full-day each w eek at the high school The pra ctitioner coordinates and facilitates contact w ith the Hospital for consultation and advic e for acute medical problems that arise during the school w eek. In addition, a physician m edical resident and faculty physicians spend one half-day each w eek at the high school Th e partnership ensures health education and health career aw areness programs for students, parents and staff The Wellness Center also provides immunizations through the Pennsylvani a Health Department and "Vaccines for Children Pro

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	gram," as well as education regarding asthma, weight reduction, smoking cessation, pregnancy prevention, sexually transmitted diseases and cancer prevention Other services include acute and episodic care, physical exams and pregnancy testing The hospital assists students and their parents with overcoming obstacles to health care, such as lack of or inadequate insurance, or the inability to pay for services There is no charge by the hospital for services rendered at the high school During the fiscal year, the Wellness Center recorded 500 office visits American Diabetes Association's Diabetes Expo - WPAHS, Inc - WPH in coordination with the American Diabetes Association (ADA) sponsored a booth at the Healthy for Life Exposition The estimated attendance at the Exposition was 510,000 people WPAHS, Inc - WPC certified diabetes educators staffed the booth where the participants could learn about healthy eating, the food content of fast food and portion control HOMELESS, ELDERLY AND SPECIAL NEEDS Homeless Health Services - WPAHS, Inc - WPH Health Care for the Homeless Program seeks to remove barriers to accessing care by bringing preventive comprehensive care into community facilities that serve the homeless One such facility is the Jubilee Kitchen located on Fifth Avenue in the City of Pittsburgh The homeless population is especially at risk for trauma, drug and alcohol abuse, diseases related to exposure, and infectious diseases such as tuberculosis and sexually transmitted diseases This population is also at risk for chronic disease, including hypertension, heart disease and exposure to HIV Primary care services are provided to the homeless on-site at the Jubilee Kitchen two-days each week. Services include medical evaluation and screening, podiatry exams, lab testing and all medical supplies A registered nurse conducts tuberculin screenings and administers free influenza vaccines A physician and a resident evaluate walk-in patients Patients are admitted to the hospital as needed for acute episodic care and have no payment obligations for the services rendered Volunteer Services for Special Needs - The Hospital acknowledges the benefits of helping adults with special needs The Hospital works with the Achieva Agency, Friendship Academy and United Cerebral Palsy to benefit individuals that are mentally challenged or handicapped Hospital employees work with the individuals and allow them to lend assistance with some tasks

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	SUPPORT GROUPS The Healing Journey - This free program for cancer survivors and their primary caregivers, provided attendees with practical tips for coping with the stresses of cancer and offers an inspirational talk by author Dave Balch Nearly 325 people benefited from this event Child Loss Bereavement Support Group - A bereavement support group for women who have lost a baby early in pregnancy is held by Social Services monthly The group support helps women cope and learn coping skills from women who have had similar experiences Child Loss Memorial Service - Chaplains from the Pastoral Care department assist with the planning and participation in the National Child Loss Memorial Service The event provides a forum for grieving family members to express their grief for the loss of a child Cancer Survivor Talk - A WPAHS, Inc - WPC social work manager participated in a talk with cancer survivors The talk focused on moving forward in life after going through the difficult battle with cancer Light the Night - A WPAHS, Inc - WPC social work manager and an oncology case manager participated in Light the Night planning The Light the Night walk event is designed to bring help and hope to individuals battling blood cancers PATIENT ASSISTANCE Temporary Housing for the Underprivileged - West Penn Hospital provides housing for underprivileged out of town patients during treatment, including cab fare, and cafeteria vouchers for food Parking and Shuttle Services - WPAHS, Inc - WPH Security and Parking department provides free parking and shuttle services to patients and family members by utilizing a parking lot close to the Hospital which the Hospital controls and maintains Health Professions Education WPAHS, Inc - WPH provides aspiring health professionals with many educational opportunities to further their career in healthcare In addition to the educational support we provide to interns, residents, fellows, nurses and other allied health professionals, WPAHS, Inc - WPH provides health-profession education to the community in a variety of ways and forums As a division of West Penn Allegheny Health System, Inc (WPAHS, Inc) and consistent with the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - WPH provided these services in addition to the educational support provided to interns, residents, fellows, nurses and other allied health professionals at a cost of $93,461 in Fiscal 2011 Observation and Shadowing - The Hospital attempts to promote health care careers throughout the region In an effort to do this, the Hospital provides individuals with the opportunity to observe the medical staff in areas such as Pediatrics, Burn Unit, Ob/GYN, Pharmacy, Nursing, Occupational Therapy, Surgery, Radiology, Medical Genetics, Ophthalmology and Ultrasound There were a total of 87 participants Neonatal Resuscitation Course - Five neonatal resuscitation courses were conducted free of charge at community medical centers by the WPAHS, Inc - WPH maternal child coordinator and a physician Approximately 12 nurses, 8 CRNAs and 14 physicians benefited from the course Infant Abstinence Update - This one day complimentary course was conducted at Lawrence County Child and Youth Services by the maternal child coordinator and a neonatologist from WPAHS, Inc - WPH Eight nurses, eight physicians and four social workers benefited from the course Ultrasound Techniques Course - WPAHS, Inc - WPH staff taught a class for 8 physicians at Jameson hospital on the newest techniques in ultrasound technology The STAR Center (Simulation, Teaching, Academic, and Research) - The STAR Center at WPAHS, Inc - WPH is dedicated to achieving excellence in patient care through the pursuit of lifelong learning, research and innovation Using state-of-the-art mannequins that mimic symptoms of a wide range of health conditions, the STAR Center provides hands-on learning opportunities to allow aspiring practicing health professionals to perfect their skills in situations closely resembling the clinical environment In conjunction with Emergency Medical Services (EMS) Week, the STAR Center holds a competition for EMS providers Prizes are awarded to both the 1st and 2nd place teams For 1st place each team member receives an iPod Touch and an individual medal, the team's service receives a "STAR Cup" trophy for their station For the 2nd place team, each team member receives a $50 gift card and an individual medal, as well as a trophy for their station Teams are pre-scheduled in 30 minute intervals There are no fees for this competition, however, pre-registration is mandatory for planning STAR supports SciTech, which inspires diverse audiences of students and general public to support and participate in science and technology development to benefit themselves and the region by growing the knowledge economy The program provides unique destination events that entertain, inspire and motivate visitors from the region and beyond to explored

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	iscoveries, innovations and issues regarding science and technology in the 21st century It provides content links that empower visitors to explore topics and participate in public discussion beyond SciTech, and contributes to the national priority to increase interest and participation in science and technology careers STAR participated in the Youth Link Career Fair, the "Become A Heart Saver for Valentine's Day" program, and the Alle-Kiski Medical Center and Destination Wellness Annual Mall-Wide Health Fair STAR also provides CPR classes for the Community These classes are designed for the general public to receive convenient, free and adult learner friendly CPR training and valuable life saving skills Courses were held three times during the year and lasted 2 hours Learners received training in Adult CPR, Child CPR, Obstructed Airway Techniques, and in the use of an Automatic External Defibrillator (AED) Learners benefitted from a low student to instructor ratio, allowing them to become comfortable with the necessary skills As part of the East Side Neighborhood Employment Center's youth initiative, STAR demonstrated to students how an interest in medicine, health, nutrition, and fitness can translate into a fulfilling career Students are to discover the benefits, financial and otherwise, of a career in the health sector The STAR Simulation encouraged youth to ask questions and enable them to experience what it is like to work in a hospital by hosting the event at its facility The STAR Center fostered a relationship with the Pittsburgh Public Schools The program consisted of multiple sessions that were designed to prepare students for healthcare studies and jobs Students spend six to eight weeks and learn topics from first aid, nutrition, child birth, vital signs, the use of bed pans, elastic stockings, skills assessments, and communication skills

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	Financial Contributions This category includes monetary donations and in-kind services don ated to individuals and the community at large As a division of West Penn Allegheny Healt h System, Inc (WPAHS, Inc) and consistent w ith the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - WPH provided these services at a cost of $2,668 in Fiscal 2011 Cash Donati ons - WPAHS, Inc - WPH supports the community through cash contributions made at the disc retion of the Hospital and its directors, benefiting not only the non-profit recipient but also ultimately the community as a w hole During the fiscal year ended June 30, 2011, WPA HS, Inc - WPH made cash donations to the follow ing organizations Bloomfield Business Ass ociation Bloomfield Development Corporation Bloomfield Garfield Corporation In-kind Donati ons - In addition to the cash contributions, WPAHS, Inc - WPH also made in-kind donations of time and resources to help support various community functions These donations includ ed the follow ing Printing of Publications and Flyers - The Hospital produces publications and flyers for various organizations to promote community activities at the request of Bl oomfield Development Corporation and Bloomfield Garfield Association Community Building A ctivities Community Building Activities include activities engaged in for the purpose of i mproving or protecting the health, future and w ellbeing of the community As a division of West Penn Allegheny Health System, Inc (WPAHS, Inc) and consistent w ith the filing of t he WPAHS, Inc Schedule H, WPAHS, Inc - WPH provided these services at a cost of $62,920 in Fiscal 2011 Crime Prevention Day - The Security department sponsored Crime Prevention Day for patients, visitors, and community personnel More than 350 individuals w ere educat ed on how not to become a victim of crime Escort Service - Security personnel transported 400 patients, visitors, and community personnel to off-site locations This service helps to insure the safety, decrease stress and ease the financial impact of those staying or n eeding to visit off-site locations AARP-Senior Community Service Employment Program - The Hospital provides experience to people age 50 and older that are looking for employment These individuals have been out of the w ork force for years The Hospital provides experie nce and training in Dietary, Clerical, and Environmental Services Approximately 23 indivi duals participated in this program Earn Program and Urban League Community Employment Pro grams - The Hospital provides w orking experience for people looking for a job in the w ork force The Hospital provides parking and a meal ticket The Hospital provides training in Dietary, Rehab, Labor & Delivery, Pediatrics, Medical Records, Clerical and Data Entry Ap proximately 12 individuals participated in this program Pittsburgh Reinvestment Committee 's SAFE Pittsburgh - Pittsburgh Community Reinvestment Group (PCRG) is a coalition of comm unity leaders w orking for economic justice, equitable investment practices and sufficient financial resources to revitalize Allegheny County's most treasured neighborhoods This gr oup leads an initiative that brings communities together to address public safety issues t hrough the sharing of information and resources across neighborhoods The Hospital hosted 200 community members and underw rote parking, audiovisual support and facility expenses to support this initiative Hospital provides w orking experience for people looking for a jo b in the w ork force The Hospital provide s training in Dietary, Rehab, Labor & Delivery, Pediatrics, Medical Records, Clerical and Data Entry Approximately 12 individuals participated in this program Pittsburgh Reinvest ment Committee's SAFE Pittsburgh - Pittsburgh Community Reinvestment Group (PCRG) is a coa lition of community leaders w orking for economic justice, equitable investment practices a nd sufficient financial resources to revitalize Allegheny County's most treasured neighbor hoods This group leads an initiative that brings communities together to address public s afety issues through the sharing of information and resources across neighborhoods The Ho spital hosted 200 community members and underw rote parking, audiovisual support and facili ty expenses to support this initiative INTRODUCTION TO WEST PENN ALLEGHENY HEALTH SYSTEM, INC - FORBES REGIONAL HOSPITAL (WPAHS, INC - FRH) WPAHS, Inc - FRH has provided health care services to residents of eastern Allegheny and Westmoreland Counties since 1978 WPAH S, Inc - FRH ow ns and operates a 350-bed acute care hospital located in Monroeville, Penn sylvania The Hospital is licensed by the Pennsylvania Department of Health and is accredi ted by the Joint Commission WPAHS, Inc - FRH offers a complete array of surgical, medica l and inpatient rehabilitation services The facility offers care in the follow ing specia l ty areas back surgery, cardiac surgery, cardiolog

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Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	y, colon and rectal surgery, diabetes, diagnostic imaging, emergency medicine, endocrinolo gy, family medicine, foot and ankle surgery, gastroenterology, general surgery, gynecology , hospice care, neurology, neurosurgery, obstetrics, oncology, orthopedics, outpatient sur gery, pediatrics, psychiatry and urology The Hospital features an affiliate office of the w orld renow ned Joslin Diabetes Center and operates an emergency room open 24 hours a day 7 days a w eek open to all persons w ithout regard to their ability to pay WPAHS, Inc - FR H admits more than 15,000 patients annually, logs more than 48,000 emergency visits and pe rforms nearly 12,000 surgical procedures each year More than 600 physicians and 1,300 emp loyees share the hospital's commitment to excellence in patient care Forbes Hospice, loca ted in Bloomfield, is Pittsburgh's oldest and most respected end-of-life and palliative ca re program, providing care for families from Allegheny, Beaver, Butler, Washington and Wes tmoreland counties Forbes Hospice has a w ealth of experience in delivering comprehensive hospice care to the community and feature nationally- recognized leadership, including a f ull-time medical director, board certified in hospice and palliative medicine Forbes Hosp ice's team of caregivers offers a compassionate, loving approach to meeting the needs of o ur patients and their families At a time w hen families are faced w ith the burden of care giving and emotional stress, Forbes Hospice is there to help them in their time of need T he focus of our hospice care is to create a comfortable and peaceful environment in w hich the patient may live each day to the fullest At Forbes Hospice it is understood that a se rious illness affects the entire family and our compassionate support and guidance are off ered to them as w ell After their loss, spiritual and psychological support is provided th rough the Bereavement Program As life comes to a close, w e open our hearts When a cure i s no longer possible, w e are able to provide comfort When you don't know w hat to expect, w e w ill be there to help you every step of the w ay

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	COMMUNITY ASSESSMENT Community Health Improvement Services and Community Benefit Operations - Community health improvement services and community benefit operations include activities carried out to improve community health They extend beyond patient care to include activities that are subsidized by the Hospital The activities range from community health clinics and screenings to health education programs designed to raise community awareness of various healthcare topics and issues As a division of West Penn Allegheny Health System, Inc and consistent with the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - FRH provided these services at a cost of $117,010 in Fiscal 2011 COMMUNITY HEALTH EDUCATION Keystone Health Club - The WPAHS, Inc - FRH Joslin Diabetes Center provided an educational speaker to address issues surrounding diabetes at the Keystone Health Club The education was provided as part of the Silver Sneakers program, a program helping older adults live healthy and active lifestyles Childbirth Education Classes - The Women's and Infants Care Center at the Hospital offers several classes to help moms and their partners prepare for labor and delivery and beyond While the hospital charges for these classes, in each class, there are couples who receive the classes free of charge due to financial constraints Approximately 100 people without the ability to pay benefited from this class Mass Media Communication - Radio - WPAHS, Inc - FRH participated in various heath related forums conducted over the radio Each broadcast has the ability to reach and impact an unquantifiable amount of listeners Educational topics covered include but were not limited to diabetes and cardiovascular health Health Education Guest Teaching - WPAHS, Inc - FRH resident and faculty physicians and psychologists from the Forbes Family Medicine Residency Program taught health classes to students at a local School District The school does not employ a full-time health teacher and relies on guest speakers to teach health classes to students in the fifth grade The Ed Dardanell Heart and Vascular Center Education Series - The Education Series is a monthly presentation for heart patients and their families that feature demonstrations and question and answer sessions focusing on heart and vascular health These one-hour presentations are free and take place at the Hospital Presenters include physicians and specialists from the Hospital A total of three sessions took place in Fiscal 2011 Miscellaneous Presentations and Screenings- The Ed Dardanell Heart and Vascular often fills requests to speak at different organizations or events In FY11, this included presentations at the Plum Senior Center and various local Emergency Medical Services (EMS) providers In addition, the Joslin Diabetes Center provided lectures to the Westmoreland County Area Agency on Aging and the Lions Club "How to ask the difficult question" Lecture - The WPAHS, Inc - FRH Forbes Family Medicine Behavioral Science Medicine Director presented "How to ask the difficult question" lecture at the Auberle House in McKeesport The Auberle House is a faith-based Catholic agency dedicated to healing families and empowering youth throughout Southwestern Pennsylvania About 150 people attended the lecture Breast Cancer Education and Outreach - A WPAHS, Inc - FRH cancer specialist attended several community and organization events geared towards providing information on breast cancer, early detection and treatment options

