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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
Good Samaritan Hospital The

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
PO Box 1281 4th Walnut Sts

Room/suite

City or town, state or country, and ZIP + 4
Lebanon, PA 170421281

D Employer identification number
23-0794160

E Telephone number
(717) 270-7500

G Gross receipts $ 184,896,022

F Name and address of principal officer
ROBERT J LONGO
4TH WALNUT STREETS
LEBANON, PA 17042

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 gshleb org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1989 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE HIGH-QUALITY, COMPASSIONATE HEALTHCARE THAT IMPROVES THE OVERALL HEALTH OF OUR COMMUNITY

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,444
6	Total number of volunteers (estimate if necessary)	**6**	431
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,339,496
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	1,251,189

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	792,179	1,191,113
9	Program service revenue (Part VIII, line 2g)	161,243,680	165,120,763
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,036,715	957,345
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,129,384	11,652,234
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	168,201,958	178,921,455
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	32,800	27,690
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)	73,656,041	71,982,867
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	94,601,455	95,440,354
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	168,290,296	167,450,911
19	Revenue less expenses Subtract line 18 from line 12	-88,338	11,470,544

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	144,533,049	149,903,555
21	Total liabilities (Part X, line 26)	132,516,543	121,387,527
22	Net assets or fund balances Subtract line 21 from line 20	12,016,506	28,516,028

Net Assets or Fund Balances

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: 2012-05-07

ROBERT J RICHARDS VP FINANCE - CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ ERNST & YOUNG US LLP				Firm's EIN ▶
Firm's address ▶ 75 BEATTIE PLACE SUITE 800 GREENVILLE, SC 29601				Phone no ▶ (864) 242-5740

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

TO PROVIDE HIGH-QUALITY, COMPASSIONATE HEALTHCARE THAT IMPROVES THE OVERALL HEALTH OF OUR COMMUNITY

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 $ 135,297,077 including grants of $ 27,690) (Revenue $ 158,748,199)

Inpatient/Outpatient Services - SEE SCHEDULE O

4b (Code) (Expenses $ 1,689,454 including grants of $ 0) (Revenue $ 1,977,161)

Rehabilitation Unit- THE GSH OPERATES A 14 BED REHABILITATION UNIT PROVIDING A FULL RANGE OF BASIC SERVICES REQUIRED BY AN ACUTE CARE REHAB PROGRAM INCLUDING PHYSICAL THERAPY, SPEECH THERAPY, OCCUPATIONAL THERAPY, SOCIAL SERVICES AND AUDIOLOGY FY 6/30/11 STATISTICS 318 REHAB ADMISSIONS AND 3,436 REHAB PATIENT DAYS

4c (Code) (Expenses $ 1,830,243 including grants of $ 0) (Revenue $ 2,084,554)

Skilled Nursing Facility- THE GSH OPERATES A 19 BED TRANSITIONAL CARE UNIT PROVIDING A FULL RANGE OF BASIC SERVICES REQUIRED BY A HOSPITAL BASED SKILLED NURSING FACILITY, INCLUDING PHYSICAL THERAPY, SPEECH THERAPY, OCCUPATIONAL THERAPY, SOCIAL SERVICES AND AUDIOLOGY FY 6/30/11 STATISTICS 366 TCU ADMISSIONS AND 4,159 TCU PATIENT DAYS

4d Other program services (Describe in Schedule O)

(Expenses $ 1,971,029 including grants of $ 0) (Revenue $ 2,310,849)

4e **Total program service expenses** ▶ $ 140,787,803

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		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *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	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		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**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
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	84		
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	1,444		
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	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b	

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 14		
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	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		No
b	Other officers or key employees of the organization	15b		No
	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		No
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		

Section C. Disclosure

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

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 ▶

ROBERT J RICHARDS
241 SOUTH FOURTH STREET
LEBANON, PA 17042
(717) 270-7500

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)**								2,804,984	0	2,884

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 ▶ 36

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MCKESSON INFORMATION SOLUTIONS PO BOX 98347 CHICAGO, IL 606938347	IT SUPPORT	4,560,074
LEBANON ANESTHESIA ASSOCIATION PO BOX 1281 LEBANON, PA 17042	ANESTHESIOLOGISTS	2,866,455
MILTON HERSHEY MEDICAL CENTER PO Box 853 HERSHEY, PA 170330853	RESIDENTS	1,512,204
LEBANON CARDIOLOGY ASSOCIATES 775 NORMAN DRIVE LEBANON, PA 17042	CARDIOLOGISTS	1,020,496
FINANCIAL HEALTH STRATEGIES 704 QUINCE ORCHARD ROAD GAITHERSBURG, MD 20878	PATIENT BILLING SVC	870,143
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 ▶ 26		

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e	525,884				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	665,229				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		1,191,113			
Program Service Revenue		Business Code				
	2a IP/OP PATIENTS	900099	154,408,703	154,408,703		
	b REHAB PATIENTS	900099	1,977,161	1,977,161		
	c HH/VNA SERVICES	621610	2,310,849	2,310,849		
	d TCU PATIENTS	900099	2,084,554	2,084,554		
	e DROP LAB REVENUE	621500	4,339,496		4,339,496	
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		165,120,763			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		754,550			754,550
	4 Income from investment of tax-exempt bond proceeds . . ▶		30,677			30,677
	5 Royalties . . . . . ▶		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	123,492				
	b Less rental expenses	248,473				
	c Rental income or (loss)	-124,981				
	d Net rental income or (loss) . . . . . ▶		-124,981			-124,981
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	5,898,212	0			
	b Less cost or other basis and sales expenses	5,671,482	54,612			
	c Gain or (loss)	226,730	-54,612			
	d Net gain or (loss) . . . . . ▶		172,118			172,118
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶		0			
	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 MA MODERNIZATION MONEY	900099	6,255,049	6,255,049		
	b MALPRACTICE INSURANCE	524298	1,045,937	1,045,937		
	c PENSION INCOME	524292	915,952			915,952
	d All other revenue		3,560,277	2,968,203		592,074
	e **Total.** Add lines 11a–11d . . . . . ▶		11,777,215			
	12 **Total revenue.** See Instructions . . . ▶		178,921,455	171,050,456	4,339,496	2,340,390

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	27,690	27,690		
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	2,071,563		2,071,563	
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	52,466,905	44,596,869	7,870,036	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,909,029	5,022,675	886,354	
9 Other employee benefits	7,644,255	6,497,617	1,146,638	
10 Payroll taxes	3,891,115	3,307,448	583,667	
a Fees for services (non-employees) Management	0			
b Legal	282,263	239,924	42,339	
c Accounting	148,411	126,149	22,262	
d Lobbying	15,000	12,750	2,250	
e Professional fundraising services *See Part IV, line 17*	0			
f Investment management fees	449,319	381,922	67,397	
g Other	6,212,751	5,280,838	931,913	
12 Advertising and promotion	1,016,856	864,328	152,528	
13 Office expenses	1,679,953	1,427,960	251,993	
14 Information technology	4,095,325	3,481,026	614,299	
15 Royalties	0			
16 Occupancy	5,645,573	5,009,939	635,634	
17 Travel	64,989	55,241	9,748	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	175,069	148,809	26,260	
20 Interest	3,962,005	3,367,704	594,301	
21 Payments to affiliates	1,484,365	1,261,710	222,655	
22 Depreciation, depletion, and amortization	9,569,879	8,134,397	1,435,482	
23 Insurance	1,654,167	1,406,042	248,125	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a MEDICAL SUPPLIES	31,950,009	27,157,508	4,792,501	
b BAD DEBT	10,137,474	8,616,853	1,520,621	
c PURCHASED SERVICES	9,835,459	8,360,140	1,475,319	
d SERVICE CONTRACTS	2,081,501	1,769,276	312,225	
e HEALTHCARE PROFESSIONALS	563,081	478,619	84,462	
f All other expenses	4,416,905	3,754,369	662,536	
25 **Total functional expenses.** Add lines 1 through 24f	167,450,911	140,787,803	26,663,108	0
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		5,270	1	5,370
	2	Savings and temporary cash investments		3,265,392	2	2,403,439
	3	Pledges and grants receivable, net		1,500,827	3	1,373,674
	4	Accounts receivable, net		16,364,675	4	18,802,608
	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		1,431,250	7	1,153,750
	8	Inventories for sale or use		1,704,883	8	1,656,440
	9	Prepaid expenses and deferred charges		1,983,398	9	2,464,927
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 181,846,446			
	b	Less accumulated depreciation	10b 108,602,443	78,078,769	10c	73,244,003
	11	Investments—publicly traded securities		25,395,014	11	29,142,551
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		2,269,669	14	2,269,669
	15	Other assets See Part IV, line 11		12,533,902	15	17,387,124
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		144,533,049	16	149,903,555
Liabilities	17	Accounts payable and accrued expenses		19,867,022	17	13,289,408
	18	Grants payable			18	
	19	Deferred revenue		396,562	19	327,222
	20	Tax-exempt bond liabilities		66,550,456	20	65,273,066
	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		875,941	23	791,851
	24	Unsecured notes and loans payable to unrelated third parties		2,527,469	24	3,593,583
	25	Other liabilities Complete Part X of Schedule D		42,299,093	25	38,112,397
	26	**Total liabilities.** Add lines 17 through 25		132,516,543	26	121,387,527
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		9,010,688	27	25,570,795
	28	Temporarily restricted net assets		2,333,641	28	2,273,056
	29	Permanently restricted net assets		672,177	29	672,177
		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		12,016,506	33	28,516,028
	34	Total liabilities and net assets/fund balances		144,533,049	34	149,903,555

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	178,921,455
2	Total expenses (must equal Part IX, column (A), line 25)	2	167,450,911
3	Revenue less expenses Subtract line 2 from line 1	3	11,470,544
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	12,016,506
5	Other changes in net assets or fund balances (explain in Schedule O)	5	5,028,978
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	28,516,028

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		No
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		No
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		

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

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 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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).

Facts And Circumstances Test

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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
Good Samaritan Hospital The	23-0794160

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		15,000
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			15,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B, LINE 1G	THE HOSPITAL HOLDS MEMBERSHIP IN THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE HOSPITAL & HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA BOTH OF WHICH ENGAGE IN LOBBYING AS A PART OF THEIR MISSION TO REPRESENT THE INTERESTS OF HOSPITALS AT BOTH THE FEDERAL AND STATE LEVELS FOR THE YEAR ENDED 6-30-11 THE AMOUNT OF DUES PAID TO THE HHAP TOTALED $65,216 WHICH 23% ($15,000) WAS USED FOR LOBBYING PURPOSES ON OCCASION, HHAP REQUESTS THE HELP OF MEMBER PROVIDERS TO COMMUNICATE CONCERNS TO LEGISLATORS REGARDING PENDING LEGISLATION, WHICH COULD IMPACT HOSPITALS THIS CAN INVOLVE DIRECT CONTACT WITH LEGISLATORS OR LETTER WRITING THIS OCCURS INFREQUENTLY AND THE COST TO THE HOSPITAL IS NEGLIGIBLE

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

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	3,005,818	3,236,426	3,712,782		
b Contributions	834,833	458,155	-26,711		
c Investment earnings or losses	26,652	36,900	-22,884		
d Grants or scholarships					
e Other expenditures for facilities and programs	922,070	725,663	426,761		
f Administrative expenses					
g End of year balance	2,945,233	3,005,818	3,236,426		

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 22 820 %
- c Term endowment ▶ 77 180 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,468,847		1,468,847
b Buildings		88,852,305	37,065,473	51,786,832
c Leasehold improvements		3,741,840	2,897,645	844,195
d Equipment		84,519,533	67,114,278	17,405,275
e Other		3,263,901	1,525,047	1,738,854
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				73,244,003

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
See Additional Data Table	
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	17,387,124

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
EMPLOYEE W/H PAYABLE	1,068,773
3RD PARTY PAYABLES	4,817,670
LONG TERM POST RETIRE BENEFITS	2,925,031
INSURANCE RESERVES	1,792,694
PENSION LIABILITY	27,508,229
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	38,112,397

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	178,921,455
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	167,450,911
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	11,470,544
4	Net unrealized gains (losses) on investments	4	2,865,776
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	2,163,202
9	Total adjustments (net) Add lines 4 - 8	9	5,028,978
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	16,499,522

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	181,174,217
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,865,776		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-613,014		
e	Add lines **2a** through **2d**			2e	2,252,762
3	Subtract line **2e** from line **1**			3	178,921,455
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	178,921,455

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

1	Total expenses and losses per audited financial statements			1	167,699,384
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	248,473		
e	Add lines **2a** through **2d**			2e	248,473
3	Subtract line **2e** from line **1**			3	167,450,911
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	167,450,911

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
ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	THE GOOD SAMARITAN HOSPITAL MAINTAINS TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED ASSETS TO PURCHASE SPECIFIC PIECES OF EQUIPMENT AND PROVIDE QUALIFIED APPLICANTS A SCHOLARSHIP
RECONCILIATION	SCHEDULE D, PART XI, XII, XIII	PART XI, LINE 8 THE GOOD SAMARITAN HOSPITAL NEEDED TO RESERVE MONEY IN ORDER TO PROVIDE THE RETIRED EMPLOYEES AND FUTURE RETIRED EMPLOYEES WITH SUFFICIENT PENSION PAYMENTS THE GOOD SAMARITAN HOSPITAL WAS ABLE TO RELEASE FUNDS THAT WERE RESTRICTED FOR A SPECIFIC PURPOSE THE GOOD SAMARITAN HOSPITAL ALSO WROTE OFF A LARGE RECEIVABLE THAT WAS DUE FROM AN AFFILIATED EXEMPT ORGANIZATION, GOOD SAMARITAN PHYSICIAN SERVICES THE AMOUNT OF THE PENSION RESERVE WAS $9,369,245 AND THE AMOUNT OF THE WRITEOFF FOR THE GOOD SAMARITAN PHYSICIAN SERVICES RECEIVABLE WAS $7,206,043 FOR A NET AMOUNT OF $2,163,202 PART XII, LINE 2D RENTAL INCOME 123,492 TEMP REST CONTRIBUTIONS -829,784 PERM REST CONTRIBUTIONS -5,049 NET RENTAL LOSS 124,979 TEMP REST INVESTMENT INC -26,652 -------- TOTAL PART XII, LINE 2D -613,014 PART XIII, LINE 2D RENTAL EXPENSES OF $ 248,473 PART X, LINE 2 IN THE COURSE OF PREPARING THE HOSPITAL'S TAX RETURNS, THE HOSPITAL EVALUATES TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN TO DETERMINE WHETHER THE TAX POSITIONS ARE "MORE-LIKELY-THAN-NOT" OF BEING SUSTAINED BY THE APPLICABLE TAX AUTHORITIES TAX POSITIONS NOT DEEMED TO MEET THE MORE-LIKELY-THAN-NOT THRESHOLD ARE RECORDED AS TAX BENEFITS OR EXPENSE IN THE CURRENT YEAR MANAGEMENT HAS ANALYZED ALL TAX POSITIONS TAKEN ON FEDERAL, STATE, AND LOCAL INCOME TAX RETURNS FOR ALL OPEN TAX YEARS AND HAS CONCLUDED THAT NO PROVISION FOR FEDERAL INCOME TAX IS REQUIRED IN THE FINANCIAL STATEMENTS THERE ARE NO INTEREST AND PENALTIES DEDUCTED IN THE CURRENT PERIOD AND NO INTEREST AND PENALTIES ACCRUED AT JUNE 30, 2011