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	HEALTH FAIRS AND COMMUNITY SCREENINGS Fall Into Good Health at Forbes Health Fair - WPAHS, Inc - FRH hosted a health fair that attracted over 200 community members Several different Hospital departments were represented at the fair including the Heart and Vascular Center, Joslin Diabetes Center, Physical and Occupational Therapy and Pharmacy Turtle Creek Community Days - WPAHS, Inc - FRH staff members from the Joslin Diabetes Center, the Heart and Vascular Center and Radiology department participated in the Turtle Creek Community Days Health information and screenings Diabetes Education Health Fairs - WPAHS, Inc - FRH staff from the Joslin Diabetes Center provided health education at the Faith in Action and Murrysville Methodist Church Health Fairs Approximately 150 individuals attended theaw events Century III Mall Senior Resource Fair - Individuals from the Forbes Hospice team attended this resource fair conducted at a local shopping mall Information was provided during the event to approximately 300 community members who attended West Penn Hospital Rehab Conference - WPAHS, Inc - WPH hosted a rehabilitation conference for the benefit of the Bloomfield community Forbes Hospice attended the event and provided educational information to approximately 100 people from the community Riverview Park Heritage Days - Representatives from the Forbes Hospice participated in the Riverview Park Heritage Days by occupying a table and providing educational handouts Approximately 300 community members attended this event Community Business and Employee Health and Wellness Fairs - WPAHS, Inc - FRH was invited to help and assist with health and wellness benefits fairs for local businesses The businesses requested this help targeting their employees The nature and scope of these fairs was to provide specific health and wellness topics, health care access and screenings The Hospital provided a variety of staff that consisted of physicians, nurse practitioners, nurses, respiratory therapist, registered dietitians and certified diabetes educators Metro Family Practice - Faculty physicians from the WPAHS, Inc - Forbes Family Medicine Residency Program provided medical coverage and services in a community health center in a local neighborhood They provided free medical care to patients who do not have insurance or medical coverage Health Screenings for the Uninsured - A faculty physician and three residents from the Family Medicine Residency Program provided free health care screenings to non-insured patients at a local clinic Turtle Creek Senior Center Health Fair - This two-hour event featured a WPAHS, Inc - FRC registered dietician who provided healthy eating tips Approximately 50 people were in attendance Alle-Kiski Medical Center Healthy Expo - Alle-Kiski Medical Center, an affiliated hospital hosted a healthy expo at the Destination Wellness location in a shopping mall in the community of Natrona Heights Forbes Hospice participated in the event and staffed an information table Approximately 600 community members attended the event Celebrate Monroeville - The Hospital was a sponsor of the September 2010 Celebrate Monroeville, which took place in the local community At no cost to the participant, the Hospital provided health and wellness information, medical screenings, medical and health information and help with providing access to health and medical information This event benefited more than 3,000 members of the community by helping to provide resources and also helped the community obtain information about their health care needs

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	The American Diabetes Expo - Forbes Regional was invited to help and assist with The Ameri can Diabetes Expo The nature and scope of this expo was to provide specific diabetes heal th and wellness topics and free screenings The Hospital provided a variety of staff that consisted of physicians, nurse practitioners, nurses, and certified diabetes educators Ov er 1,000 people attended this event SUPPORT GROUPS Bereavement Support Groups - WPAHS, In c - FRH hosts five monthly support groups that are designed to serve bereavement care nee ds of families w ho lost loved ones in the Forbes Hospice program In addition to supportin g families in the Forbes Hospice program, the support group is open to any other community members w ho have suffered an emotional loss and are in need of support Each of these mon thly support groups are jointly facilitated by a member of the Forbes Hospice professional clinical staff and a volunteer trained by the hospice bereavement care coordinator In to tal, the support groups served approximately 300 people during FY 2011 Fetal and Neonatal Grief Loss Support Services - Women w ho have experienced fetal or neonatal loss require o ngoing support in order to regain homeostasis WPAHS, Inc - FRH grief counselors provide w omen and families the opportunity to talk through their grief Diabetes Support Group - T he diabetes support group, sponsored by the Joslin Diabetes Center meets monthly at WPAHS, Inc - FRH On average 30 individuals attend these free meetings The purpose of the supp ort group is to provide a forum for patients w ith diabetes to meet and discuss issues pert aining to diabetes This w ill ultimately help them to maintain and improve their overall c are The speakers at the meetings range from physicians, dietitians, pharmacists, pharmace utical representatives, insurance counselors and actual patients Stroke Support Group - W PAHS, Inc - FRH provides a monthly stroke support group to help families cope w ith loved ones w ho suffered a stroke The support group is sponsored by the WPAHS, Inc - FRH Stroke Program and Rehabilitation Departments Individual/Family Counseling - The Forbes Hospice Bereavement Care Coordinator routinely fields phone calls of inquiry about available supp ort services from members of the community at large and either guides them in process of r eferral support or provides direct service support through in-house therapy sessions or ex tended phone conversations of a quality equal to such service provided families w hose love d ones have died on the Forbes Hospice program The counseling program benefitted 110 peop le Journeys Bereavement Newsletter - WPAHS, Inc - FRH purchases this monthly publication from The Hospice Foundation of America for free distribution to approximately 1,600 famil ies The publication is sent monthly to every family that has lost a loved one on the Forb es Hospice program Community Memorial Service - WPAHS, Inc - FRH has a community-w ide me morial services for bereaved family members tw o times a year The memorial service is inte nded to comfort families w ho lost loved ones Health Professions Education WPAHS, Inc - FR C provides aspiring health professionals w ith many educational opportunities to further th eir career in healthcare In addition to the educational support w e provide to interns, re sidents and fellow s, WPAHS, Inc - FRC provided health professions education to the commun ity in a variety of w ays and forums As a division of West Penn Allegheny Health System, I nc and consistent w ith the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - FRC provid ed these services in addition to the educational support provided to interns, residents an d fellow s at a cost of $646,679 in Fiscal 2011 Forbes Hospice Health Professions Educatio n - Part of Forbes Hospice's mission is "to support education and research" and in keeping w ith its mission, Forbes Hospice invites students and professionals to learn about end-of -life care Students from Drexel, LECOM, Temple as w ell as resident from WPAHS, Inc - WPH and FRH benefit from this training Supervision of Master's Level Interns - The Forbes Ho spice Bereavement Care Coordinator trained tw o interns from area universities in skills of counseling of dying patients and their families and in bereavement Clinical Education fo r Physical Therapy, Occupational Therapy & Speech Language Pathology - Rehab Services offe rs extensive clinical education to students from a number of local universities and colleg es Clinical experiences range from one w eek to 4 months w ith a therapist spending up to 6 0 minutes a day for personalized education and supervision There w ere 21 students using t hese services in Fiscal 2011 Phlebotomy Training - The Lab at Forbes Regional provided ph lebotomy and processor training to five students from Westmoreland Community College and C ommunity College of Allegheny County The students w ere instructed and supervised to perfo rm the practices of blood draw ing skills The prog

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	ram prepares the students to function as a phlebotomist in a clinical setting Job Shadowing - Students from local colleges, technical schools, high schools, and some elementary schools are provided opportunities to do job shadowing to learn about various professions and the duties and responsibilities of these professions This job shadowing occurs in nursing, labor and nursery, diagnostic imaging, respiratory therapy, surgery, cardiology, Joslin Diabetes Center, family practice, laboratory, GI lab, and rehab services In FY11, more than 80 students were provided a job shadowing experience

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	Educator in the Workplace - A learning support teacher and 6 students from St Anthony's S chool and Gatew ay High School came to Forbes Regional to learn about various health career s and the preparation required (especially high school prep) This helps to better prepare the teachers and their students to become better equipped to become w orking members of th e community The students and their teacher w ere here for 8 hours a w eek for approximately 36 w eeks and w orked with various Hospital staff Penn Hills College School Prep Program - These schools have seniors prepare for their career choice w ith a specific department in the Hospital The students can choose to w ork as an intern in a department or service that they are considering pursuing after graduation The intern is supervised by an advisor/pr eceptor of this profession The student receives a grade for this w ork as recommended by t he hospital advisor Student Nursing Clinical Internships - Departments of Forbes Regional have nursing students from , Citizens General School of Nursing, West Penn Hospital Schoo l of Nursing, University of Pittsburgh, CCAC, Westmoreland County Community College, Great er Johnstow n Vo-Tech and Duquense University performing various internships, clinical expe riences and shadow ing throughout the year Staff from various departments spend time provi ding explanations, education and sometimes supervision of various procedures or projects t he nursing students complete as part of their rotations The internships are to help prepa re them for the w ork environment upon graduation Staff is required to be available to tea ch/assist these students about 7 hours per day, three days per w eek, 40 w eeks out of the y ear The students are assigned intermittently to 10 different clinical units including Psy ch, Emergency Dept , ICU and OB and there are 6 to 8 students per unit or 20 to 60 student s per day The students also rotate to specialty areas such as the Cardiac Cath Lab and th e OR for observation days Financial Contributions This category includes funds and in-kin d services donated to individuals and/or the community at large In-kind services include hours donated by staff to the community during hospital w ork hours, overhead expenses of m eeting space donated to not-for-profit community groups, and the free provision of food, e quipment, supplies and giveaw ays items as w ell as monetary donations As a division of Wes t Penn Allegheny Health System, Inc (WPAHS, Inc) and consistent w ith the filing of the W PAHS, Inc Schedule H, WPAHS, Inc - FRH provided these contributions at a cost of $11,330 in Fiscal 2011 Cash Donations - WPAHS, Inc - FRC supports the community through cash co ntributions made at the discretion of the Hospital and its directors, benefiting not only the non-profit recipient but also ultimately the community as a w hole During Fiscal 2011, WPAHS, Inc - FRH made cash contributions to the follow ing organizations American Cancer Society Gatew ay Foundation Friends of Forbes Hospice The Wagner House Center for Children In-kind Donations - In addition to the cash contributions, WPAHS, Inc - FRC also made in -kind donations of time and resources to help support various community functions The in- kind donations included the follow ing Global Links - Global Links is a not-for-profit org anization that recovers surplus medical materials from U S hospitals and makes it availab le to hospitals in less developed communities WPAHS, Inc - FRH donated health care suppl ies that w ill enable Global Links to provide the resources necessary for adequate care for patients throughout the U S Central Blood Bank Blood Drives - Forbes Regional hosted six blood drives for the Central Blood Bank. The hospital provided space and hospital staff a nd volunteers help man the table The hospital also provided refreshments Seventy-nine un its of blood w ere collected as a result of the blood drives Community Building Activities Community Building Activities include activities engaged in for the purpose of improving or protecting the health, future and w ellbeing of the community As a division of West Pen n Allegheny Health System, Inc and consistent w ith the filing of the WPAHS, Inc Schedule H, WPAHS, Inc - FRH provided these services at a cost of $7,150 in Fiscal 2011 American Heart Association Heart Walk (AHA) - The specific involvement for Forbes Regional w as to recruit team captains, w ho recruited team members, w alkers and solicited donations for the AHA A management member at Forbes Regional w as recruited to be the hospital team leader to coordinate the events and activities Monroeville Night Out - WPAHS, Inc - FRH partici pated in the Monroeville Night out located at the Monroeville Community Park This event i s a family event geared tow ard introducing residents of the community w ith various communi ty resources such as healthcare, police and fire companies A WPAHS, Inc - FRH physician and nurse attended the event to answ er questions a

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishments - Continued	Form 990, Page 2, Part III, Line 4a	nd provide educational information Approximately 1,500 community members attended the eve nt Association of Family Medicine Residency Directors - A WPAHS, Inc - FRH physician from the Forbes Family Medicine Residency Program serves as the Treasurer for this association

Identifier	Return Reference	Explanation
Investment of Tax Exempt Bond Proceeds Beyond a Temporary Period Exception	Form 990, Page 4, Part IV, Line 24b	On June 19, 2007, the System's Series 2007 Project Fund was funded with proceeds from a tax-exempt bond issue The President and Chief Executive Officer of the System resigned shortly thereafter Since that time, the System has employed three different individuals as President and Chief Executive Officer Because of this turnover in the leadership of the System there was a delay in the capital spending until each new President and Chief Executive Officer began to implement the capital spending which he or she deemed to be necessary This delay caused the Series 2007 Project Fund to be spent down in a time period extending beyond the temporary period exception We anticipate these proceeds to be spent by the end of calendar year 2012 It should be noted that the System timely completes arbitrage calculations on all tax-exempt borrowings The first calculation was performed for the Series 2007 Project Fund in November 2011 This calculation did not produce any positive arbitrage based on the yield on investments in the Series 2007 Project Fund

Identifier	Return Reference	Explanation
Form 990 Review Process	Form 990, Page 6, Part VI, Section B, Line 11a	Form 990 is prepared internally by an employee of the West Penn Allegheny Health System, Inc (Health System) Tax Department who is a certified public accountant The document is then reviewed internally by top management officials of the Health System A detailed external review is conducted by Health System external tax advisors, who sign the return as preparer The Chair of the organization's Board of Directors, or another Board Member otherwise designated by the Chair, along with members of the Audit and Compliance committee of the Health System Board review the Form 990 and recommend changes or accept the document as presented A copy of the Form 990 is made available to every board member for review prior to filing the document with the Internal Revenue Service

Identifier	Return Reference	Explanation
Monitoring and Enforcement of the Conflict of Interest Policy	Form 990, Page 6, Part VI, Section B, Line 12c	West Penn Allegheny Health System, Inc is a member of the West Penn Allegheny Health System (WPAHS) WPAHS has a corporate compliance department that monitors and oversees compliance with the conflict of interest policy of all organizations in the health system The following describes the manner in which the corporate compliance department monitors and oversees compliance with the conflict of interest policy for West Penn Allegheny Health System, Inc as well as the other WPAHS affiliates Conflict of Interest disclosure forms are completed on an annual basis by all board members, officers, employees who have a title of Manager and above, physicians in leadership roles, Pharmacy and Therapeutic Committee members, all employees of the System's Compliance and Internal Audit Departments as well as personnel involved with contracting in the Corporate Purchasing Department Upon completion of the above disclosure statement by all applicable individuals, a report is generated listing all individuals that have reported a conflict The System Compliance Officer and General Counsel review the conflicts disclosed Those that require additional information or clarification receive a letter from the Compliance Officer requesting such Once received, all additional information is added to the report and again reviewed by the Compliance Officer and General Counsel Those conflicts that require a mitigation plan are sent to the respective organization's senior management for development of the mitigation plan The organization's senior management is responsible to discuss the mitigation plan with the individual as needed and monitor compliance with the mitigation plan Once mitigation is received, a final report is reviewed with the System Compliance Executive Committee and finally the Audit & Compliance Committee of the Board In addition, all WPAHS board members, officers and key employees complete an annual independence disclosure statement which assists the System's Compliance Officer and Internal Audit Department to determine and monitor the levels of independence in each of the System's tax exempt affiliates as well as to determine the level of Form 990, Schedule L reporting