Additional Data

Software ID:
Software Version:
EIN: 23-0794160
Name: Good Samaritan Hospital The

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

(a) Description	**(b)** Book value
ACCRUED INT BOARD DESIG FUNDS	2,000
DEBT SVC FUNDS NON-CURRENT	5,558,371
DEBT SVC FUNDS CURRENT	1,335,000
INTERCOMPANY RECEIVABLES	607,106
DUE FROM FOUNDATION	27,916
DUE FROM EMPL, STAFF, PHYS	74,768
OTHER RECEIVABLES	4,962,439
DUE FROM LEBANON COUNTY	54,760
DEFERRED BOND ISSUE COSTS	654,663
OTHER INVESTMENTS	4,110,101

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	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)			443,716		443,716	0 280 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			2,533,818	1,296,785	1,237,033	0 790 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			12,355,245	6,730,820	5,624,425	3 580 %
d **Total** Financial Assistance and Means-Tested Government Programs			15,332,779	8,027,605	7,305,174	4 650 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			28,405	0	28,405	0 020 %
f Health professions education (from Worksheet 5)			2,082,155	960,776	1,121,379	0 710 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			2,110,560	960,776	1,149,784	0 730 %
k **Total.** Add lines 7d and 7j			17,443,339	8,988,381	8,454,958	5 380 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support			20,849		20,849	0 010 %
4	Environmental improvements						
5	Leadership development and training for community members			27,620		27,620	0 020 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			48,469		48,469	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	2,838,493		
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	6,665,229		
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	42,118,500
6	Enter Medicare allowable costs of care relating to payments on line 5	6	92,580,762
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-50,462,262
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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

	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	THE GOOD SAMARITAN HOSPITAL FOURTH AND WALNUT STREETS LEBANON,PA 17042	X	X		X			X		

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? **11**

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
SUPPLEMENTAL INFORMATION	SCHEDULE H	PART I, LINE 3C NOT APPLICABLE PART I, LINE 6A OUR ANNUAL COMMUNITY BENEFIT REPORT IS PREP ARED BY OUR MARKETING DEPARTMENT THE REPORT CAN BE FOUND AT OUR WEBSITE, WWW GSHLEB ORG WE ALSO MAIL THE REPORT OUT TO THE MEMBERS OF OUR COMMUNITY PART I, LINE 7G NOT APPLICABL E PART I, LINE 7, COLUMN (F) OUR TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) WAS $167,450,911 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT WAS $10,137,474 THIS LEFT US WITH A TOTAL EXPENSE OF $157,313,437 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F) P ART I, LINE 7 THE GOOD SAMARITAN HOSPITAL USED THE COST TO CHARGE RATIO COST METHODOLOGY T O CALCULATE THE CHARITY AND UNREIMBURSED MEDICAID AND OTHER GOVERNMENT PROGRAMS THE HOSPI TAL USED DIRECT COSTS FOR THE OTHER COMMUNITY BENEFITS ON LINE 7 PART II THE GOOD SAMARIT AN HEALTH SYSTEM IS INVOLVED IN SOME COMMUNITY BUILDING PROGRAMS WHICH ARE DESIGNED TO "IM PROVE THE OVERALL HEALTH OF OUR COMMUNITY" (MISSION STATEMENT) THE GSH PARTICIPATES IN A DISASTER PREPAREDNESS PROGRAM WHICH PROVIDES A PLAN IN THE CASE OF A DISASTER THAT AFFECTS THE COMMUNITY THE GSH ALSO PROVIDES SPACE FOR SUPPORT GROUPS TO MEET AND EDUCATION CLASS ES FOR PEOPLE WITHIN THE COMMUNITY, LIKE EXPECTANT PARENTS THE ACTIVITIES ARE NOT INCLUDE D ELSEWHERE ON SCHEDULE H PART III, LINE 4 THE HOSPITAL ESTABLISHES AN ALLOWANCE FOR DOUB TFUL ACCOUNTS TO REPORT THE NET REALIZABLE AMOUNTS TO BE RECEIVED FROM PATIENTS INCREASES TO THIS ALLOWANCE ARE REFLECTED AS A PROVISION FOR DOUBTFUL ACCOUNTS IN THE STATEMENTS OF OPERATIONS THE HOSPITAL REGULARLY PERFORMS A DETAILED ANALYSIS OF THE COLLECTIBILITY OF PATIENT ACCOUNTS RECEIVABLE AND CONSIDERS SUCH FACTORS AS PRIOR COLLECTION EXPERIENCE AND THE AGE OF THE RECEIVABLES TO DETERMINE THE APPROPRIATE ALLOWANCE LEVEL BAD DEBT METHODOL OGY - THE GOOD SAMARITAN HOSPITAL IS A TAX-EXEMPT NON-FOR-PROFIT HOSPITAL THAT PROVIDES QU ALITY MEDICAL SERVICES TO PATIENTS REGARDLESS OF THEIR ABILITY TO PAY BY PROVIDING MEDICA L SERVICES TO ALL COMMUNITY MEMBERS REGARDLESS OF THEIR ABILITY TO PAY, THE HOSPITAL'S BAD DEBT EXPENSE QUALIFIES AS A COMMUNITY BENEFIT THE BAD DEBT EXPENSE CALCULATED ON LINE 2 WAS CALCULATED USING THE PATIENT CARE COST TO CHARGES METHODOLOGY THE GOOD SAMARITAN HOSP ITAL USES AN AUTOMATED SYSTEM CALLED PRESUMPTIVE TO CHARITY CARE TOOL TO CALCULATE THE AMO UNT ON LINE 3 ALL THE SELF PAY ACCOUNTS AND ALL THE SELF PAY AFTER INSURANCE ACCOUNTS ARE IMPORTED INTO THE TOOL, THEN THE TOOL SCORES EACH ACCOUNT BASED ON THE GOVERNMENT GUIDELI NES FOR POVERTY LEVELS FOR FYE 6/30/11, THE TOOL ESTIMATED THAT $6,665,229 OF THE ORGANIZ ATION'S BAD DEBT EXPENSE SHOULD BE CONSIDERED CHARITY CARE PART III, LINE 8 MEDICARE ALLO WABLE COSTS WERE CALCULATED USING A COST TO CHARGE RATIO THE GOOD SAMARITAN HOSPITAL PROV IDES QUALITY MEDICAL SERVICES TO ALL PATIENTS REGARDLESS OF WHAT INSURANCE THEY HAVE APPR OXIMATELY 58% OF THE GOOD SAMARITAN HOSPITAL'S REVENUE IS ATTRIBUTABLE TO MEDICARE PATIENT S THE GOOD SAMARITAN HOSPITAL IS RELIEVING THE GOVERNMENT'S BURDEN, BECAUSE THE HOSPITAL IS PROVIDING SERVICES TO MEDICARE PATIENTS WHICH COST MORE THAN THE MEDICARE REIMBURSEMENT THEREFORE, THE $50,462,262 MEDICARE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT PART III, LINE 9B COLLECTION POLICIES ARE THE SAME FOR ALL PATIENTS IF A PATIENT NOTIFIES THE HOSPITAL ABOUT THEIR INABILITY TO PAY, THE HOSPITAL WILL SEND THEM THE CHARITY CARE A ND FINANCIAL ASSISTANCE FORMS TO FILL OUT ONCE THE FORMS ARE COMPLETED AND RETURNED TO TH E HOSPITAL AND THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THEN THE PATIENT'S ACCOUNT WILL BE REMOVED FROM COLLECTIONS AND THE ACCOUNT WILL BE WRITTEN OFF PART V, SECTION B, Q 11H THE GOOD SAMARITAN HOSPITAL CALCULATES THE AMOUNT CHARGED TO A PATIENT BASED ON CATE STROPHIC OR PHYSICAL HARDSHIP AND THE NUMBER OF INDIVIDUALS LIVING IN A HOUSEHOLD PART V, SECTION B, Q 19D THE GOOD SAMARITAN HOSPITAL BILLS INDIVIDUALS WITHOUT INSURANCE THEIR G ROSS CHARGES ASSOCIATED WITH THE SERVICES THEY RECEIVED DURING THEIR VISIT GSH OFFERS ALL SELF PAY PATIENTS A 35% DISCOUNT IF THEY PAY THEIR BILL WITHIN 30 DAYS OF THEIR SERVICES PART V, SECTION B, Q 21 THE GOOD SAMARITAN HOSPITAL CHARGES ITS SELF PAY PATIENTS THEIR GROSS CHARGES FOR THE SERVICES RENDERED PART VI, LINE 2 THE GOOD SAMARITAN HOSPITAL HAS P ARTICIPATED IN A VARIETY OF COMMUNITY HEALTH NEEDS ASSESSMENTS OVER THE PAST 16 YEARS THE HOSPITAL WAS INSTRUMENTAL IN HELPING TO LAUNCH THE COMMUNITY HEALTH COUNCIL OF LEBANON CO UNTY IN PARTNERSHIP WITH THE COUNCIL, A COMMUNITY HEALTH NEEDS ASSESSMENT WAS CREATED 16 YEARS AGO AND AN UPDATED ASSESSMENT COMPLETED 11 YEARS AGO ANOTHER ASSESSMENT WAS CREATED IN 2005, LED BY EFFORTS OF THE UNITED WAY OF LEBANON COUNTY THE GOOD SAMARITAN HOSPITAL IS CURRENTLY PARTNERED WITH OTHER COMMUNITY ORGANIZATIONS AND COMPLETED A COMMUNITY HEALTH ASSESSMENT DURING THE FALL OF 2011 THE HOSPITAL ALSO MAINTAINS AN INDEPENDENT, COUNTYWID E PHYSICIAN NEEDS ASSESSMENT TO EVALUATE GAPS IN H