Identifier	Return Reference	Explanation
Process Used To Determine Executive Compensation	Form 990, Page 6, Part XI, Section B, Line 15b	The West Penn Allegheny Health System process for determining compensation for executive positions (including officers, key employees and other management positions) within West Penn Allegheny Health System, Inc (WPAHS) and its affiliates is covered by the WPAHS Executive Compensation Policy This policy was approved by the WPAHS Board of Directors It is the policy of WPAHS and its Board of Directors to compensate its executives in accordance with the market and in relation to the experience, service and accomplishments of the individual both prior to and during their service with WPAHS The Compensation Committee of the WPAHS Board of Directors approves the compensation for WPAHS senior executives The Compensation Committee approves the initial compensation for newly hired senior executives, which includes all compensation components, including without limitation, base compensation, incentive compensation, deferred compensation, fringe and other benefits, as well as the total compensation It also approves all base compensation adjustments and all incentive compensation awards, as well as material changes to deferred compensation, fringe, or other benefits The Compensation Committee uses comparability data provided by the System Human Resources Department, which may include industry surveys, expert compensation studies, documented compensation of persons holding similar positions, or other comparable data in approving any executive compensation The Compensation Committee periodically retains the services of an independent compensation consultant to provide an expert opinion report as to the reasonableness of total compensation of WPAHS and its affiliates officers and key employees Each Compensation Committee member voting on a senior executive's compensation arrangement ensures that he or she has no conflict of interest, including that he or she (a) does not economically benefit from the proposed employment, (b) does not receive compensation subject to the approval of the proposed employee, and (c) has no material financial interest affected by the transaction The Compensation Committee consists of five independent Board Members of WPAHS All decisions of the Compensation Committee regarding executive compensation matters are documented

Identifier	Return Reference	Explanation
Public Availability of Organizational Documents	Form 990, Page 6, Part XI, Section C, Line 19	West Penn Allegheny Health System, Inc (WPAHS, Inc) does not make its governing documents available to the public WPAHS, Inc is a member of the West Penn Allegheny Health System (WPAHS) The WPAHS makes available their annual and quarterly financial statements through the use of a dissemination agent These financial statements are on a consolidated basis with WPAHS, Inc being one of the consolidated entities In addition, our annual report and quarterly financial results are available on our website WPAHS has adopted a conflict of interest policy that is uniformly applied to all organizations of the health system, including WPAHS, Inc A condensed version of this conflict of interest policy is available on the WPAHS website The condensed policy is contained in the code of ethics disclosure

Identifier	Return Reference	Explanation
Officer, Director and Key Employee Hour Allocation	Form 990, Page 7, Part VII, Section A, Column B	West Penn Allegheny Health System, Inc allocates hours to officers, directors and key employees employed by West Penn Allegheny Health System, Inc or a related organization on the basis of a 40 hour work week. West Penn Allegheny Health System, Inc is a member of an integrated healthcare delivery system consisting of 13 different organizations Many individuals are Health System executives who serve prominent roles on various organizations Every employed individual who serves as an officer, director or key employee of any related organization as well as West Penn Allegheny Health System, Inc will be allocated time served out of the 40 hour work week for each separate related organization Thus, the cumulative total for each individual spread out between West Penn Allegheny Health System, Inc and the 12 related organizations will equal 40 hours Directors of West Penn Allegheny Health System, Inc serving on a volunteer basis are allocated one hour of service per week to West Penn Allegheny Health System, Inc If the director also volunteers time to one of the 12 related organizations in the capacity of a director for that related organization, one hour per week is reflected as devoted to each related organization served The time and efforts of the volunteer directors of West Penn Allegheny Health System, Inc may vary upon the needs of the organization The one hour per week reported in Part VII is an estimate of the average time spent per week by the West Penn Allegheny Health System, Inc volunteer directors when viewed on an annual basis

Identifier	Return Reference	Explanation
Rental Expense	Form 990, Page 9, Part VIII, Line 6b	West Penn Allegheny Health System, Inc does not account for rental expense in a manner that would allow for a direct offset to rental income The components of rental expense are reported on Form 990, Page 10, Part IX, Statement of Functional Expense

Identifier	Return Reference	Explanation
Purpose of Tax Exempt Bond Issuance	Form 990, Page 11, Part X, Line 20	The purpose of the issue of the Allegheny County Hospital Development Authority (ACHDA) Hospital Revenue Bonds, Series 2007 A is to refund the outstanding ACHDA Series 2000A and B Bond Issues, refund the Dauphin County General Authority (DCGA) Series 1992A and B Hospital Bonds, the Pennsylvania Higher Education Facility Authority (PHEFA) Series 1991A Revenue Bonds, the Monroeville Hospital Authority (MHA) Series 1992 and 1995 Revenue Bonds, the funding of a project fund for certain prior and future capital expenditures and to pay the cost of issuing Series 2007A Debt

Identifier	Return Reference	Explanation
Other Changes In Net Assets	Form 990, Page 12, Part XI, Line 5	The following is a reconciliation of the Other Changes in Net Assets of West Penn Allegheny Health System, Inc for the year ended June 30, 2011 Net Asset Transfers to Affiated Organizations $(101,927,052) Change in Minimum Pension Liability 49,983,948 Unrealized Gain on Investments 12,572,779 _____ Other Changes In Net Assets $ (39,370,325)

Identifier	Return Reference	Explanation
Emergency and Critical Access Care - Western Pennsylvania Hospital	Schedule H, Part V, Line 2	The Western Pennsylvania Hospital indicates that it is a critical access hospital with 24 hour emergency room capabilities in Schedule H, Part V, Line 2 During the year ended June 30, 2011 due to financial difficulties experienced by the West Penn Allegheny Health System, the emergency room was closed and many different medical capabilities were transfered out of the Western Pennsylvania Hospital and to affiliated Hospitals We indicate in our response to Part V, Line 2 that the Western Pennsylvania Hospital does provide critical access and 24 hour emergency room capabilities because we did at some duration of time during the fiscal year ended June 30, 2011 As indicated in Schedule O, Statement of Program Service Accomplishments, the Western Pennsylvania Hospital has reopened the emergency room and re-established many additional medical capabilities during the year ended June 30, 2012

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David McClenahan TITLE Chairman of the Board HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David Burstin TITLE Director HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Sandra Usher TITLE Director HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Russell Evans TITLE Ex-Officio Director HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Joseph Macarelli TITLE Ex-Officio Director HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David Parda, MD TITLE Director HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Patrick Demeo, MD TITLE Director HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME George Magovern MD TITLE Director HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Thomas McClure MD TITLE Director HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Christopher Olivia MD TITLE Health System President & CEO HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME James Wilberger, MD TITLE Director HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Diane Dismukes TITLE Health System President & CEO HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Roy Santarella TITLE Treasurer HOURS 11

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Thomas Albanesi TITLE Assistant Treasurer HOURS 10

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Judy Hlafcsak TITLE Secretary HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Deborah Olszewski TITLE Assistant Secretary HOURS 11

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Tony Farah MD TITLE Director & AGH CMO HOURS 30

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Susan Manzi, MD TITLE Chair, Department of Medicine HOURS 20

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David Kiehn TITLE WPAHS Chief Financial Officer HOURS 10

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Sanford Kurtz MD TITLE Physician Org Pres & CEO HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Dawn Gideon TITLE EVP & Chief Hospital Operator HOURS 8

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David Lerberg MD TITLE WPH Chief Medical Officer HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Mark Rubino MD TITLE WPH-FRH Chief Medical Officer HOURS 30

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Gregory Burfitt TITLE AGH & WPH President and CEO HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Reese Jackson TITLE WPH-FRH President & CEO HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Robert Brandfass TITLE EVP-System Chief Legal Counsel HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Venkatraman Srinivasan MD TITLE Physician HOURS 1

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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
West Penn Allegheny Health System Inc

Employer identification number
25-0969492

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
(1) West Penn Allegheny Foundation LLC 4800 Friendship Avenue Pittsburgh, PA 15224 20-1107650	Capital Acq	PA	4,078,742	30,289,206	WPAHS Inc

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) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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
See Additional Data Table							

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	Yes	
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r		No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(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
Contributions to Allegheny Specialty Practice Network	IRS Form 990, Schedule R, Part V, Line 1b	West Penn Allegheny Health System, Inc (WPAHS, Inc) reflects a contribution to Allegheny Specialty Practice Network (ASPN), EIN 25-1838458, an affiliated 501(c)(3) organization in the amount of $92,153,940 for the year ended June 30, 2011 ASPN provides healthcare practice services to Western Pennsylvania in fields such as cardiology, neurology, oncology, allergy and asthma, anesthesiology, orthopaedics, pediatrics and gynecology among others WPAHS, Inc subsidizes the operations of ASPN through transfers of net assets No repayment obligation exists between WPAHS, Inc and ASPN

Additional Data Return to Form

Software ID:
Software Version:
EIN: 25-0969492
Name: West Penn Allegheny Health System 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
Allegheny Medical Practice Network 4800 Friendship Avenue Pittsburgh, PA15224 25-1838457	Healthcare	PA	501(c)(3)	3	WPAHS Inc		
Allegheny Specialty Practice Network 320 East North Avenue Pittsburgh, PA15212 25-1838458	Healthcare	PA	501(c)(3)	3	WPAHS Inc		
Allegheny Singer Research Institute 320 East North Avenue Pittsburgh, PA15212 25-1320493	Sci Research	PA	501(c)(3)	4	WPAHS Inc		
Alle-Kiski Medical Center 1301 Carlisle Street Natrona Heights, PA15065 25-1875178	Healthcare	PA	501(c)(3)	3	WPAHS Inc		
Alle-Kiski Medical Center Trust 1301 Carlisle Street Natrona Heights, PA15065 20-5855753	Fundraising	PA	501(C)(3)	11-I	AKMC		
Canonsburg General Hospital 100 Medical Boulevard Canonsburg, PA15317 25-1737079	Healthcare	PA	501(C)(3)	3	WPAHS Inc		
CGH Ambulance Service Inc 100 Medical Boulevard Canonsburg, PA15317 23-2939715	Emer Response	PA	501(C)(3)	9	WPAHS Inc		
Forbes Health Foundation 2570 Haymaker Road Monroeville, PA15146 25-1798379	Fundraising	PA	501(C)(3)	7	WPAHS Inc		
Suburban Health Foundation 100 South Jackson Avenue Pittsburgh, PA15202 25-1472073	Fundraising	PA	501(C)(3)	11-I	WPAHS Inc		
West Penn Allegheny Oncology Network 4800 Friendship Avenue Pittsburgh, PA15224 11-3683376	Healthcare	PA	501(C)(3)	11-III FL	WPAHS Inc		
West Penn Hospital Foundation 4800 Friendship Avenue Pittsburgh, PA15224 25-1470766	Fundraising	PA	501(C)(3)	11-I	WPAHS Inc		
West Penn Physician Practice Network 4800 Friendship Avenue Pittsburgh, PA15224 25-1494317	Healthcare	PA	501(C)(3)	9	WPAHS 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
West Allegheny Hospital 100 Medical Boulevard Pittsburgh, PA15317 25-1054206	Inactive	PA	501(C)(3)	3	NA		
Greater Canonsburg Health System 100 Medical Boulevard Canonsburg, PA15317 25-1488089	Inactive	PA	501(C)(3)	11-I	NA		
Canonsburg HealthHospital Foundation 100 Medical Boulevard Canonsburg, PA15317 25-1818505	Inactive	PA	501(C)(3)	11-I	NA		

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
Burn Care Associates 4800 Friendship Avenue Pittsburgh, PA15224 23-2899534	Healthcare	PA	WPAHS Inc	C Corporation		15,413	100 000 %
Liberty Physicians 4800 Friendship Avenue Pittsburgh, PA15224 25-1637318	Healthcare	PA	WPAHS Inc	C Corporation	3,014,777		100 000 %
Medical Center Clinic 4800 Friendship Avenue Pittsburgh, PA15224 23-2894939	Healthcare	PA	WPAHS Inc	C Corporation	7,190	52,979	100 000 %
West Penn Corporate Medical Services 4800 Friendship Avenue Pittsburgh, PA15224 25-1437405	Healthcare	PA	WPAHS Inc	C Corporation		29,000	100 000 %
West Penn Medical Associates 4800 Friendship Avenue Pittsburgh, PA15224 25-1666783	Healthcare	PA	WPAHS Inc	C Corporation	4,983,177		100 000 %
West Penn Neurosurgery 4800 Friendship Avenue Pittsburgh, PA15224 25-1630719	Inactive	PA	WPAHS Inc	C Corporation			100 000 %
West Penn OBGYN Multispecialty 4800 Friendship Avenue Pittsburgh, PA15224 25-1619226	Healthcare	PA	WPAHS Inc	C Corporation	3,850,770		100 000 %
Friendship Insurance Company Barclay House Shedden Road Grand Cayman, Cayman Islands CJ 98-0116952	Captive Insur	CJ	WPAHS Inc	C Corporation	0	924,006	100 000 %

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)	Allegheny Specialty Practice Network	1b	92,153,940	
(2)	Allegheny Medical Practice Network	1b	7,170,422	
(3)	Allegheny Singer Research Institute	1b	5,502,146	
(4)	West Penn Physician Practice Network	1b	3,245,019	
(5)	Suburban Health Foundation	1b	24,408	
(6)	West Penn Allegheny Oncology Network	1c	2,968,985	
(7)	Alle-Kiski Medical Center	1c	1,827,667	
(8)	The Western Pennsylvania Hospital Foundation	1c	435,839	
(9)	Canonsburg General Hospital	1c	296,501	
(10)	Alle-Kiski Medical Center Trust	1c	14,169	
(11)	Canonsburg General Hospital	1o	4,472,321	
(12)	Alle-Kiski Medical Center	1o	2,075,957	
(13)	West Penn Physician Practice Network	1o	843,570	
(14)	Allegheny Medical Practice Network	1o	170,168	
(15)	West Penn Corporate Medical Services	1o	78,286	
(16)	The Western Pennsylvania Hospital Foundation	1o	18,259	
(17)	West Penn Allegheny Oncology Network	1o	14,663	
(18)	Friendship Insurance Company	1p	590,063	
(19)	Canonsburg General Hospital Ambulance Service	1p	397,028	
(20)	Allegheny Specialty Practice Network	1p	322,825	
(21)	Allegheny Singer Research Institute	1p	19,636	
(22)	Forbes Health Foundation	1p	10,559	
(23)	Alle-Kiski Medical Center Trust	1p	2,965	
(24)	Medical Center Clinic PC	1p	1,602	
(25)	Burn Care Associates PC	1p	1,066	

KPMG

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidated Financial Statements and Supplementary Information

June 30, 2011 and 2010

(With Independent Auditors' Reports Thereon)

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Table of Contents

KPMG LLP
BNY Mellon Center
Suite 2500
500 Grant Street
Pittsburgh, PA 15219-2598

Independent Auditors' Report

The Board of Directors
West Penn Allegheny Health System

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

We conducted our audits in accordance with auditing standards generally accepted in the United States 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WPAHS' internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