Identifier	ReturnReference	Explanation
SUPPLEMENTAL INFORMATION	SCHEDULE H	EALTHCARE ACCESS A NEW PHYSICIAN NEEDS ASSESSMENT WAS ALSO COMPLETED IN 2011 IN ADDITION TO THESE COUNTYWIDE EFFORTS, THE HOSPITAL HAS PERFORMED A VARIETY OF STUDIES ON SPECIFIC HEALTH CONCERNS AND COMMUNITY NEEDS KEY STUDIES HAVE INCLUDED SERVICES FOR CARDIOVASCULAR , ONCOLOGY, GASTROENTEROLOGY, WOUND CARE, AND MORE THE HOSPITAL HAS ALSO ACTED TO FULFILL THE NEEDS IDENTIFIED IN THESE STUDIES THE HOSPITAL CREATED ONE OF THE NATION'S LEADING C ARDIAC AND VASCULAR CENTERS, WHICH HAS EARNED SEVERAL NATIONAL AWARDS FOR QUALITY OF CARE THE HOSPITAL INTRODUCED A NEW WOUND CARE SERVICE TO DEAL WITH PATIENTS SUFFERING FROM COM PLICATIONS OF DIABETES - A PARTICULAR PROBLEM TO LEBANON COUNTY - AND HAS ALREADY EXPANDED OPERATIONS TO ADD A THIRD HYPERBARIC OXYGEN TREATMENT CHAMBER TO THE TWO ORIGINALLY INSTA LLED IN THE CENTER IN ADDITION, THE HOSPITAL HAS PROTECTED THE COMMUNITY BY RECRUITING NE W PHYSICIANS FOR KEY SERVICES - GENERAL SURGERY, ONCOLOGY, AND GASTROENTEROLOGY - ALLOWING PATIENTS TO GET ACCESS TO CARE IN LEBANON COUNTY INSTEAD OF TRAVELING THROUGHOUT THE REGI ON PART VI, LINE 3 THE GOOD SAMARITAN HOSPITAL CHARITY CARE POLICY OUTLINES THE PROCESS O F FINANCIAL, MEDICAL AND CATASTROPHIC CATEGORIES WHERE A PATIENT COULD QUALIFY FOR CHARITY CARE THE HOSPITAL HAS A SELF PAY BROCHURE AVAILABLE THAT PROVIDES INFORMATION ON OUR CHA RITY CARE PROGRAM ALONG WITH CONTACT INFORMATION AND AVAILABLE HOURS FINANCIAL COUNSELORS ARE ON SITE TO MEET WITH PATIENTS TO DISCUSS THEIR FINANCIAL OBLIGATIONS, ASSIST THEM IN COMPLETING THE APPLICATION FOR CHARITY CARE, AND ANSWER THEIR QUESTIONS PATIENTS ARE ENCO URAGED TO APPLY FOR CHARITY CARE IF THEY ARE UNABLE TO COME IN FOR AN APPOINTMENT THERE I S A NOTE ON THE STATEMENTS THAT IS MAILED TO PATIENTS, LETTING THEM KNOW THAT FINANCIAL AS SISTANCE IS AVAILABLE THE GOOD SAMARITAN HOSPITAL'S WEBSITE ALSO PROVIDES THE CONTACT INF ORMATION FOR THOSE COMMUNITY MEMBERS WHO NEED MEDICAL SERVICES AND FINANCIAL ASSISTANCE P ART VI, LINE 4 LEBANON COUNTY INCLUDES A MIX OF URBAN, SUBURBAN, AND RURAL AREAS THE CITY OF LEBANON IS CENTRALLY LOCATED, SERVING AS THE COUNTY SEAT THE CITY IS HOME TO MORE THA N 24,000 RESIDENTS AND IS CLASSIFIED BY THE COMMONWEALTH OF PENNSYLVANIA AS A THIRD CLASS CITY THE COUNTY INCLUDES 25 OTHER MUNICIPALITIES THE REST OF THE COUNTY IS MADE UP OF SU BURBAN AND RURAL AREAS, WITH RURAL FARMLAND PROVIDING A DOMINANT CHARACTER OF COUNTY LIFE WHILE MOST OF THE POPULATION TENDS TO BE OF WHITE ANCESTRY (91%), THE COUNTY HAS A FAST-G ROWING HISPANIC POPULATION (7 8%) THAT CENTERS IN THE CITY OF LEBANON (SOURCE US CENSUS B UREAU) THE US CENSUS BUREAU ALSO REPORTS THAT 8% OF THE POPULATION SPEAKS A LANGUAGE OTHE R THAN ENGLISH AT HOME EMPLOYMENT RATES IN THE COUNTY ARE CURRENTLY AT 6 8%- ONE OF THE L OWEST RATES IN THE STATE- AND AVERAGE HOUSEHOLD INCOME IS AT $50,334 ACCORDING TO THE USDA ECONOMIC RESEARCH SERVICE THE FEDERAL GOVERNMENT IS THE COUNTY'S LARGEST EMPLOYER, WITH LARGE WORK FORCES AT THE LEBANON VETERANS ADMINISTRATION HOSPITAL AND FORT INDIANTOWN GAP THE GOOD SAMARITAN HOSPITAL IS THE LARGEST NON-GOVERNMENTAL EMPLOYER WITH 1,500 EMPLOYEES ACCORDING TO THE US CENSUS BUREAU AMERICAN COMMUNITY SURVEY, 8% OF THE POPULATION LIVES IN POVERTY THE GOOD SAMARITAN HOSPITAL IS THE ONLY HOSPITAL IN LEBANON COUNTY THE HOSPIT AL PROVIDES EMERGENCY CARE TO APPROXIMATELY 51,000 INDIVIDUALS EACH YEAR THE HOSPITAL CAR ED FOR APPROXIMATELY 8,400 ACUTE CARE PATIENTS IN ADDITION, THE HOSPITAL HAS PERFORMED TH OUSANDS OF OUTPATIENT PROCEDURES- FROM SURGERIES TO IMAGING TO LABORATORY TO PHYSICAL THER APY- EVERY YEAR THE HOSPITAL ALSO PROVIDES A CONTINUITY OF CARE THROUGH A SKILLED NURSING UNIT, REHABILITATION SERVICES, HOME HEALTHCARE, AND HOSPICE CARE THE HOSPITAL IS THE LAR GEST PROVIDER OF CARE TO MEDICAID AND MEDICARE POPULATIONS WHILE MOST LEBANON COUNTY RESI DENTS CHOOSE TO STAY IN THE COUNTY FOR THEIR CARE, WITH MORE THAN 60% CHOOSING THE GOOD SA MARITAN HOSPTIAL FOR SERVICES ACCORDING