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

The accompanying consolidated financial statements have been prepared assuming that WPAHS will continue as a going concern As discussed in note 2 to the consolidated financial statements, WPAHS has suffered recurring losses from operations and has a net deficit of approximately $99 million at June 30, 2011 These factors, along with declining volumes and operations in a challenging service area that includes significant competition, raise substantial doubt about WPAHS' ability to continue as a going concern Management's plans in regard to these matters are also described in note 2 The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty

KPMG LLP

December 29, 2011

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2011 and 2010

(Amounts in thousands)

Assets		2011	2010
Current assets			
Cash and cash equivalents	$	164,595	168,668
Short-term investments		5,075	5,114
Assets limited or restricted as to use		5,464	5,846
Receivables			
Patient accounts – net of allowance for uncollectible accounts of $30,592 and $31,656 in 2011 and 2010, respectively		132,154	161,152
Other		32,845	24,896
Estimated third-party payor settlements		13,563	7,197
Inventories, net		22,554	24,301
Prepaid expenses		19,619	14,318
Total current assets		395,869	411,492
Assets limited or restricted as to use		425,554	428,732
Property and equipment, net		369,218	318,837
Other assets, net		56,483	59,315
Total assets	$	1,247,124	1,218,376

(Continued)

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2011 and 2010

(Amounts in thousands)

Liabilities and Net Deficit		2011	2010
Current liabilities			
Current portion of long-term debt	$	14,742	12,788
Accounts payable		106,879	85,234
Accrued expenses		15,855	13,584
Accrued interest		4,954	5,025
Accrued salaries and vacation		63,309	58,858
Current portion of deferred revenue		13,779	15,608
Current portion of self-insurance liabilities		2,610	1,929
Other current liabilities		11,855	11,249
Total current liabilities		233,983	204,275
Deferred revenue		39,692	34,882
Self-insurance liabilities		59,704	58,662
Long-term debt		792,492	800,087
Accrued pension obligation		196,256	297,823
Other noncurrent liabilities		24,090	24,944
Total liabilities		1,346,217	1,420,673
Net assets (deficit)			
Unrestricted		(356,631)	(434,997)
Temporarily restricted		23,425	25,599
Permanently restricted		234,113	207,101
Total net deficit		(99,093)	(202,297)
Total liabilities and net deficit	$	1,247,124	1,218,376

See accompanying notes to consolidated financial statements

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended June 30, 2011 and 2010

(Amounts in thousands)

	2011	2010
Unrestricted revenues and other support		
Net patient service revenue	$ 1,503,824	1,563,591
Other revenue	87,359	62,220
Net assets released from restrictions	4,900	4,398
Total unrestricted revenues and other support	1,596,083	1,630,209
Expenses		
Salaries, wages, and fringe benefits	848,956	851,960
Patient care supplies	275,392	298,759
Professional fees and purchased services	158,043	150,957
General and administrative	171,162	153,777
Provision for bad debts	69,092	69,166
Depreciation and amortization	60,507	74,286
Interest	37,941	40,816
Restructuring	26,782	11,778
Expenses, excluding impairment loss	1,647,875	1,651,499
Operating loss before impairment loss	(51,792)	(21,290)
Impairment loss	—	(70,741)
Operating loss	(51,792)	(92,031)
Investment income	17,884	25,840
Gifts and donations	50,652	947
Gain from divestiture	9,606	—
Gain (loss) in joint venture investment	(5,908)	2,123
Excess (deficiency) of revenues over expenses	20,442	(63,121)
Net assets released for property acquisitions and donated capital	2,400	4,358
Pension liability adjustments	55,707	(63,745)
Other transfers	(183)	(73)
Increase (decrease) in unrestricted net assets	$ 78,366	(122,581)

See accompanying notes to consolidated financial statements

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2011 and 2010

(Amounts in thousands)

	2011	2010
Unrestricted net assets		
Excess (deficiency) of revenues over expenses	$ 20,442	(63,121)
Net assets released for property acquisitions and donated capital	2,400	4,358
Pension liability adjustments	55,707	(63,745)
Other transfers	(183)	(73)
Increase (decrease) in unrestricted net assets	78,366	(122,581)
Temporarily restricted net assets		
Contributions	3,562	4,295
Investment income	1,168	1,612
Net assets released from restrictions used for		
Operations	(4,900)	(4,398)
Acquisition of equipment	(2,400)	(4,358)
Change in net unrealized gains on other than trading securities	803	584
Other transfers	(407)	(72)
Decrease in temporarily restricted net assets	(2,174)	(2,337)
Permanently restricted net assets		
Contributions	447	48
Investment income	8,632	1,500
Change in net unrealized gains other than trading securities	27,475	17,386
Transfers out of endowments/participating trust to investment income and operations	(9,911)	(8,187)
Other transfers	369	(41)
Increase in permanently restricted net assets	27,012	10,706
Increase (decrease) in net assets	103,204	(114,212)
Net deficit – beginning of year	(202,297)	(88,085)
Net deficit – end of year	$ (99,093)	(202,297)

See accompanying notes to consolidated financial statements

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2011 and 2010

(Amounts in thousands)

	2011	2010
Cash flows from operating activities		
Increase (decrease) in net assets	$ 103,204	(114,212)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	60,507	74,286
Impairment loss	—	70,741
Unrealized gains on unrestricted investments	(4,519)	(3,589)
Gain from divesture	(9,606)	—
Noncash premium amortization	(304)	(358)
Change in pension liability	(55,707)	63,745
Noncash pension expense	29,850	19,621
Provision for bad debts	69,092	69,166
Unrealized gains on restricted investments	(28,278)	(17,970)
Realized gains on investments	(6,913)	(273)
Restricted contributions and investment income	(13,809)	(7,455)
Increase (decrease) in cash from changes in		
Receivables	(48,043)	(76,386)
Prepaid expenses	(5,301)	(676)
Inventories	1,747	2,749
Accounts payable and accrued expenses	17,819	4,840
Estimated third-party payor settlements	(6,366)	(3,676)
Deferred revenue	2,981	(1,327)
Self-insurance liabilities	1,723	7,148
Pension contributions	(75,710)	(8,000)
Other assets	2,832	(1,399)
Other liabilities	(248)	7,601
Net cash provided by operating activities	34,951	84,576
Cash flows from investing activities		
Acquisition of property and equipment	(101,050)	(55,981)
Proceeds from divestiture	10,245	—
Purchase of assets limited or restricted as to use and short-term investments	(657,230)	(322,649)
Sales of assets limited or restricted as to use and short-term investments	700,539	347,195
Net cash used in investing activities	(47,496)	(31,435)
Cash flows from financing activities		
Repayments of long-term debt	(12,980)	(13,438)
Proceeds from issuance of long-term debt (net of debt issuance costs)	7,643	—
Proceeds from restricted contributions and investment income	13,809	7,455
Net cash provided by (used in) financing activities	8,472	(5,983)
Net (decrease) increase in cash and cash equivalents	(4,073)	47,158
Cash and cash equivalents – beginning of year	168,668	121,510
Cash and cash equivalents – end of year	$ 164,595	168,668
Supplemental disclosures		
Cash paid for interest – net of amounts capitalized of $3,440 and $965 for 2011 and 2010, respectively	$ 34,572	39,507
Property additions in accounts payable and accrued expenses	10,477	3,842

See accompanying notes to consolidated financial statements

(1) Organization

West Penn Allegheny Health System and Subsidiaries (WPAHS or the System) is a Pennsylvania nonprofit charitable corporation that provides routine and tertiary healthcare services

The System consists of the following entities and divisions, with WPAHS as the sole member of these entities

- Allegheny General Hospital and Subsidiaries (AGH)
- The Western Pennsylvania Hospital and Subsidiaries (WPH)
- Alle-Kiski Medical Center (AKMC)
- The Western Pennsylvania Hospital – Forbes Regional Campus (FRC)
- Canonsburg General Hospital and Subsidiary (CGH)
- West Penn Allegheny Foundation, LLC (WPAF)
- The Western Pennsylvania Hospital Foundation (WPHF)
- Forbes Health Foundation (FHF)
- Allegheny Medical Practice Network (AMPN)
- Allegheny Specialty Practice Network (ASPN)
- West Penn Corporate Medical Services, Inc (WPCMSI)
- Allegheny Singer Research Institute (ASRI)
- Friendship Insurance Company, Ltd (FIC)
- Alle-Kiski Medical Center Trust (AKMC Trust)

WPAHS is the sole member of each of these entities Each member of the Obligated Group (the Obligated Group) is jointly and severally liable for the satisfaction of the outstanding bond debt of WPAHS (note 11) All members of the System with the exception of FIC, AKMC Trust, and WPAF are members of the Obligated Group

(2) Significant Developments and Going Concern Considerations

WPAHS has seen continued operating losses throughout the past fiscal years, including through the first quarter of its fiscal year 2012 In addition to these recurring losses, WPAHS has experienced a significant decline in volumes within a challenging demographic service area that includes significant competition Based on these experiences, management is developing a strategy to expand and adjust operations These conditions provide uncertainties about WPAHS' operational and financial viability, including its ability to meet its debt covenants at the end of the fiscal year 2012 Failure to meet its debt covenants at June 30, 2012 could result in a default under its bond indenture A default under the bond indenture could result in an acceleration of the repayment terms of the related debt If such acceleration were to occur, WPAHS would not have sufficient liquidity to meet its obligation

On June 28, 2011, WPAHS announced its intention, via the signing of a Term Sheet, to pursue an affiliation with Highmark, Inc (Highmark) On October 31, 2011, an Affiliation Agreement was executed pursuant to which Highmark and WPAHS will affiliate to establish a new integrated health system to improve quality and access to care in the western Pennsylvania region On October 20, 2011, a new nonprofit parent company, Ultimate Parent Entity (UPE), was established UPE will be controlled by the board members appointed by Highmark Upon the closing of the proposed affiliation, UPE will become the

parent company of Highmark In addition, UPE became the sole corporate member of a new nonprofit subsidiary, UPE Provider Sub (Provider Sub), which was also established on October 20, 2011 Upon closing of the transaction Provider Sub will become the sole member of WPAHS UPE and Provider Sub will each have certain reserved powers in WPAHS and a majority of the Board of Directors of WPAHS will be appointed by Provider Sub

Subsequent to the signing of the Affiliation Agreement there was turnover in senior management WPAHS' daily operations are now managed by interim executives from a turnaround firm, including its chief executive officer, chief operating officer, and chief financial officer positions These senior executives are continuing to develop a turnaround plan to be presented to the Board of Directors for approval upon completion These plans include, but are not limited to, the restoration of essential services at West Penn Hospital (including the reopening of its emergency department), upgrading Forbes Regional Hospital into a trauma center, and continued recruitment of primary care and specialty physicians

Under the financial terms of the Affiliation Agreement, Highmark may provide up to $475,000 in the form of loans and unrestricted payments to WPAHS over the next several years Included in this amount is an initial $50,000 unrestricted payment, which is included in gifts and donations on the accompanying consolidated statement of operations, that was made to WPAHS at the time the Term Sheet was signed On October 31, 2011, another $100,000 comprised of a $50,000 unrestricted payment and a $50,000 loan with principal payments of $25,000 due each in 2023 and 2024 with interest payable semi-annually based on the prime rate plus 200 basis points, was made when the Affiliation Agreement was signed and up to an additional $250,000 to be made available in the form of loans over the course of the agreement Under the terms of the Affiliation Agreement, WPAHS will remain the primary obligor for repayment of its obligations Additionally, if the affiliation is consummated, Highmark will provide $75,000 for education scholarships in connection with WPAHS' new medical school affiliation with Temple University and for other medical educational initiatives

Numerous conditions exist for the closing of the affiliation, and subsequent funding, to occur, including various notifications and/or regulatory approvals that must be provided to or obtained from, among others, the Pennsylvania Insurance Department of Health, the Pennsylvania Office of Attorney General, Internal Revenue Service as to the federal tax exemption of UPE and Provider Sub, and the Blue Cross Blue Shield Association

As outlined in the preceding paragraphs, management has implemented a plan to improve operations, primarily through the signing of an affiliation agreement and changes in the management team However, there is no assurance that management's plans, as described, can be effectively implemented These conditions, along with the risks described in the preceding paragraphs raise substantial doubt about WPAHS' ability to continue as a going concern

(3) Summary of Significant Accounting Policies

The significant accounting policies applied in preparing the accompanying consolidated financial statements are summarized below

(a) Basis of Accounting

WPAHS maintains its accounts on the accrual basis of accounting

(b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the entities and divisions identified in note 1 Joint venture investments, investments in limited partnerships, and investments with an ownership interest greater than 20% where control is not demonstrated are accounted for using the equity method

All significant intercompany balances and transactions have been eliminated in consolidation

(c) Use of Estimates in the Preparation of Consolidated Financial Statements

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

Investment securities and pension obligations are exposed to various risks, such as interest rate, market, and credit risks Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities and interest rates, it is at least reasonably possible that these changes in risks in the near term could materially affect the amounts reported in the accompanying consolidated balance sheets, statements of operations, and statements of changes in net assets

(d) Net Patient Service Revenue

WPAHS has agreements with third-party payors that provide for payments to WPAHS at amounts different from its established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services as they are rendered and includes estimated retroactive revenue adjustments due to future retrospective audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations A summary of the payment arrangements with major third-party payors is as follows

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates WPAHS is reimbursed for services rendered at a tentative rate with a final settlement determined after

submission of annual cost reports by WPAHS and audits thereof by the Medicare fiscal intermediary. WPAHS' entities' Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended June 30, 2007 for all hospitals

Medical Assistance – Inpatient care and outpatient services rendered to Medical Assistance eligible patients are paid at prospectively determined rates

Blue Cross – Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates

WPAHS has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to WPAHS under these agreements includes prospectively determined rates and discounts from established charges.

During the years ended June 30, 2011 and 2010, net patient service revenue increased $1,917 and $2,234, respectively, due to prior year retroactive adjustments in excess of amounts previously estimated.

Revenue from the Medicare and Medical Assistance programs accounted for approximately 39% and 8%, respectively, of WPAHS' net patient service revenue for the year ended June 30, 2011, and 43% and 9%, respectively, for the year ended June 30, 2010. Laws and regulations governing the Medicare and Medical Assistance programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

On July 9, 2010, the Pennsylvania General Assembly passed Act 49 (known as the Medicaid Modernization and Hospital Fair Payment Act), and as a result, healthcare providers in Pennsylvania are subject to a statewide hospital assessment (known as the Quality Care Assessment) subject to the conditions and requirements specified in the Act during the three-year period July 1, 2010 through June 30, 2013. Act 49 has the following goals: provide savings to the Commonwealth and to provide fairness and accuracy in payments to hospitals for inpatient services by funding the All Patient Refined-Diagnostic Related Groups (APR-DRG) prospective payment system.

Revenues generated from the assessment under the Act require DPW (Department of Public Welfare) to use a new prospective payment system (APR-DRG) to pay hospitals in the Medical Assistance fee-for-service program for inpatient services provided on or after July 1, 2010. In addition, it requires DPW to make supplemental payments to hospitals, such as inpatient disproportionate share and medical and health professional education hospitals, in accordance with the state plan approved by the federal government.

The net patient services revenue impact of Act 49 on WPAHS in fiscal year 2011 was $30,827, while the expense impact of the assessment on WPAHS in fiscal year 2011 was $21,610. These amounts are included in patient service revenue and general administrative expenses, respectively.