Identifier	ReturnReference	Explanation
SUPPLEMENTAL INFORMATION	SCHEDULE H	IN ADDITION TO SCREENING FOR HIGH-RISK PATIENTS, BREAST MRI CAN BE USED AS A DIAGNOSTIC TOOL WHEN A MAMMOGRAM, SELF-EXAM OR CLINICAL EXAM IDENTIFIES AN AREA OF CONCERN THE INTRODUCTION OF THE BREAST MRI TECHNOLOGY ALSO ALLOWS THE GSH IMAGING CENTER TO PROVIDE ADVANCED MRI-GUIDED BREAST BIOPSY THIS PROVIDES ANOTHER BIOPSY OPTION TO COMPLEMENT OUR STEREO-TACTIC AND ULTRASOUND-GUIDED BIOPSIES, ALSO AVAILABLE THE MRI-GUIDED BREAST BIOPSY TECHNOLOGY ENABLES PRECISE AND ACCURATE BIOPSIES, GIVING PATIENTS AND THEIR SURGEONS THE INFORMATION NEEDED TO PLAN THE BEST COURSE OF TREATMENT GOOD SAMARITAN HEALTH SYSTEM IS COMMITTED TO PROVIDING OUR PATIENTS WITH THE MOST ADVANCED BREAST IMAGING TECHNOLOGY TO HELP WOMEN OF LEBANON COUNTY IN THEIR FIGHT AGAINST BREAST CANCER PART VI, LINE 6 THE GOOD SAMARITAN HOSPITAL IS A PART OF THE GOOD SAMARITAN HEALTH SYSTEM THE SYSTEM INCLUDES A FOUNDATION, DIALYSIS CENTER, REAL ESTATE COMPANIES, MRI CENTER, FAMILY PRACTICES, SPECIALITY HEALTH SERVICES, A DME COMPANY, AND A URGENT CARE CENTER IN ADDITION TO THE COMMUNITY BENEFITS PROVIDED BY THE HOSPITAL, THE HEALTH SYSTEM EVALUATES THE NEEDS THE COMMUNITY AND THE SYSTEM WILL PARTICIPATE IN COMMUNITY BENEFIT PROGRAMS, LIKE SUPPORTING THE VOLUNTEERS IN MEDICINE FREE CLINIC WHICH SERVES THE UNDERPRIVILEGED MEMBERS OF THE COMMUNITY

Additional Data

Software ID:
Software Version:
EIN: 23-0794160
Name: Good Samaritan Hospital The

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? **11** Name and address	Type of Facility (Describe)
THE GOOD SAMARITAN HOSPITAL FOURTH AND WILLOW STREETS LEBANON,PA 17042	REHAB AND TCU UNITS
THE GOOD SAMARITAN HOSPITAL 830 TUCK STREET LEBANON,PA 17042	OUTPATIENT SURGICAL CENTER
THE GOOD SAMARITAN HOSPITAL 840 TUCK STREET LEBANON,PA 17042	WOUND CARE & HYPERBARIC CENTER
THE GOOD SAMARITAN HOSPITAL 206 HATHAWAY PARK LEBANON,PA 17042	SLEEP DISORDERS CENTER
THE GOOD SAMARITAN HOSPITAL 805 HELEN DRIVE LEBANON,PA 17042	OUTPATIENT RADIOLOGY CENTER
THE GOOD SAMARITAN HOSPITAL 750 NORMAN DRIVE LEBANON,PA 17042	BLOOD DONOR CENTER & LABORATORY
THE GOOD SAMARITAN HOSPITAL 297 WEST LINCOLN AVENUE MYERSTOWN,PA 17067	OUTPATIENT DIAGNOSTIC CENTER
THE GOOD SAMARITAN HOSPITAL 1400 SOUTH FORGE ROAD PALMYRA,PA 17078	AMBULATORY SERVICES CENTER
THE GOOD SAMARITAN HOSPITAL 100 QUEEN STREET JONESTOWN,PA 17038	SATELLITE SERVICES CENTER
THE GOOD SAMARITAN HOSPITAL 950 ISABEL DRIVE LEBANON,PA 17042	OUTPATIENT PHYSICAL THERAPY
THE GOOD SAMARITAN HOSPITAL 781 NORMAN DRIVE LEBANON,PA 17042	CARDIOVASCULAR DIAGNOSTIC CENTER

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

Part I General Information on Grants and Assistance

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

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

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

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

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

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

3 Enter total number of other organizations . . . ▶

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) DAVID BRODERIC SCHOLARSHIP	31	7,500		OTHER	
(2) MARGARET CONNELL SCHOLARSHIP	7	5,440		OTHER	
(3) GSH AUXILIARY SCHOLARSHIP	5	4,500		OTHER	
(4) CAPLAN NURSING SCHOLARSHIP	10	10,250		OTHER	

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 TO MONITOR USE OF GRANTS	SCHEDULE I, PART I, LINE 2	THE DAVID BRODERIC EMPLOYEE SCHOLARSHIP PROGRAM AND THE MARGARET L CONNELL SCHOLARSHIP FUND ARE FOR THE SONS AND DAUGHTERS OF EMPLOYEES THE GSH AUXILIARY AND CAPLAN NURSING SCHOLARSHIPS ARE AWARDED TO LEBANON COUNTY RESIDENTS ENROLLED IN A NURSING PROGRAM PART III, COLUMN (B) THE GOOD SAMARITAN HOSPITAL DISTRIBUTES A PORTION OF THE MONEY ALLOTTED TO EVERY PERSON WHO APPLIES FOR THE SCHOLARSHIP

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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				
(1) ROBERT J LONGO	(i)	425,026	63,000	22,009	0	2,884	512,919	352,186
	(ii)	0	0	0	0	0	0	0
(2) KIMBERLY FEEMAN	(i)	204,968	24,419	17,453	0	0	246,840	0
	(ii)	0	0	0	0	0	0	0
(3) JACQUELYN M GOULD	(i)	160,935	22,259	8,379	0	0	191,573	0
	(ii)	0	0	0	0	0	0	0
(4) ROBERT J RICHARDS	(i)	221,724	32,411	32,735	0	0	286,870	0
	(ii)	0	0	0	0	0	0	0
(5) JULIE MIKSIT	(i)	134,464	18,028	11,679	0	0	164,171	0
	(ii)	0	0	0	0	0	0	0
(6) WILLIAM HENDRICK	(i)	130,118	42,998	21,337	0	0	194,453	0
	(ii)	0	0	0	0	0	0	0
(7) ROBERT D SHAVER MD	(i)	292,185	38,955	0	0	0	331,140	0
	(ii)	0	0	0	0	0	0	0
(8) ELLEN JOHNSON	(i)	163,644	7,002	17,371	0	0	188,017	0
	(ii)	0	0	0	0	0	0	0
(9) DARIA KOVARIKOVA	(i)	180,218	7,350	0	0	0	187,568	0
	(ii)	0	0	0	0	0	0	0
(10) BYARD YODER	(i)	165,820	0	8,661	0	0	174,481	0
	(ii)	0	0	0	0	0	0	0
(11) ROBERTA SCHERR	(i)	170,211	0	0	0	0	170,211	0
	(ii)	0	0	0	0	0	0	0
(12) JAMES MCGEARY	(i)	159,625	0	0	0	0	159,625	0
	(ii)	0	0	0	0	0	0	0
(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
SUPPLEMENTAL COMPENSATION INFORMATION	SCHEDULE J, PART I, LINE 3	THE COMPENSATION COMMITTEE HIRES AN INDEPENDENT COMPENSATION CONSULTANT TO ESTABLISH THE CEO'S COMPENSATION AMOUNT AND COMPOSE THE CONTRACT THE COMPENSATION COMMITTEE PRESENTS THE INFORMATION TO THE BOARD IF A BOARD MEMBER WOULD LIKE TO REVIEW THE CONTRACT, THEY CAN CONTACT A MEMBER OF THE COMPENSATION COMMITTEE TO REVIEW THE CONTRACT PRIVATELY SCHEDULE J, PART I, LINE 4B ROBERT J LONGO IS A PARTICIPANT IN A 457F RETIREMENT PLAN HE RECEIVED NO PAYMENT FROM THE PLAN THIS YEAR