(Continued)

(Amounts in thousands)

WPAHS grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net receivables from patients and third-party payors at June 30, 2011 and 2010 is as follows

	2011	2010
Medicare	36%	36%
Medical Assistance	11	11
Blue Cross	21	19
Other third-party payors	30	32
Patients	2	2
	100%	100%

(e) Excess (Deficiency) of Revenues over Expenses

The consolidated statements of operations and changes in net assets include an excess (deficiency) of revenues over expenses Changes in unrestricted net assets, which are excluded from excess of revenues over expenses for the year ended June 30, 2011 and a deficiency of revenues over expenses at June 30, 2010, consistent with industry practice, include changes in permanent transfers of assets to and from affiliates for other than goods and services, pension liability adjustments not reflected in pension expense, the impact of accounting changes, and contributions of long-lived assets (including assets acquired using contributions, which, by donor restriction, were to be used for the purposes of acquiring such assets)

(f) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments purchased with original maturities of three months or less Cash equivalents are stated at cost, which approximates fair value

(g) Inventories

Inventories, consisting of drugs and medical supplies, are stated at the lower of cost (first-in, first-out) or market value

(h) Investments and Assets Limited or Restricted as to Use

Investments classified as assets limited or restricted as to use in the accompanying consolidated balance sheets primarily include assets held by trustees under indenture agreements, temporarily and permanently restricted assets, and designated assets set aside by the board of trustees for future capital improvements, over which the board retains control and may use for other purposes at its discretion Amounts required to meet current liabilities have been included in current assets in the accompanying consolidated balance sheets at June 30, 2011 and 2010 Short-term investments include certificates of deposit with original maturities of greater than three months that will come due in one year or less

(Continued)

Unrestricted investment income or loss (including realized gains and losses on investments, interest and dividends, and unrealized gains and losses on investments) is included in the excess (deficiency) of revenues over expenses unless this income or loss is restricted by donor or law. Investment income (including realized gains and losses on investments) and unrealized gains and losses on temporarily and permanently restricted gifts are recorded based on donor restriction as part of the corresponding net asset class within the consolidated statements of changes in net assets.

Debt and equity securities are recorded at fair value. Beneficial interests in perpetual trusts are recorded at the fair value of the underlying assets in the trust. The present value of the estimated future cash receipts from the trusts approximates the fair value.

(i) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors for a specific purpose or time period. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, except as provided by the provisions of Section 8113 of the Pennsylvania Probate, Estate, and Fiduciaries Code (note 5). Temporarily restricted net assets released from restriction, as their specific purpose or time period has been met during the reporting period, are reflected in the accompanying consolidated statements of operations.

(j) Property and Equipment

Property and equipment acquisitions are recorded at cost, less an allowance for depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related asset, which are as follows:

	Life
Description of assets	
Buildings and building improvements	10 – 40 years
Equipment	3 – 30 years
Leasehold improvements	5 – 25 years
Land improvements	10 – 20 years

(k) Other Assets

Deferred financing costs are being amortized over the respective terms of the related bond issues utilizing the effective-interest method. Other assets include noncompete arrangements and signing bonuses, which are amortized over the life of the respective arrangement.

(l) Long-Lived Assets and Goodwill

WPAHS reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be

(Continued)

recoverable Goodwill is reviewed for impairment at least annually Management has reviewed the carrying amount of these assets and has determined that they are not impaired

(m) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to WPAHS are reported at fair market value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair market value at the date the gift 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 restrictions Donor-restricted contributions, whose restrictions are met within the same year as received, are reported as unrestricted contributions in the accompanying consolidated statements of operations

(n) Income Taxes

WPAHS and all other member entities, with the exception of WPCMSI and WPAF, are not-for-profit corporations that have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC) WPCMSI is a taxable corporation WPAF is a single member limited liability corporation FIC is registered under the laws of the Cayman Islands

WPAHS adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements FASB ASC 740 prescribes a more-likely than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken Under FASB ASC 740, tax positions will be evaluated for recognition, derecognition, and measurement using consistent criteria and will provide more information about the uncertainty in income tax assets and liabilities Based on an analysis prepared by WPAHS, it was determined that the application of FASB ASC 740 had no material effect on the recorded tax assets and liabilities of WPAHS

(o) Other Revenue

Other revenue is derived from services other than providing healthcare services to patients Included in other revenue are grants, rent, parking, cafeteria, tuition, contract revenue, and sale leaseback gain amortization

(p) Asset Retirement Obligations (ARO)

WPAHS accounts for asset retirement obligations in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations* FASB ASC 410 clarifies an entity is required to recognize a liability and capitalize costs for the fair value of a conditional ARO when incurred if the fair value of the liability can be reasonably estimated or when the entity has sufficient information to reasonably estimate the fair value of the ARO FASB ASC 410 requires an ARO liability be

recognized at its net present value, with a corresponding increase to the carrying amount of the long-lived asset to which the ARO relates The ARO liability is accreted through periodic charges to accretion expense The initially capitalized ARO long-lived asset cost is depreciated over the useful life of the related long-lived asset

In the normal course of operations, WPAHS performs repairs and maintenance on its buildings Additionally, WPAHS is involved in ongoing construction and renovation projects WPAHS has identified costs that may be incurred for asbestos abatement, which would be legally required, if exposed as a result of such construction and renovation projects

The significant assumptions and estimates used in the calculation of the AROs are based on the facts and circumstances known at that time of estimation They include the estimated settlement date of the obligation, the estimated retirement obligation cost, the assumed inflation rate, and the discount rate

WPAHS has an ARO liability to recognize the costs associated with future asbestos removal This represents the present value of the expected future cash flows based on various potential settlement possibilities, including normal repairs and maintenance and currently known renovation plans between 2012 and 2049, which represents management's estimated time period for removal The liability was $4,038 and $4,222 at June 30, 2011 and 2010, respectively WPAHS has incurred costs of $548 and $112 in 2011 and 2010, respectively, relating to asbestos removal Accretion expense and estimate revisions were $364 in 2011 and $356 in 2010 The ARO liability has been discounted using a rate of 9 0% as of the date of adoption

(q) Recently Issued Accounting Pronouncements

In July 2011, the FASB issued Accounting Standards Update (ASU) No 2011-07 (ASU 2011-07), *Health Care Entities* (Topic 954) *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ASU 2011-07 requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered, even though they do not assess the patient's ability to pay, to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations ASU 2011-07 will reclassify the provision for bad debts from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additional disclosures are required related to policies for recognizing revenue and assessing bad debts and disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts This ASU is effective for the System on July 1, 2012 The System is currently evaluating the impact on its disclosures from the adoption of this pronouncement

In May 2011, the FASB issued ASU No 2011-04 (ASU 2011-04), *Fair Value Measurement* (Topic 820) *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U S GAAP and IFRSs* ASU 2011-04 resulted in common fair value measurement and disclosure requirements in U S generally accepted accounting principles (GAAP) and

International Financial Reporting Standards (IFRSs) ASU 2011-04 is intended to clarify requirements in Topic 820, but also includes amendments where a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements has changed For many of the requirements, this ASU is not intended to result in a change in the application of the requirements in Topic 820 This ASU is effective for the System on July 1, 2012 The adoption of this guidance is not expected to have a significant effect on the System's consolidated financial statements

In August 2010, the FASB issued ASU No 2010-23 (ASU 2010-23), *Health Care Entities* (Topic 954) *Measuring Charity Care for Disclosure* ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care, and requires disclosure of the method used to identify or determine such costs This ASU is effective for the System on July 1, 2011 The System is currently evaluating the impact on its disclosures from the adoption of this pronouncement

In August 2010, the FASB issued ASU No 2010-24, *Health Care Entities* (Topic 954) *Presentation of Insurance Claims and Related Insurance Recoveries* The amendments in the ASU clarify that a healthcare entity may not net insurance recoveries against related claim liabilities In addition, the amount of the claim liability must be determined without consideration of insurance recoveries This ASU is effective for the System on July 1, 2011 The System is currently evaluating the impact on its financial position and results of operations from the adoption of this pronouncement

In January 2010, the FASB issued ASU No 2010-06 (ASU 2010-06) *Fair Value Measurements and Disclosures*, which clarifies certain existing fair value measurement disclosure requirements of ASC Topic 820 (Topic 820) *Fair Value Measurement* (formerly SFAS No 157, *Fair Value Measurements*) and also requires additional fair value measurement disclosures Specifically, ASU 2010-06 clarifies that assets and liabilities must be categorized by major class, or level, of asset or liability, and provides guidance regarding the identification of such major classes Additionally, disclosures are required about valuation techniques and the inputs to those techniques, for those assets or liabilities designated as Level 2 or Level 3 instruments Disclosures regarding transfers between Level 1 and Level 2 assets and liabilities are required, as well as a deeper level of disaggregation of activity within existing rollforwards of the fair value of Level 3 assets and liabilities These additional fair value measurement disclosure requirements are applicable for interim and annual periods beginning after December 15, 2009, excluding the additional requirements related to Level 3 rollforward activity, which are not required to be adopted by the System until fiscal year ended June 30, 2012 The adoption of this guidance is not expected to have a significant effect on the System's consolidated financial statements

(r) Reclassifications

Certain amounts included in the 2010 consolidated financial statements have been reclassified to conform to the 2011 presentation

(4) Uncompensated Care and Community Service Benefits

To improve the health of the people of the Western Pennsylvania region and consistent with its tax-exempt status, WPAHS provides needed healthcare services to individuals regardless of their ability to pay for all or part of the services rendered. These services include both inpatient and outpatient services as well as maintaining four emergency rooms that are available 24 hours a day, including a level I regional resource trauma center, air and ground emergency transportation, and many primary care and specialty care practices that provide services to the community without regard to the ability to pay for services rendered.

WPAHS maintains a written charity care policy that defines the levels of household income that would qualify for various levels of charity care. Patients can qualify for charity care with household incomes of up to four times the federal poverty guidelines. WPAHS does not pursue collection of amounts that qualify as charity care in accordance with the policy, and as a result, these amounts are not reported as revenue. Charges foregone for services and supplies provided for those individuals who applied for and qualified under the hospital charity care policy amount to $13,453 and $16,330 for the years ended June 30, 2011 and 2010, respectively. Patients are required to apply for the charity care discount, but often do not complete the necessary paperwork to determine if they qualify. As a result, there is an unquantifiable amount of uncompensated services that would potentially be considered charity care under the policy, but rather are ultimately reflected in bad debt expense.

In addition to uncompensated care, WPAHS provides free and below cost services and programs for the benefit of the community. The cost of these programs is included in salaries, wages, and fringe benefits, patient care supplies, professional fees and purchased services, and other expense lines in the accompanying consolidated statements of operations.

Services are also provided to beneficiaries of government-sponsored programs, including state Medical Assistance and indigent care programs. Reimbursement from these programs is often less than the cost of providing these services.

(Amounts in thousands)

(5) Cash, Short-Term Investments, and Assets Limited or Restricted as to Use

Cash, short-term investments, and assets limited or restricted as to use as of June 30, 2011 and 2010 consist of the following components

	2011	2010
Cash and cash equivalents	$ 164,595	168,668
Short-term investments	5,075	5,114
Assets limited or restricted as to use		
Unrestricted		
Designated by board of trustees for		
Capital improvements	31,570	39,523
Foundation	39,693	33,065
Capital project funds	26,899	59,939
Debt service	57,175	57,369
Self-insurance	6,517	2,733
Grant funds and other	11,626	9,249
Total unrestricted	173,480	201,878
Temporarily restricted	23,425	25,599
Permanently restricted	234,113	207,101
Total assets limited or restricted as to use and beneficial interest in perpetual trust	431,018	434,578
Less current portion	5,464	5,846
Assets limited or restricted as to use, including beneficial interests in perpetual trusts – net of current portion	425,554	428,732
Total cash, short-term investments and assets limited or restricted as to use	$ 600,688	608,360

(Continued)

(Amounts in thousands)

Cash, short-term investments, and assets limited or restricted as to use by investment type as of June 30, 2011 and 2010 consisted of the following

	Fair value	
	2011	2010
Cash and short-term investments	$ 245,625	193,588
Government and corporate obligations	125,633	190,904
Marketable equity securities	2,520	20,248
Endowments managed by donor selected trustees	207,020	181,508
Collective funds and fund of funds	4,506	8,150
Tactical asset allocation fund	7,137	5,689
Pledges receivable	1,032	2,004
Certificates of deposit	7,215	6,269
	$ 600,688	608,360

The System's investments in collective funds and fund of funds are valued using net asset value (NAV) as a practical expedient for fair value As of June 30, 2011, there are no unfunded commitments to these investments The conditions of withdrawal vary by individual investment and generally require a minimum notification of 90 days for withdrawal of funds as of quarterly measurement dates Certain investments contain lock-up provisions for the first twelve months

Investment income for the years ended June 30, 2011 and 2010 consisted of the following

	2011		
	Unrestricted	Temporarily restricted	Permanently restricted
Dividends and interest – net of trustee fees	$ 11,162	1,057	4,033
Net realized gains on investments	2,203	111	4,599
Net unrealized gains	4,519	—	—
	$ 17,884	1,168	8,632

	2010		
	Unrestricted	Temporarily restricted	Permanently restricted
Dividends and interest – net of trustee fees	$ 20,033	1,409	3,648
Net realized gains (losses) on investments	2,218	203	(2,148)
Net unrealized gains	3,589	—	—
	$ 25,840	1,612	1,500

(Continued)

The recognition of unrealized gains and losses on investments that are restricted as to use are recorded directly to temporarily and permanently restricted net assets as required by donor or regulation These investments consist primarily of marketable equity securities, federal agency mortgages, corporate bonds, and U S Treasury obligations All unrealized gains and losses on unrestricted investments are recognized as part of investment income within the consolidated statements of operations

During May 2000, the Orphan's Court of Pennsylvania permitted the election of a fixed investment income distribution under the provisions of Section 8113 (the Election) of the Pennsylvania Probate, Estate, and Fiduciaries Code for certain trust accounts, which name applicable WPAHS entities as the sole beneficiary The Pennsylvania legislature enacted legislation with respect to charitable Trusts, which permits a Trustee of a charitable Trust to adopt a total return investment policy and, by doing so, to redefine income as a percentage of a rolling average market value of the charitable Trust as averaged over a period of at least three years, provided, however, that such election is not in contravention of the terms of the charitable Trust agreement and is consistent with the long term preservation of the principal value of the charitable Trust

The provisions of the law governing these changes are found at 20 PA C S A 8113 and took effect December 21, 1998 If an election is made under this law, the percentage of the market value of the charitable Trust to be treated as income and the rolling time period upon which the percentage is based is to be redetermined annually by the Trustee, such election is to be in writing Further, the percentage that may be elected is limited to a range between 2% – 7% Lastly, the statute contains language that cautions against electing the highest ranges of 6% and 7% on a regular basis Distributions from these charitable Trusts are included in investment income in the accompanying consolidated statements of operations and totaled $7,013 and $6,431 for the years ended June 30, 2011 and 2010, respectively Under the provisions of the Election, there is no settlement with the Trustee should the Trustee be permitted to revoke the Election

(6) Fair Value Measurements and the Fair Value Option

The following methods and assumptions were used in estimating the fair value of WPAHS' financial instruments

(a) Fair Value of Financial Instruments

Cash and Cash Equivalents – The carrying value reported in the consolidated balance sheets for cash and cash equivalents approximates their fair value

Marketable Securities, Short-Term Investments, and Assets Limited or Restricted as to Use – Fair values of the securities are reported in the consolidated balance sheets and are based on quoted market prices, if available, or estimated using quoted market prices for similar securities Certain investments are considered alternative investments are reported at NAV, which is used as a practical expedient for fair value

Accounts Payable and Other Accrued Liabilities – The carrying value reported in the consolidated balance sheets for these obligations approximates their fair value

Self-Insurance Liabilities – The carrying and fair values of the self-insurance liabilities are actuarially determined

Long-Term Debt – Fair value of WPAHS' revenue bonds and notes are based on current traded value The fair value and carrying amounts of the Series 2007A bonds were $622,731 and $736,999, respectively, at June 30, 2011 and $589,046 and $747,694, respectively, at June 30, 2010 WPAHS has determined that it is not practical to estimate the fair value of the Floating Rate Restructuring Certificates and the Series 2006A and B notes without incurring excessive costs as a quoted market price is not available The fair value of the mortgage loan approximates its carrying value as it is a resettable rate debt

Endowments Managed by Donor-Selected Trustees – Permanently restricted net assets consist of amounts held in perpetuity as designated by donors, including the System's portion of beneficial interests in several endowments managed by donor-selected trustees The interest in these trusts is measured at the fair market value of the underlying investments, which approximates the present value of the expected future cash flows, for which the System is an income beneficiary

Pledges Receivable – Pledges receivable are recorded upon receipt of written correspondence from the donor for the original amount of the pledge, less a reserve for potential uncollectible amounts estimated by management This amount is assumed to approximate the fair value of the pledge receivable balance

(b) Fair Value Hierarchy

Effective July 1, 2009, WPAHS adopted the recognition and disclosure provisions of FASB ASC 820, *Fair Value Measurement* FASB ASC 820 establishes a framework in generally accepted accounting principles for measuring fair value and expands disclosures about fair value measurements Although it does not require any new fair value measurements, FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and should be determined based on the assumptions that market participants would use in pricing the asset or liability

FASB ASC 820 establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values The hierarchy gives the highest priory to unadjusted quoted prices in active markets (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements) The three levels of fair value hierarchy are as follows

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than quoted prices in Level 1 Inputs such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar liabilities that are not active, or other inputs that are observable or can be corroborated by observable market data

Level 3 – Unobservable inputs that are significant to the valuation of assets or liabilities and are supported by little or no market data

(Amounts in thousands)

Quoted market prices are used when available to determine the fair value of investment securities and these are categorized as Level 1. The inputs used to fair value Level 1 instruments are unadjusted quoted prices derived from stock exchanges as provided by the trustee. Level 1 instruments primarily consist of cash and cash equivalents, domestic equities, foreign equities, exchange traded funds, regulated investment companies, and exchange traded American deposit receipts and certain government securities.

Investments in Level 2 primarily comprise corporate bonds, international bonds, asset-backed securities and agency bonds, as well as the guaranteed investment contract. Level 2 inputs primarily consist of contract prices, quotes from independent pricing vendors based on recent trading activity and other relevant information including matrix pricing, market corroborated pricing, yield curves and other indices, which are used as provided by the trustee when Level 1 inputs are not available.

Investments classified as Level 3 in the fair value hierarchy include collective funds, the tactical asset allocation fund, and fund of funds. These assets are valued using inputs such as the funds' net asset value as of year-end as a practical expedient for the fair value of the investment.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2011:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Cash and cash equivalents	$ 245,332	293	—	245,625
Government and corporate obligations	60,070	65,563	—	125,633
Marketable equity securities	2,520	—	—	2,520
Endowments managed by donor selected trustees	—	—	207,020	207,020
Collective funds and fund of funds	—	—	4,506	4,506
Tactical asset allocation fund	—	—	7,137	7,137
Pledges receivable	—	—	1,032	1,032
Certificates of deposit	7,215	—	—	7,215
Total assets measured at fair value	$ 315,137	65,856	219,695	600,688

(Continued)

(Amounts in thousands)

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2010

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Cash and cash equivalents	$ 181,883	11,705	—	193,588
Government and corporate obligations	122,777	68,127	—	190,904
Marketable equity securities	20,248	—	—	20,248
Endowments managed by donor selected trustees	—	—	181,508	181,508
Collective funds and fund of funds	—	—	8,150	8,150
Tactical asset allocation fund	—	—	5,689	5,689
Pledges receivable	—	—	2,004	2,004
Certificates of deposit	6,269	—	—	6,269
Total assets measured at fair value	$ 331,177	79,832	197,351	608,360

WPAHS holds assets valued using unobservable inputs (Level 3) at June 30, 2011 These assets increased (decreased) as a result of the changes below

	Tactical asset allocation fund	Collective funds and fund of funds	Endowments managed by donor selected trustees	Pledges receivable	Total
Beginning balance	$ 5,689	8,150	181,508	2,004	197,351
Realized and unrealized gains, net	1,448	1,252	35,370	—	38,070
Disbursements and transfers out	—	(4,896)	(9,911)	—	(14,807)
Contributions and transfers in	—	—	53	389	442
Collection of pledges	—	—	—	(1,361)	(1,361)
Ending balance	$ 7,137	4,506	207,020	1,032	219,695

(Continued)

(Amounts in thousands)

WPAHS holds assets valued using unobservable inputs (Level 3) at June 30, 2010 These assets increased (decreased) as a result of the changes below

	Marketable securities	Tactical asset allocation fund	Collective funds and fund of funds	Endowments managed by donor selected trustees	Pledges receivable	Total
Beginning balance	$ 117	—	3,970	171,340	2,260	177,687
Realized and unrealized gains, net	—	512	276	18,278	—	19,066
Disbursements and transfers out	(117)	—	—	(8,110)	—	(8,227)
Contributions and transfers in	—	5,177	3,904	—	—	9,081
Collection of pledges	—	—	—	—	(256)	(256)
Ending balance	$ —	5,689	8,150	181,508	2,004	197,351

(c) Fair Value Option

WPAHS elected the fair value option for its unrestricted investments effective July 1, 2008 As a result, all unrealized gains and losses on unrestricted investments are included in the excess (deficiency) of revenues over expenses The System has recorded $4,519 and $3,589 of net unrealized gains (included in investment income) in 2011 and 2010, respectively

(7) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2011 and 2010 are available for the following purposes

	2011	2010
Capital expansion and renovation	$ 9,488	11,513
Clinical programs	13,937	14,086
	$ 23,425	25,599

Temporarily restricted net assets for capital expansion and renovation represent donations, gifts, and pledges made for specific capital projects at WPAHS hospitals Temporarily restricted net assets for clinical programs represent donations, gifts, and pledges made to support specific clinical programs or departments at WPAHS hospitals

Permanently restricted net assets totaling $234,113 and $207,101 at June 30, 2011 and 2010, respectively, are restricted to be invested in perpetuity Income distributions generated from these net assets are either classified as unrestricted and may be used for any purpose or are classified as temporarily restricted based on donor restrictions At June 30, 2011, permanently restricted net assets consist of endowments managed by donor-selected trustees of $207,020 and endowments managed by the System of $27,093 Collectively,

(Amounts in thousands)

all these funds are included within permanently restricted assets limited or restricted as to use The System has determined that all such funds are donor restricted

Changes in System-Managed Endowment Net Assets

		2011	2010
Beginning balance	$	25,593	25,055
Investment return			
Interest and dividend income		55	115
Realized gains (losses)		25	(13)
Unrealized gains		657	506
Total investment gains		737	608
Contributions		447	48
Other transfers		316	(41)
Transfers out of endowments/participating trusts to investment income and operations		—	(77)
Ending balance	$	27,093	25,593

(8) Property and Equipment

Property and equipment at June 30, 2011 and 2010 consist of the following

		2011	2010
Buildings and building improvements	$	595,211	530,222
Equipment		477,916	443,881
Leasehold improvements		37,377	37,970
Total depreciable assets		1,110,504	1,012,073
Less accumulated depreciation and amortization		(811,276)	(753,745)
Net depreciable assets		299,228	258,328
Land and land improvements		28,755	28,481
Construction in progress		41,235	32,028
Property and equipment – net	$	369,218	318,837

In 2010, the System's Board of Directors approved an urban consolidation plan affecting Allegheny General Hospital and Western Pennsylvania Hospital to better meet community health needs and prepare for national healthcare reform changes Under the plan, a number of medical and surgical programs were moved to Allegheny General Hospital in fiscal year 2011, eliminating duplicative services at Western Pennsylvania Hospital The System has evaluated the recoverability of the carrying value of Western

(Continued)

(Amounts in thousands)

Pennsylvania Hospital's long-lived assets and recorded an impairment charge of $63,631 in its statement of operations for the fiscal year ended June 30, 2010 to reflect the reduction in operations

Also in 2010, the System's Board of Directors approved a significant reduction in operations at the Suburban General Campus of Allegheny General Hospital in fiscal year 2011 A related impairment charge of $6,659 was recorded in the statement of operations for the fiscal year ended June 30, 2010

Other miscellaneous impairment charges of $451 were also recorded in fiscal year 2010 based on management's evaluation of future recoverability of net book value

The fair value of the impaired assets was estimated by blending the cost, market, and income valuation methods The blended valuation became the new cost basis of the assets Thus, historical cost and accumulated depreciation on impaired assets of $415,814 and $344,443, respectively, are not reflected at June 30, 2010

The System performed a physical inventory of its equipment in 2010 and reconciled it with the accounting records Based upon this reconciliation, equipment with a cost of $141,227 and accumulated depreciation of $140,436 were removed from the accounting records The loss on assets of $791 was recorded within depreciation expense for the year ended June 30, 2010

WPAHS capitalizes interest on certain assets that require a period of time to prepare for their intended use The amount capitalized is based on the weighted average outstanding borrowing rate of WPAHS' indebtedness During the years ended June 30, 2011 and 2010, WPAHS capitalized $3,440 and $965, respectively, of related interest costs Depreciation expense was $59,156 and $73,099 for the years ended June 30, 2011 and 2010, respectively

(9) Other Assets

Other assets at June 30, 2011 and 2010 consist of the following

		2011	2010
Prefunded insurance deductible	$	26,407	24,491
Deferred bond financing costs – net of accumulated amortization of $3,200 and $2,425, respectively		13,919	14,694
Note receivable in CHA RRG		3,185	—
Investment in CHA RRG		2,602	8,510
Intangibles – net of accumulated amortization of $10,105 and $9,237, respectively		5,705	6,573
Other		4,665	5,047
Total	$	56,483	59,315

(10) Medical Resident FICA Refund

In March 2010, the Internal Revenue Service (IRS) issued an administrative determination to accept the position that medical students are excepted from FICA taxes based on the student exception for tax periods

(Amounts in thousands)

ending prior to April 1, 2005 The System had previously remitted such FICA taxes to the IRS, but had also filed protective claims pending the IRS administrative determination The System has filed perfected claims with the IRS and has recorded $23,307 and $15,423 as the anticipated employer refund, including accrued interest This amount is included in other receivables at June 30, 2011 and 2010, respectively The System also recorded amounts payable to the former residents of approximately $7,700 within other current liabilities

(11) Long-Term Debt

Long-term debt as of June 30, 2011 and 2010 consists of the following

		2011	2010
Allegheny County Hospital Development Authority (ACHDA) – Series 2007 A with maturity dates through November 15, 2040, and interest rates ranging from 5 000% to 5 375%, including a net unamortized premium of $4,904 and $5,208 at June 30, 2011 and 2010, respectively	$	736,999	747,694
Floating Rate Restructuring Certificates (FRRC) – payable based on attainment of defined income and cash levels, with a variable interest rate of the three-month London InterBank Offered Rate (LIBOR), plus 0 25% (0 50%) and 0 79% at June 30, 2011 and 2010, respectively), thereafter until maturity on June 30, 2030		37,084	37,084
Series 2006 B Health Facilities Revenue Notes – payable in monthly principal and interest payments through October 2015, with interest rates ranging from 4 55% to 4 61%		19,741	20,880
Series 2006 A Health Facilities Revenue Notes – payable in monthly principal and interest payments through December 2016, at a fixed interest rate of 5 25% for all payments		2,450	3,058
Equipment Notes – payable in monthly principal and interest payments through June 2016, with interest rates ranging from 7 00% to 7 55%		7,466	—
Mortgage loan		3,205	3,340
Other		289	819
Total		807,234	812,875
Less current portion		14,742	12,788
Total long-term debt	$	792,492	800,087

(a) Series 2007 A

In June 2007, the System issued $752,400 of Allegheny County Hospital Development Authority Health System Revenue Bonds (West Penn Allegheny Health System Series 2007 A, the Series 2007 A bonds) Proceeds of the Series 2007 A bonds were used to advance refund the outstanding

Allegheny County Hospital Development Authority Series 2000 A and B bond issues and to current refund the Dauphin County General Authority Series 1992 A and B Hospital Revenue Bonds, the Pennsylvania Higher Education Facility Authority Series 1991 A Revenue Bonds, the Monroeville Hospital Authority Series 1992 and 1995 Revenue Bonds, and partially refund an outstanding loan from Highmark

The Series 2007 A bonds are a liability of the Obligated Group Each member of the Obligated Group is jointly and severally liable for payment of this obligation

The Series 2007 A bonds are subject to mandatory redemption on November 15, 2017, November 15, 2028, and November 15, 2040, based on the mandatory sinking fund dates as disclosed in the official statement They are subject to redemption prior to their respective stated maturity dates, in part, or by lot, on variable dates as disclosed in the official statement at the discretion of WPAHS and the ACHDA Under the Master Indenture of Trust (MIT), interest is payable to the bondholders semiannually on each May 15 and November 15

The Series 2007A bonds are secured by (i) first mortgage liens on certain real property, (ii) security interests in certain equipment and other tangible and intangible personal property of the Obligated Group, and (iii) gross revenues of the Obligated Group Debt service reserve accounts in the amount of $51,711 at June 30, 2011 exist for the Series 2007A bonds, which must be maintained at required reserve levels

Under the MIT, the Obligated Group has covenants including, but not limited to, a long-term debt service coverage ratio of 1 1 and days cash on hand of 35 (both measured annually at June 30) As of June 30, 2011 (most recent measurement date), WPAHS was in compliance with these covenants

(b) FRRCs

In 2000, certain creditors of AGH and its affiliates restructured approximately $114,000 of indebtedness by exchanging such indebtedness for approximately $76,900 in cash and approximately $37,100 in principal amount of FRRCs Initially, no interest accrued on the FRRCs Beginning July 1, 2003, the FRRCs bear interest at the three-month LIBOR plus 0 25% Payment of interest is contingent upon achieving certain profitability thresholds and maintaining specified liquidity levels AGH has never been required to make an interest payment Management believes the probability of future interest payments to be remote and has, therefore, not recorded interest to date

Subject to the FRRC Cap, if applicable, the owners of the FRRCs are entitled to receive an annual single payment of 25% (30% if unenhanced indebtedness of any other member of the Obligated Group is rated A or better) of the adjusted net operating income of the Obligated Group as defined in the FRRC indenture, calculated as of each June 30 commencing June 30, 2004 Payments are also contingent upon achieving and maintaining specified liquidity levels No payments have ever been due under the FRRCs

(Amounts in thousands)

(c) Series 2006 B & A

In December 2006, WPAF entered into two note agreements with the issuance of Series 2006 B notes in the amount of $24,000 and Series 2006 A note in the amount of $4,950 to purchase four new helicopters and hospital beds, respectively (note 13) The notes are collateralized by the acquired helicopters and beds, respectively