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

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	LEBANON COUNTY HEALTH FACILITIES AUTHORITY	23-2546819	522455BE3	03-11-2004	17,255,816	SEE PART V		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	17,255,816			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2004			

		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?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

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

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
PART I, COLUMN F		REFUND OUTSTANDING 1994 BONDS ISSUED ON 1/13/1994

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Good Samaritan Hospital The

Employer identification number
23-0794160

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) WELCH WAGNER PARTNERSHIP	SEE PART V	279,672	PROPERTY RENTAL		No
(2) LEBANON INTERNAL MEDICINE ASSOC	SEE PART V	122,118	MEDICAL DIRECTOR FEES		No
(3) ARTHUR FUNK AND SONS	SEE PART V	120,583	CONSTRUCTION PROJECTS		No
(4) REILLYWOLFSONSHEFFEYSCHRUMLUNDB	SEE PART V	127,095	ATTORNEY FEES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L		PART IV, LINE 1 JOHN WELCH, A TRUSTEE OF THE GOOD SAMARITAN HOSPITAL, IS A PARTNER IN WELCH WAGNER PARTNERSHIP PART IV, LINE 2 WILLIAM E SCHAEFFER, JR MD, A TRUSTEE OF THE GOOD SAMARITAN HOSPITAL, IS A PARTNER IN LEBANON INTERNAL MEDICINE ASSOCIATES PART IV, LINE 3 ROBERT J FUNK, A TRUSTEE OF THE GOOD SAMARITAN HOSPITAL, IS A PARTNER IN ARTHUR FUNK AND SONS PART IV, LINE 4 FREDERICK WOLFSON, A TRUSTEE OF THE GOOD SAMARITAN HOSPITAL, IS A PARTNER IN REILLY, WOLFSON, SHEFFEY, SCHRUM & LUNDBERG

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

Identifier	Return Reference	Explanation
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III	PROGRAM SERVICE EXPENSE #1 THE GSH IS A 196 LICENSED BED, (ACUTE CARE 177, SKILLED CARE 19) TAX EXEMPT , NON-PROFIT ACUTE CARE HOSPITAL PROVIDING A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES INCLUDING RESPIRATORY THERAPY, PHYSICAL THERAPY, RADIOLOGY, INPATIENT AND OUTPATIENT SURGERY, PEDIATRICS, INTENSIVE CARE, TELEMETRY, CARDIAC CARE, HEMODIALYSIS, INHALATION THERAPY, PULMONARY FUNCTIONS, ENDOSCOPY, 24 HOUR EMERGENCY CARE, OCCUPATIONAL MEDICINE, TRACTION, PACEMAKERS, EEG, EKG, STRESS MONITORING, MAMMOGRAPHY, ULTRASOUND, CT SCAN, CANCER CARE, NUCLEAR MEDICINE, PHARMACY, OBSTETRICS, BLOOD BANK, PERIPHERAL VASCULAR LAB, CARDIOVASCULAR LAB, CARDIOVASCULAR SURGERY, AND LABORATORY WHICH INCLUDE CHEMISTRY, HEMATOLOGY, HISTOLOGY, CYTOLOGY AND MICROBIOLOGY FY 6/30/11 STATISTICS 8,299 ADMISSIONS, 34,865 INPATIENT DAYS, 276,477 OUTPATIENT REGISTRATIONS PROGRAM SERVICE EXPENSE #4 THE GSH OPERATES HOME HEALTH/VISITING NURSE ASSOCIATION PROVIDING A FULL RANGE OF IN-HOME HEALTH CARE INCLUDING IV THERAPY, MATERNAL/INFANT CARE, HOSPICE, PHYSICAL THERAPY, SPEECH THERAPY, OCCUPATIONAL THERAPY, NUTRITIONAL THERAPY, SOCIAL SERVICES AND HOME HEALTH AIDES FY 6/30/11 STATISTICS 19,431 IN-HOME CARE VISITS WERE PROVIDED

Identifier	Return Reference	Explanation
MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINE 6	THE GOOD SAMARITAN HEALTH SERVICES FOUNDATION, ANOTHER 501(C)(3) ORGANIZATION, IS THE SOLE MEMBER OF THE GOOD SAMARITAN HOSPITAL

Identifier	Return Reference	Explanation
MEMBERS WHO MAY ELECT TRUSTEES OF THE GOVERNING BODY	FORM 990, PART VI, LINE 7A	THE GOOD SAMARITAN HEALTH SERVICES FOUNDATION, AS THE SOLE MEMBER OF THE GOOD SAMARITAN HOSPITAL, MAY ELECT ONE OR MORE TRUSTEES OF THE HOSPITAL'S GOVERNING BODY DECISION OF GOVERNING BODY SUBJECT TO APPROVAL BY MEMBERS FORM 990, PART VI, LINE 7B CERTAIN DECISIONS OF THE HOSPITAL'S GOVERNING BODY ARE SUBJECT TO APPROVAL BY THE HOSPITAL'S SOLE MEMBER, THE GOOD SAMARITAN HEALTH SERVICES FOUNDATION

Identifier	Return Reference	Explanation
PROCESS OF GOVERNING BODY REVIEW OF 990	FORM 990, PART VI, LINE 11B	AN ACCOUNTANT PREPARES THE 990 AND 990-T FOR THE GOOD SAMARITAN HOSPITAL THE HOSPITAL THEN PAYS AN AUDITING FIRM TO REVIEW THE 990 TAX RETURN THE CONTROLLER AND THE CFO REVIEW THE FINAL DRAFT OF THE RETURN BEFORE IT IS DISTRIBUTED TO THE BOARD OF DIRECTORS AND THEN FILED WITH THE IRS

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	THE GOOD SAMARITAN HOSPITAL HAS A COMPLIANCE OFFICER THAT IS RESPONSIBLE FOR MONITORING AND ENFORCING THE COMPLIANCE OF POLICIES

Identifier	Return Reference	Explanation
DISCLOSURE OF DOCUMENTS TO THE PUBLIC	FORM 990, PART VI, LINE 19	THE GOOD SAMARITAN HOSPITAL HAS ALL OF ITS POLICIES AND FINANCIAL STATEMENTS AVAILABLE FOR THE GENERAL PUBLIC THE PUBLIC NEEDS TO SCHEDULE AN APPOINTMENT WITH ADMINISTRATION TO COME IN AND VIEW THE INFORMATION UNDER HOSPITAL SUPERVISION