The Series 2006 B Health Facilities Revenue Notes (Series 2006 B Notes), and the Series 2006 A Health Facilities Revenue Note (Series 2006 A Note), the McKeesport Industrial Development Authority obligation and the mortgage loan are solely the obligation of WPAF

(d) Other Long-Term Debt

The System has entered into other notes and mortgages to finance various capital purchases The interest and principal on these instruments are payable through 2026 at interest rates ranging from 5 12% to 7 55%

Scheduled principal repayments and sinking fund requirements on all long-term debt for the next five years and thereafter as of June 30, 2011 are as follows

	Total obligated group	WPAF	Total consolidated group
Year ending June 30			
2012	$ 12,780	1,962	14,742
2013	13,182	2,061	15,243
2014	13,902	1,928	15,830
2015	14,416	8,931	23,347
2016	13,950	7,923	21,873
Thereafter	708,691	2,604	711,295
	$ 776,921	25,409	802,330

(12) Deferred Revenue

Deferred revenue at June 30, 2011 and 2010 consist of the following

	2011	2010
Prepaid patient service revenue	$ 25,000	23,333
Deferred grant revenue	23,495	21,231
Unamortized gains	3,830	4,986
Other	1,146	940
Total	$ 53,471	50,490

(Continued)

(Amounts in thousands)

In December 2006, WPAHS entered into a long-term contract with a commercial payor whereby System facilities and providers provide healthcare services to the payor's members at discounted amounts for a period of approximately 10 years The System received $35,000 in connection with this agreement, which has been reflected as deferred revenue in the accompanying consolidated financial statements and is being amortized on a straight-line basis over the life of the related contracts consistent with the earnings process At June 30 2010, $23,333 received from the agreements was included in deferred revenue within the accompanying consolidated balance sheets During 2011 the agreement between the commercial provider and the System was terminated The terms of the termination agreement allowed the System to retain the remaining unamortized deferred revenue The remaining unamortized deferred revenue of $23,333 was recognized into income as other revenue on the consolidated statements of operations In April 2011, WPAHS received an advance in the amount of $25,000 from a commercial payor This amount will be used to offset future reimbursements from the commercial payor The terms of this agreement and the term for recognition have not been finalized

The System records deferred revenue as nongovernmental grant monies are received Revenue is subsequently recognized as grant proceeds are expended During the years ended June 30, 2011 and 2010, grant proceeds of $21,461 and $21,213, respectively, were expended and recognized as other revenue The System also records as deferred revenue, governmental grant monies received for the acquisition of property and equipment The amount deferred is amortized over the estimated useful life of the assets acquired At June 30, 2011 and 2010, $23,495 and $21,231, respectively, of grant funds are included in deferred revenue within the accompanying consolidated balance sheets

During the years ended June 30, 1997 and 1996, AGH sold certain nonclinical assets, which are being leased back by AGH over 20 years These transactions resulted in gains, which have been deferred and will be amortized on a straight-line basis into income over the lease terms The annual amortization is included in other revenue in the accompanying consolidated statements of operations Unamortized gains of $3,830 and $4,986 are included in deferred revenue at June 30, 2011 and 2010, respectively

(13) Commitments

Rental expense consists of amounts paid to lease property for physician offices, a network of ambulatory locations, parking garages, and administrative offices In addition, WPAHS leases clinical and administrative equipment, and one helicopter Equipment leases involve both noncancelable operating leases as well as ordinary month-to-month rentals for items that are used as the need arises based on the volume or mix of procedures and, therefore, are not practical to purchase The components of rental expense, which are recorded within general and administrative on the consolidated statements of operations for the years ended June 30, 2011 and 2010, are as follows

		2011	2010
Property rentals	$	28,194	28,565
Equipment rentals and other		17,558	18,592
Total	$	45,752	47,157

(Continued)

(Amounts in thousands)

The future minimum lease payments under noncancelable operating leases entered into as of June 30, 2011 are as follows

Year ended June 30		
2012	$	36,964
2013		28,376
2014		23,201
2015		19,912
2016		19,219
Thereafter		86,251
Total minimum payments	$	213,923

The System entered into a series of construction contracts in 2010 for renovations at Allegheny General Hospital Construction began in July 2010 and is expected to be completed by end of fiscal year 2012 Total construction is expected to cost approximately $60,000 and will be paid primarily from the Series 2007 Project Fund At June 30, 2011, approximately $27,000 remained in the Project Fund and is expected to be spent during 2012

The System has renewed a noncancelable sponsorship and advertising agreement that includes performance obligations that requires the System to spend an additional $23,000 through 2020

During 2011, the System terminated its previous agreements to replace the information systems at most of the WPAHS hospitals and subsequently entered into agreements committing approximately $43,500 Of this amount, approximately $7,200 has been expended at June 30, 2011 The implementation of the systems is expected to be completed by 2018 The agreement includes certain provisions for early termination by WPAHS after March 2012

Approximately, 23% of employees are covered by collective bargaining agreements through participation in nine bargaining units These bargaining units have expiration dates ranging between 2012 and 2014

WPAHS has employment agreements with physicians, specialists, and others These agreements are for periods up to 10 years and require services to be performed

WPAHS has one helicopter lease expiring in 2012 Under this lease, AGH bears a contractual residual risk amount at the end of the lease AGH estimates that the fair value of the helicopter at the end of the lease will have a contractual residual risk amount of $704 As such, a liability has been recorded at June 30, 2011

In July 2010, the System entered into an agreement with an independent physician group practice to enhance the availability and delivery of physician services within the service area of Forbes, as well as to enhance the coordination and delivery of care Under the agreement, System employed physicians practicing in the Forbes service area have the option of becoming employees of the independent physician group practice Office leases and System employees of such locations will also become part of the independent physician group practice The System has agreed to fund the independent physician group

practice approximately $30,800 over the next six years based on services performed by the independent physician group, with the funds primarily used to develop ambulatory services consistent with the System's strategic initiatives in the Forbes service area In addition, the System has agreed to fund $250 for each physician transferring to the independent physician group practice The independent group physician practice has agreed to remain independent for five years, and has given the System a right of first refusal on any future acquisition transaction The agreement includes a formula for determining an acquisition price, if exercised At June 30, 2011 approximately $26,400 of funding under the agreement is remaining, of which $4,400 is included within accounts payable as of June 30, 2011

(14) Income Taxes

No provision for income taxes has been recognized in the accompanying consolidated financial statements as WPCMSI has incurred net operating losses in most years prior to fiscal year 2011, which are available to offset current and future taxes payable A valuation allowance of approximately $18,500 has been established to fully reserve the deferred tax asset associated with the cumulative net operating losses of approximately $46,000, which expires between 2012 and 2031, as future earnings are not estimated to be sufficient to realize the asset before the net operating loss carry forward expires

(15) Insurance

(a) Workers' Compensation

Prior to various dates during 1999, WPAHS was self-insured for workers' compensation claims From 1999 through October 14, 2004, WPAHS purchased occurrence-based commercial insurance for workers' compensation claims The coverage was for $250 per claim at AKMC, CGH, and FRC and $350 per claim at AGH and WPH From October 15, 2004, WPAHS is self-insured for workers' compensation claims and has purchased excess insurance coverage of $350 per claim for all of its hospitals on an occurrence-basis During the 12 months ended June 30, 2011 and 2010, WPAHS' workers' compensation expense was $2,875 and $1,516, respectively, and is recorded within the consolidated statements of operations A liability for WPAHS' self-insured workers' compensation of $5,974 and $6,253 as of June 30, 2011 and 2010, respectively, is included within the consolidated balance sheets

(b) General and Professional Liability

Beginning in 2003, the System has been insured through Community Health Alliance Reciprocal Risk Retention Group (CHA), a Vermont domiciled risk retention group The System owns 53% of CHA and has a 17% voting interest The investment in CHA is accounted for using the equity method The System's share of equity income or loss from CHA is included as a nonoperating income or loss CHA provides medical professional liability and general liability coverages to the System and its physicians The coverages provided are comprised of several layers, as described below

The primary layer provides claims made medical professional liability coverage with limits of $500 per occurrence for hospitals and physicians with annual aggregates of $2,500 per hospital and $1,500 per physician The System records an actuarially determined reserve for aggregate primary layer

losses in excess of the annual aggregate The primary layer also provides occurrence basis general liability coverage to hospitals of $1,000 per occurrence and $3,000 in the annual aggregate Defense costs do not erode the coverage limits provided within the primary layer Policies in this layer are subject to various retroactive dates The policy offers tail coverage to departing physicians for an additional premium The coverage provided in the primary layer is retained 100% by CHA

The limits within the primary layer are subject to a self-funded $250 per occurrence deductible The deductible paid by the System in any policy year is limited by a stop loss point This stop loss point is calculated as two times the actuarially determined estimated deductible layer losses The losses estimated to reach the deductible layer have been paid to CHA by the System The amounts paid in for the deductible layer may be assessed in future years for additional amounts in the event that the System has loss experience pertaining to the deductible layer over and above the amounts paid in Additional amounts charged in future periods will not exceed the stop loss point Furthermore, these deposits may be refunded if the System's loss experience applied against the deductible layer is less than the amounts paid in

The coverages provided by CHA are subjected to MCARE (Medical Care Availability and Reduction of Error Fund) Participation in the MCARE fund is required for all Pennsylvania hospitals and hospital physicians System hospitals and physicians are required to pay assessments into the MCARE fund on an annual basis The MCARE fund provides medical professional liability coverage in excess of the required primary layer coverages as described above The coverage provided by the MCARE fund is $500 per occurrence and $1,500 in the annual aggregate for both hospitals and physicians Claims, which penetrate the MCARE fund's limits, are filed directly with the Commonwealth of Pennsylvania CHA bills the System for MCARE assessment and remits the entire amount to the MCARE Fund

The first excess layer provides claims made medical professional liability coverage and occurrence based general liability coverage to the System in excess of the primary and MCARE layers Additionally, the first excess layer provides occurrence basis coverage for employer's liability in excess of the System's third party coverage Limits on coverage are the difference between $2,000 plus the remaining amount of the underlying coverage per occurrence and $5,000 in the annual aggregate for the System with a shared maximum annual aggregate of $10,000 for CHA The annual aggregate and shared annual aggregate is shared among all lines of coverage noted above Coverage is subject to various retroactive dates Defense costs erode the coverage limits provided in the first excess layer and coverage is 100% retained by CHA

The second excess layer provides claims made medical professional liability coverage and occurrence based general liability coverage to hospitals in excess of the primary, MCARE and first excess layers Additionally, the second excess layer provides occurrence basis coverage for employer's liability in excess of the System's third party coverage and the first excess layer Limits on coverage are $9,000 per occurrence and $18,000 in the annual aggregate for the System This coverage is subject to a shared maximum annual aggregate of $45,000 for CHA The annual aggregate and shared annual aggregate is shared among all lines of coverage noted above Coverage is subject to various retroactive dates Defense costs erode the coverage limits provided in the excess

(Amounts in thousands)

layer Reinsurance has been obtained by CHA for the second excess layer from two commercial reinsurers The reinsurance agreement provides for coverage of $9,000 per occurrence with a shared maximum annual aggregate of $27,000 in excess of an $18,000 shared maximum annual aggregate retention by the CHA Reinsurance coverage includes defense costs and a one-year extended reporting period option

The System's first and second excess layers are subject to a self-insured retention layer of $5,000 The System records an actuarially determined reserve for estimated losses in the self insured retention layer

The third excess layer provides claims made medical professional liability coverage and occurrence based general liability coverage to hospitals in excess of the primary, MCARE, first and second excess layers Additionally, the third excess layer provides employers' liability occurrence basis coverage in excess of the System's third party coverage and the first and second excess layers Limits on coverage are $10,000 per occurrence and $10,000 in the annual aggregate for the System with a shared maximum annual aggregate of $30,000 for CHA The annual aggregate and shared annual aggregate is shared among all lines of coverage noted above Coverage is subject to various retroactive dates Defense costs erode the coverage limits provided in this excess layer This layer is 100% reinsured by CHA in the commercial market with one reinsurer Reinsurance coverage includes defense costs

The unaudited financial statement information as of June 30, 2011 and 2010 of CHA RRG, which has a calendar year-end, is as follows

	2011	2010
Total assets	$ 142,079	125,504
Total liabilities	128,171	109,304
Total equity	13,908	16,200
Total revenue	19,045	14,214
Total expense	30,091	14,909
Net loss (including federal income tax benefit)	(11,046)	(695)

WPAHS provides for the costs associated with general and professional liability claims based on actuarially determined projected settlements, which include estimates for claims incurred but not reported There exists, however, inherent risks in the areas of general and professional liability insurance that stem from, among other things, coverage availability and the financial viability of the underlying insurance carrier

During the 12 months ended June 30, 2011 and 2010, WPAHS' general and professional liability expense was $25,578 and $29,231, respectively WPAHS' self-insured general and professional liability was $56,338 and $54,338, as of June 30, 2011 and 2010, respectively

(16) Pension Plans

(a) Defined Benefit Plans

WPAHS maintains the Retirement Plan for the employees of West Penn Allegheny Health System, a defined benefit cash balance pension plan. Under this cash balance plan, pension accruals are determined using a defined percentage of an employee's current compensation based upon the employee's age and years of service. Each employee's individual retirement benefit is defined within the plan's obligation as notational cash balance retirement accounts and is credited with interest based upon a defined interest rate.

WPAHS' investment policy is to provide for the benefit obligations earned by employees during their career at WPAHS. Plan assets are invested to generate earnings over an extended time period to help fund the cost of benefits under the plan while controlling investment fees.

WPAHS' funding policy is to contribute such amounts, as necessary, on an actuarial basis to provide the plan with assets sufficient to meet benefits to be paid to retirees or their beneficiaries, and to satisfy minimum funding requirements of Employee Retirement Income Security Act of 1974, and the IRC. Plan assets are invested primarily in corporate common stocks, fixed income obligations of the United States government and corporations, and interests in collective trusts and mutual funds.

Effective June 30, 2010, the Company adopted the provisions of FASB ASC 715 (Topic 715) *Compensation – Retirement Benefits*. Topic 715 requires additional plan asset disclosures in order to provide an understanding of the valuation methodology of plan assets including credit risk, investment allocation procedures and the major categories of plan assets. The adoption of Topic 715 had no impact to the consolidated financial statements other than the required disclosures located within this note.

(Continued)

(Amounts in thousands)

The funded status at measurement dates of June 30, 2011 and 2010 and amounts recognized in the consolidated financial statements at June 30, 2011 and 2010, relating to employee retirement benefits are as follows

		2011	2010
Accumulated benefit obligation, including vested benefits of $560,472 and $572,440 in 2011 and 2010, respectively	$	641,481	661,844
Change in projected benefit obligation			
Projected benefit obligation – beginning	$	673,336	576,539
Service cost		22,269	19,954
Interest cost		33,281	37,581
Amendments		—	(8,211)
Actuarial (gain) loss		(19,937)	85,618
Benefits paid		(56,352)	(38,145)
Projected benefit obligation – ending		652,597	673,336
Change in plan assets			
Fair value plan assets – beginning		375,513	354,081
Actual gain on plan assets		61,470	51,577
Employer contributions		75,710	8,000
Benefits paid		(56,352)	(38,145)
Fair value of plan assets – ending		456,341	375,513
Projected benefit obligation in excess of fair value of plan assets	$	196,256	297,823
Weighted average assumption used to determine benefit obligations			
Discount rate		5 30%	5 20%
Rate of compensation increase		2 9% – 6 1% Graded	2 9% – 6 1% Graded

(Continued)

(Amounts in thousands)

		2011	2010
Components of net periodic pension costs			
Service cost	$	22,269	19,954
Interest cost		33,281	37,581
Expected return on plan assets		(37,258)	(39,183)
Amortization of actuarial losses		18,332	7,341
Amortization of prior service cost		(6,773)	(6,072)
Net periodic pension cost	$	29,851	19,621
Weighted-average assumptions used to determine net cost			
Discount rate		5 20%	6 75%
Expected long-term return on plan assets		7 65%	7 65%
Rate of compensation increase		2 9% – 6 1% Graded	2 9% – 6 1% Graded

The net actuarial loss and prior service cost (credit) not yet recognized into net periodic pension cost was $272,852 and $(47,340), respectively, at June 30, 2011 The net actuarial loss and prior service cost (credit) not yet recognized into net periodic pension cost was $335,333 and $(54,114), respectively, at June 30, 2010 The net actuarial losses and prior service costs (credits) that were amortized from unrestricted deficit into net periodic pension cost were $18,332 and $6,773 in 2011 and $7,341 and $(6,072) in 2010 The net actuarial loss and prior service cost (credit) that will be amortized from unrestricted deficit into net periodic pension cost in 2012 is $17,194 and $(6,439)

The System is required to abide by the minimum funding requirements of Section 412 of the IRC Based on most recent actuarial estimates, the System is required to fund $32,039 during the year ending June 30, 2012

The discount rate used to value plan liabilities is a weighted average spot rate generated by bond yield curves, rounded down to the next five basis points

The long-term expected rate of return on pension investments is developed by independent estimates of forward looking rates of return by investment category, multiplied by the target investment allocation mix

(Continued)

(Amounts in thousands)

WPAHS' pension plan weighted average asset allocation at June 30, 2011 and 2010 by asset category are as follows

	Actual 2011	Actual 2010	Target ranges
Plan assets			
Domestic equity securities and funds	40%	23%	35% – 45%
Debt securities and funds	40	32	35% – 45%
International equity securities and funds	17	18	8% – 18%
Tactical asset allocation fund	—	14	0%
Alternative investment fund of funds	—	8	4% – 10%
Cash, cash equivalents, and others	3	5	0% – 10%
Total	100%	100%	

The adoption of Topic 715 required that the fair value hierarchy disclosures as defined by FASB ASC 820 be applied to assets held within the Plan Refer to note 6 for Level definitions

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2011

	Level 1	Level 2	Level 3	Total
Plan assets				
Domestic equity securities and funds	$ 184,134	—	—	184,134
Debt securities and funds	49,266	132,338	—	181,604
International equity securities and funds	76,324	—	—	76,324
Alternative investment fund of funds	—	—	1,568	1,568
Cash and cash equivalents	—	12,711	—	12,711
Total	$ 309,724	145,049	1,568	456,341

(Continued)

(Amounts in thousands)

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2010

	Level 1	Level 2	Level 3	Total
Plan assets				
Domestic equity securities and funds	$ 85,127	—	—	85,127
Debt securities and funds	51,244	67,451	—	118,695
International equity securities and funds	53,572	—	16,558	70,130
Tactical asset allocation fund	—	—	52,971	52,971
Alternative investment fund of funds	—	—	30,506	30,506
Cash and cash equivalents	—	18,084	—	18,084
Total	$ 189,943	85,535	100,035	375,513

The Plan holds certain alternative investments including hedge fund of funds and global real estate Refer to note 6 for asset valuation information The Plan holds assets valued using unobservable inputs (Level 3) at June 30, 2011 These assets increased (decreased) as a result of the changes below

	International equity securities and funds	Tactical asset allocation fund	Alternative investment fund of funds	Total
Beginning balance	$ 16,558	52,971	30,506	100,035
Realized and unrealized gains, net	3,337	11,472	753	15,562
Contributions and cash receipts	—	—	2	2
Disbursements and transfers out	(19,895)	(64,443)	(29,693)	(114,031)
Ending balance	$ —	—	1,568	1,568

(Continued)

(Amounts in thousands)

The Plan holds assets valued using unobservable inputs (Level 3) at June 30, 2010 These assets increased (decreased) as a result of the changes below

	International equity securities and funds	Tactical asset allocation fund	Alternative investment fund of funds	Total
Beginning balance	$ 18,346	55,693	40,696	114,735
Realized and unrealized gains, net	4,516	6,578	3,026	14,120
Contributions and cash receipts	—	—	883	883
Disbursements and transfers out	(6,304)	(9,300)	(14,099)	(29,703)
Ending balance	$ 16,558	52,971	30,506	100,035

WPAHS maintains no significant concentrations of a single investment within the plan assets

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

	Total pension benefits
Year ending June 30	
2012	$ 43,585
2013	43,718
2014	45,269
2015	46,548
2016	47,816
2017 – 2021	253,546

Plan Changes

Three changes in plan provisions were made to the Represented Plan effective January 1, 2010

- Reduction in the annual retirement credits under the cash accounting formula
- Reduction in the minimum future interest crediting rate on the cash account balances from 5 00% per year to 3 10% per year Future interest credits are considered to be part of the accrued benefit, and as a result, the minimum rate of 5 00% will continue to be applied to all accounting balances accrued through December 31, 2009

(Continued)

(Amounts in thousands)

- Change in the normal retirement age from accrual of 5 years of vesting to attainment of age 62

As a result, the projected benefit obligation (PBO) for the plan was reduced by approximately $8 2 million, and service cost was reduced by approximately $1 4 million

There were no changes to the plans for the year ended June 30, 2011

(b) Defined Contribution Plans

WPAHS sponsors a defined contribution savings plan, which is available to substantially all WPAHS employees in order to provide additional security during retirement by creating an incentive for employees to make regular contributions on their own behalf Under these plans and as determined on an individual basis, WPAHS contributed an amount equal to 50% of an employee's contribution up to 2 5% of such employee's salary in a given year WPAHS suspended their contribution to this plan in April 2009 for nonrepresented employees Such expense related to these plans was based on actual contributions made

WPAHS' expense associated with its contributions to these savings plans was $535 and $618 for the years ended June 30, 2011 and 2010, respectively

(17) Functional Expenses

WPAHS provides general healthcare services Expenses related to such services for the years ended June 30, 2011 and 2010 are as follows

		2011	2010
Healthcare services	$	1,454,005	1,461,153
General		173,299	241,214
Research		18,475	18,024
Fund-raising and other		2,096	1,849
Total	$	1,647,875	1,722,240

(18) Gain on Divestiture

On August 2, 2010 WPAHS entered into an agreement for the sale of the assets and inventory of its dialysis business with total book value of $639 The dialysis business was sold for $10,245, resulting in a net gain of $9,606 in fiscal year 2011

(Continued)

(Amounts in thousands)

The income statement of the dialysis business was as follows as of June 30, 2011 and 2010

	2011	2010
Total net revenues	$ 1,347	7,253
Total expenses	737	4,912
Net income	$ 610	2,341

(19) Legal Matters

In August 2008, WPAHS received a letter from the United States Securities and Exchange Commission (Commission) stating that the Commission initiated an informal inquiry with regard to WPAHS and the consolidated financial statement adjustments reported in July 2008 In February 2009, the Commission changed the status of the inquiry to a formal investigation The Commission has also sought information related to certain disclosures made by WPAHS WPAHS is continuing to cooperate with the Commission

In April 2009, a putative collective action was filed in the United States District Court for the Western District of Pennsylvania alleging claims under ERISA, RICO, and the Fair Labor Standards Act against WPAHS, certain of its related entities, and certain WPAHS executives The suit alleges that current and former employees did not receive compensation for all hours worked A companion class action suit alleging various state court claims was filed in the Court of Common Pleas of Allegheny County In late December 2011, the District Court for the Western District of Pennsylvania denied the certification of the class action suit Although WPAHS believes the matter will be resolved without any material adverse impact on WPAHS` financial condition, particularly in light of the district court`s decision to deny collective action certification to the federal action, the final outcome and effect on WPAHS is unknown at this time

In 2010, the System was informed by Highmark that it took exception to the conversion of several oncology infusion centers from free-standing to hospital-based In August 2010, Highmark exercised its right under its provider contract to submit the dispute to binding arbitration The System believes that the conversions of all of these sites are permissible under the provider contract and believes its position will prevail in the arbitration At June 30, 2010, the System reserved $8,500 of incremental revenue received from Highmark as a result of these conversions Subsequent to year-end, Highmark agreed to forgo the arbitration as a term of the Affiliation Agreement As a result, repayment of the incremental revenue is not required and the System reversed the reserves at June 30, 2011

WPAHS is additionally subject to various legal proceedings and claims consistent with an organization of its size arising in the ordinary course of its business and not yet adjudicated

Based upon information known to WPAHS, and after consultation with legal counsel, the ultimate outcome of the lawsuits and claims discussed above are unlikely to have a material adverse effect on the consolidated balance sheet, results of operations, or cash flows of WPAHS

(20) Subsequent Events

WPAHS has evaluated subsequent events through December 29, 2011, the date the financials were issued

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Independent Auditors' Report on Supplementary Information

The Board of Directors
West Penn Allegheny Health System

We have audited and reported separately herein on the consolidated financial statements of West Penn Allegheny Health System and Subsidiaries (WPAHS) as of and for the year ended June 30, 2011

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of WPAHS taken as a whole The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole

The accompanying consolidated financial statements and the consolidating information have been prepared assuming that WPAHS will continue as a going concern As discussed in note 2 to the consolidated financial statements, WPAHS has suffered recurring losses from operations and has a net deficit of approximately $99 million at June 30, 2011 These factors, along with declining volumes and operations in a challenging service area that includes significant competition, raise substantial doubt about WPAHS' ability to continue as a going concern Management's plans in regard to these matters are also described in note 2 to the consolidated financial statements The consolidated financial statements and the consolidating information do not include any adjustments that might result from the outcome of this uncertainty

KPMG LLP

December 29, 2011

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2011

(Amounts in thousands)

Assets		Total obligated	Total nonobligated	Eliminations	Total consolidated
Current assets					
Cash and cash equivalents	$	163,654	941	—	164,595
Short-term investments		5,075	—	—	5,075
Assets limited or restricted as to use		5,464	—	—	5,464
Receivables					
Patient accounts, net of allowance for uncollectible accounts of $30,592		132,154	—	—	132,154
Other		32,069	315	461	32,845
Estimated third-party payor settlements		13,563	—	—	13,563
Inventories, net		22,554	—	—	22,554
Prepaid expenses		19,613	6	—	19,619
Total current assets		394,146	1,262	461	395,869
Assets limited or restricted as to use		423,318	2,236	—	425,554
Property and equipment, net		341,272	27,946	—	369,218
Other assets, net		56,546	1,558	(1,621)	56,483
Total assets	$	1,215,282	33,002	(1,160)	1,247,124

(Continued)

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2011

(Amounts in thousands)

Liabilities and Net Assets (Deficit)		Total obligated	Total nonobligated	Eliminations	Total consolidated
Current liabilities					
Current portion of long-term debt	$	12,790	1,952	—	14,742
Accounts payable		106,835	44	—	106,879
Accrued expenses		15,856	(1)	—	15,855
Accrued interest		4,879	75	—	4,954
Accrued salaries and vacation		63,305	3	1	63,309
Current portion of deferred revenue		13,779	—	—	13,779
Current portion of self-insurance liabilities		2,610	—	—	2,610
Other current liabilities		11,486	370	(1)	11,855
Due to affiliate, net		—	(461)	461	—
Total current liabilities		231,540	1,982	461	233,983
Deferred revenue		39,692	—	—	39,692
Self-insurance liabilities		58,312	1,392	—	59,704
Long-term debt		769,047	23,445	—	792,492
Accrued pension obligation		196,256	—	—	196,256
Other noncurrent liabilities		21,741	2,349	—	24,090
Total liabilities		1,316,588	29,168	461	1,346,217
Net assets (deficit)					
Unrestricted		(357,908)	2,898	(1,621)	(356,631)
Temporarily restricted		22,836	589	—	23,425
Permanently restricted		233,766	347	—	234,113
Total net assets (deficit)		(101,306)	3,834	(1,621)	(99,093)
Total liabilities and net assets (deficit)	$	1,215,282	33,002	(1,160)	1,247,124

See accompanying independent auditors' report on supplementary information

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidating Statement of Operations Information

Year ended June 30, 2011

(Amounts in thousands)

	Total obligated	Total nonobligated	Eliminations	Total consolidated
Unrestricted revenues and other support				
Net patient service revenue	$ 1,503,824	—	—	1,503,824
Other revenue	87,328	4,079	(4,048)	87,359
Net assets released from restrictions	4,881	20	(1)	4,900
Total unrestricted revenues and other support	1,596,033	4,099	(4,049)	1,596,083
Expenses				
Salaries, wages, and fringe benefits	848,808	147	1	848,956
Patient care supplies	275,384	8	—	275,392
Professional fees and purchased services	157,996	46	1	158,043
General and administrative	175,096	118	(4,052)	171,162
Provision for bad debts	69,092	—	—	69,092
Depreciation and amortization	58,037	2,469	1	60,507
Interest	36,442	1,499	—	37,941
Restructuring	26,782	—	—	26,782
Total expenses	1,647,637	4,287	(4,049)	1,647,875
Operating loss	(51,604)	(188)	—	(51,792)
Investment income	17,884	—	—	17,884
Gifts and donations	50,465	187	—	50,652
Gain from divestiture	9,606	—	—	9,606
Loss in joint venture investment	(5,908)	—	—	(5,908)
Excess of revenues over expenses	$ 20,443	(1)	—	20,442

See accompanying independent auditors' report on supplementary information

WEST PENN ALLEGHENY HEALTH SYSTEM AND SUBSIDIARIES

Consolidating Statement of Changes in Net Assets

Year ended June 30, 2011

(Amounts in thousands)

	Total obligated	Total nonobligated	Eliminations	Total consolidated
Unrestricted net assets				
Excess of revenues over expenses	$ 20,443	(1)	—	20,442
Net assets released for property acquisitions and donated capital	1,985	415	—	2,400
Pension liability adjustments	55,707	—	—	55,707
Other transfers	(402)	218	1	(183)
Increase in unrestricted net assets	77,733	632	1	78,366
Temporarily restricted net assets				
Contributions	2,925	637	—	3,562
Investment income	1,167	2	(1)	1,168
Net assets released from restrictions used for				
Operations	(4,880)	(20)	—	(4,900)
Acquisition of equipment	(1,985)	(415)	—	(2,400)
Change in net unrealized gains on other than trading securities	803	—	—	803
Other transfers	(60)	(347)	—	(407)
Decrease in temporarily restricted net assets	(2,030)	(143)	(1)	(2,174)
Permanently restricted net assets				
Contributions	447	—	—	447
Investment income	8,632	—	—	8,632
Change in net unrealized gains on other than trading securities	27,475	—	—	27,475
Transfers out of endowments/participating trust to investment income and operations	(9,911)	—	—	(9,911)
Other transfers	22	347	—	369
Increase in permanently restricted net assets	26,665	347	—	27,012
Increase in net assets	102,368	836	—	103,204
Net (deficit) assets – beginning of year	(203,674)	2,998	(1,621)	(202,297)
Net (deficit) assets – end of year	$ (101,306)	3,834	(1,621)	(99,093)

See accompanying independent auditors' report on supplementary information