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A	ALL OF THE HOSPITAL TRUSTEES ALSO SERVE 1 HOUR PER WEEK ON THE GOOD SAMARITAN HEALTH SERVICE FOUNDATION'S BOARD ROBERT J LONGO GOOD SAMARITAN HEALTH SERVICES FOUNDATION - 1 HOUR/WEEK GOOD SAMARITAN PHYSICIAN SERVICES - 12 HOURS/WEEK GSH SERVICES, INC - 1 HOUR/WEEK GOOD SAMARITAN REAL ESTATE, INC - 1 HOUR/WEEK GSH REALTY, INC - 1 HOUR/WEEK GSH HOME MED CARE, INC - 1 HOUR/WEEK GSH DIALYSIS, INC - 1 HOUR/WEEK LEBANON MRI ASSOCIATES, LTD - 1 HOUR/WEEK GOOD SAMARITAN PHYSICIAN HOSPITAL ORGANIZATION - 1 HOUR/WEEK ROBERT J RICHARDS GOOD SAMARITAN PHYSICIAN SERVICES - 12 HOURS/WEEK GSH SERVICES, INC - 1 HOUR/WEEK GOOD SAMARITAN REAL ESTATE, INC - 1 HOUR/WEEK GSH REALTY, INC - 1 HOUR/WEEK GSH HOME MED CARE, INC - 1 HOUR/WEEK GSH DIALYSIS, INC - 1 HOUR/WEEK LEBANON MRI ASSOCIATES, LTC - 1 HOUR/WEEEK GOOD SAMARITAN PHYSICIAN HOSPITAL ORGANIZATION - 1 HOUR/WEEK KIMBERLY FEEMAN GOOD SAMARITAN PHYSICIAN SERVICES - 12 HOURS/WEEK LEBANON MRI ASSOCIATES, LTC - 3 HOURS/WEEK JACQUELYN M GOULD GOOD SAMARITAN PHYSICIAN SERVICES - 12 HOURS/WEEK GSH DIALYSIS, INC - 3 HOURS/WEEK JULIE MIKSIT GOOD SAMRITAN PHYSICIAN SERVICES - 10 HOURS/WEEK ROBERT D SHAVER, M D GOOD SAMARITAN PHYSICIAN SERVICES - 10 HOURS/WEEK

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 5	UNREALIZED GAIN ON INVESTMENTS $2,865,776 PENSION RESERVE ADJUSTMENT 9,369,245 GOOD SAMARITAN PHY SVCS REC WRITE-OFF (7,206,043) ---------- $5,028,978 ========== **NOTE GOOD SAMARITAN PHYSICIAN SERVICES IS A RELATED 501(C)(3) EXEMPT ORGANIZATION

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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
Good Samaritan Hospital The

Employer identification number
23-0794160

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) GOOD SAMARITAN HEALTH SERVICE FOUNDATION 259 SOUTH FOURTH STREET LEBANON, PA 17042 23-2356151	PARENT	PA	501(C)(3)	11,TYPE I	NA		
(2) GOOD SAMARITAN REAL ESTATE 241 SOUTH FOURTH STREET LEBANON, PA 17042 23-2447262	TITLE HOLDING	PA	501(C)(2)		GSH FDN		
(3) GSH DIALYSIS INC 440 OAK STREET LEBANON, PA 17042 23-2500940	DIALYSIS SVCS	PA	501(C)(3)	3	GSH FDN		
(4) GOOD SAMARITAN PHYSICIAN SERVICES 259 SOUTH FOURTH STREET LEBANON, PA 17042 23-1832359	FAMILY MED	PA	501(C)930	9	GSH FDN		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) LEBANON MRI ASSOCIATES LTD 4THWALNUT ST LEBANON, PA17042 36-3730905	MRI SERVICES	PA	NA									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) GSH SERVICES INC 241 SOUTH FOURTH STREET LEBANON, PA17042 23-2353047	MGMT & ACCTG SVCS	PA	GSHS FOUNDATION	C CORP	0	0	0 %
(2) GSH HOME MED CARE INC 301 SCHNEIDER DRIVE LEBANON, PA17046 23-2028099	MEDICAL EQUIP	PA	GSHS FOUNDATION	C CORP	0	0	0 %
(3) GSH REALTY INC 241 SOUTH FOURTH STREET LEBANON, PA17042 23-2446622	TITLE HOLDING	PA	GSHS FOUNDATION	C CORP	0	0	0 %
(4) GSH URGENT CARE INC 954 ISABEL DRIVE LEBANON, PA17042 25-1816053	URGENT MEDICINE	PA	GSHS FOUNDATION	C CORP	0	0	0 %

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

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

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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-0794160
Name: Good Samaritan Hospital The

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)	GOOD SAMARITAN REAL ESTATE INC	J	585,463	
(2)	GSH REALTY INC	J	298,436	
(3)	LEBANON MRI ASSOCIATES LTD	L	467,557	
(4)	GSH HOME MED CARE INC	L	101,915	
(5)	GSH HOME MED CARE INC	P	90,612	
(6)	GSH HOME MED CARE INC	P	65,824	
(7)	GSH DIALYSIS INC	K	105,434	
(8)	GSH DIALYSIS INC	P	330,092	
(9)	GSH DIALYSIS INC	P	53,516	
(10)	GOOD SAMARITAN PHYSICIAN SERVICES	P	401,526	
(11)	GOOD SAMARITAN PHYSICIAN SERVICES	P	92,592	
(12)	GOOD SAMARITAN PHYSICIAN SERVICES	P	602,965	
(13)	GOOD SAMARITAN PHYSICIAN SERVICES	I	220,428	
(14)	LEBANON MRI ASSOCIATES LTD	I	123,518	

FINANCIAL STATEMENTS

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan
Health Services Foundation)
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan Health Services Foundation)

Financial Statements

Years Ended June 30, 2011 and 2010

Contents

ERNST & YOUNG

Ernst & Young LLP
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Philadelphia, Pennsylvania 19103-7096

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Report of Independent Auditors

To the Board of Trustees of
The Good Samaritan Hospital of Lebanon, Pennsylvania

We have audited the accompanying balance sheets of The Good Samaritan Hospital of Lebanon, Pennsylvania, a controlled entity of The Good Samaritan Health Services Foundation, as of June 30, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended These financial statements are the responsibility of the Hospital's management Our responsibility is to express an opinion on these financial statements based on our audits

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Good Samaritan Hospital of Lebanon, Pennsylvania as of June 30, 2011 and 2010, and the results of its operations, changes in its net assets, and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Ernst + Young LLP

October 24, 2011

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan Health Services Foundation)

Balance Sheets
(In Thousands)

	June 30 2011	June 30 2010
Assets		
Current assets		
Cash and cash equivalents	**$ 2,409**	$ 3,271
Patient accounts receivable, net of allowance for doubtful accounts of $25,227 in 2011 and $24,423 in 2010	**18,803**	16,365
Accounts receivable – other	**6,246**	1,660
Inventories	**1,656**	1,705
Prepaid expenses	**2,465**	1,983
Due from parent and parent-controlled entities	**232**	–
Current portion of funds held by trustee	**84**	84
Current portion of pledges receivable, net of allowances	**753**	614
Total current assets	**32,648**	25,682
Assets limited as to use, net of current portion		
Funds held by trustee	**6,810**	6,770
Board-designated funds	**7,312**	6,470
Total assets limited as to use	**14,122**	13,240
Long-term investments	**21,832**	18,927
Property, buildings, and equipment, net	**73,244**	78,079
Pledges receivable, net of current portion and allowances	**620**	886
Goodwill and other assets	**7,034**	6,631
Total assets	**$ 149,500**	$ 143,445

	June 30	
	2011	**2010**
Liabilities and net assets		
Current liabilities		
Current portion of postretirement benefits payable	**$ 310**	$ 346
Current portion of long-term debt	**1,419**	1,379
Line of credit	**2,701**	1,610
Accounts payable	**4,720**	7,540
Accrued expenses	**3,415**	4,088
Accrued payroll and fees	**5,837**	6,855
Insurance liabilities	**1,793**	1,768
Due to parent and parent-controlled entities	**–**	719
Due to third-party payors	**4,818**	528
Total current liabilities	**25,013**	24,833
Postretirement benefits payable, net of current portion	**2,925**	3,433
Accrued pension liability	**27,508**	36,197
Other noncurrent liabilities	**892**	917
Long-term debt, net of current portion	**64,646**	66,047
Total liabilities	**120,984**	131,427
Net assets		
Unrestricted	**25,571**	9,012
Temporarily restricted	**2,273**	2,334
Permanently restricted	**672**	672
Total net assets	**28,516**	12,018
Total liabilities and net assets	**$ 149,500**	$ 143,445

See accompanying notes.

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan Health Services Foundation)

Statements of Operations
(In Thousands)

	Year Ended June 30	
	2011	**2010**
Unrestricted revenues		
Net patient service revenue	**$ 165,121**	$ 161,243
Other operating revenue	**12,057**	5,423
Unrestricted gifts and grants	**230**	232
	177,408	166,898
Operating expenses		
Salaries, wages, and professional fees	**61,631**	57,180
Supplies and other	**65,020**	60,968
Employee benefits	**17,379**	20,950
Interest	**3,962**	4,151
Depreciation and amortization	**9,570**	9,781
Provision for doubtful accounts	**10,138**	15,415
	167,700	168,445
Income (loss) from operations	**9,708**	(1,547)
Nonoperating gains (losses)		
Income from investments and Board-designated funds	**922**	936
Other-than-temporary decline in market value of investments	**–**	(131)
Provision on receivable from Good Samaritan Physician Services, Inc	**(7,206)**	(11,647)
(Loss) gain on sale/disposition of fixed assets	**(55)**	4
Equity earnings in physician hospital organization	**33**	23
Nonoperating losses	**(6,306)**	(10,815)
Excess (deficiency) of revenues and gains over expenses and losses	**3,402**	(12,362)
Net unrealized gain on investments	**2,866**	1,553
Other changes in accrued pension liability and postretirement benefits	**9,369**	(2,663)
Net assets released from restrictions – property, buildings, and equipment purchases	**922**	726
Increase (decrease) in unrestricted net assets	**$ 16,559**	$ (12,746)

See accompanying notes.

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan Health Services Foundation)

Statements of Changes in Net Assets
(In Thousands)

	Year Ended June 30	
	2011	**2010**
Unrestricted net assets		
Excess (deficiency) of revenues and gains over expenses and losses	**$ 3,402**	$ (12,362)
Net unrealized gain on investments	**2,866**	1,553
Other changes in accrued pension liability and postretirement benefits	**9,369**	(2,663)
Net assets released from restrictions – property, buildings, and equipment purchases	**922**	726
Increase (decrease) in unrestricted net assets	**16,559**	(12,746)
Temporarily restricted net assets		
Contributions, net of provision for allowances	**830**	458
Investment income	**26**	19
Net assets released from restrictions – fund operations	**5**	19
Net assets released from restrictions – property, buildings, and equipment purchases	**(922)**	(726)
Decrease in temporarily restricted net assets	**(61)**	(230)
Permanently restricted net assets		
Investment income	**5**	19
Net assets released from restrictions	**(5)**	(19)
Change in permanently restricted net assets	**–**	–
Increase (decrease) in net assets	**16,498**	(12,976)
Net assets, beginning of year	**12,018**	24,994
Net assets, end of year	**$ 28,516**	$ 12,018

See accompanying notes.

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan Health Services Foundation)

Statements of Cash Flows
(In Thousands)

	Year Ended June 30 2011	2010
Cash flows from operating activities		
Increase (decrease) in net assets	**$ 16,498**	$ (12,976)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Other changes in accrued pension liability and postretirement benefits	**(9,369)**	2,663
Depreciation and amortization	**9,570**	9,781
Net realized and unrealized loss (gain) on investments	**(2,866)**	(1,553)
Provision for doubtful accounts	**10,138**	15,415
Loss (gain) on sale/disposition of fixed assets	**55**	(4)
Equity earnings in CHART and physician hospital organization	**(446)**	(250)
Changes in operating assets and liabilities that provided (used) cash		
Patient accounts receivable	**(12,576)**	(14,490)
Accounts receivable – other	**(4,586)**	(579)
Inventories	**49**	(83)
Prepaid expenses	**(482)**	416
Due from parent and parent-controlled entities	**(232)**	5,440
Pledges receivable	**127**	316
Accounts payable and other noncurrent liabilities	**(2,845)**	1,456
Accrued expenses	**(673)**	1,135
Accrued payroll and fees	**(1,018)**	120
Insurance reserves	**25**	171
Due to third-party payors	**4,290**	(881)
Due to parent and parent-controlled entities	**(719)**	719
Accrued pension liability	**384**	2,169
Postretirement benefits payable	**(248)**	(208)
Net cash provided by operating activities	**5,076**	8,777

(Continued on following page.)

The Good Samaritan Hospital of Lebanon, Pennsylvania
(a controlled entity of The Good Samaritan Health Services Foundation)

Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30	
	2011	**2010**
Investing activities		
Net purchases of investments and assets limited as to use	**$ (921)**	$ (465)
Purchases of property, plant, and equipment, net	**(4,729)**	(3,315)
Net cash used in investing activities	**(5,650)**	(3,780)
Financing activities		
Net proceeds from line of credit	**1,091**	(1,461)
Repayment of note payable	**–**	(898)
Repayment of long-term debt	**(1,379)**	(1,336)
Net cash used in financing activities	**(288)**	(3,695)
Net (decrease) increase in cash and cash equivalents	**(862)**	1,302
Cash and cash equivalents at beginning of year	**3,271**	1,969
Cash and cash equivalents at end of year	**$ 2,409**	$ 3,271
Supplemental disclosures of cash flow information		
Cash paid for interest	**$ 3,966**	$ 4,167

See accompanying notes.

Notes to Financial Statements

June 30, 2011

1. Organization

The Good Samaritan Hospital of Lebanon, Pennsylvania (the Hospital) is a controlled entity of The Good Samaritan Health Services Foundation (the Parent) The Parent is the sole voting member of the Hospital's Board of Trustees

The Hospital is a 196-bed, tax-exempt, nonprofit, acute care hospital located in Lebanon, Pennsylvania

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States utilizing the "Audit and Accounting Guide for Health Care Organizations" issued by the Health Care Committee and the Health Care Audit Guide Task Force of the American Institute of Certified Public Accountants A summary of the significant accounting policies of the Hospital follows

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less when purchased and exclude assets whose use is limited by Board of Trustees designation or other arrangements under trust agreements or with third-party payors

2. Summary of Significant Accounting Policies (continued)

Net Patient Service Revenue

The Hospital has agreements with third-party payors, including Medicare, Medicaid, commercial insurance carriers, health maintenance organizations, and others, that provide for payments at amounts different from its established charges Payment agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates Net patient service revenue is reported at the estimated net realizable amounts from third-party payors and others for services rendered including estimated retroactive adjustments

Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined The Hospital's Medicare and Pennsylvania Medical Assistance (PMA) cost reports have been audited and settled by the fiscal intermediary through June 30, 2007 In the opinion of management, adequate provision has been made for estimated settlements and potential adjustments resulting from audit and final settlements with third-party payors Differences between the estimated and final settlements are recorded in the year of settlement Included in the operating results for 2011 is $2,137,000 in unfavorable third-party payor settlements relating to previous years' estimates There were no material third-party settlements included in operating results relating to previous years' estimates for the year ended June 30, 2010

Payments to the Hospital from the Medicare and PMA programs for inpatient hospital services are made on a prospective basis Under these programs, payments are made at a predetermined specific rate for each discharge based on the patient's diagnosis Direct medical education is reimbursed by Medicare based on a percentage of reasonable costs Additional payments are received from Medicare for cases that have unusually high costs in comparison to national or statewide averages

Outpatient services are reimbursed principally on a prospective basis by Medicare except for clinical lab, which is reimbursed on a fee schedule PMA reimburses the Hospital for outpatient services on the basis of an established fee schedule

2. Summary of Significant Accounting Policies (continued)

Section 306 of the Medicare Prescription Drug Improvement and Modernization Act of 2003 directed the Secretary of the Department of Health and Human Services (HHS) to demonstrate the use of Recovery Audit Contractor (RAC) under the Centers for Medicare and Medicaid Services (CMS) Medicare Integrity Program in identifying underpayments and overpayments under the Medicare program, and recouping those overpayments RACs are third-party organizations under contract with CMS, and the law provides that compensation paid to each RAC be based on a percentage of overpayment recoveries identified by the RAC The RAC demonstration was slated to end in March 2008, however, Section 302 of the Tax Relief and Health Care Act of 2006 (TRHCA) made the RAC program permanent and instructed CMS to use RACs to identify Medicare underpayments and overpayments by 2010 The TRHCA also included several provisions that give Medicare providers certain protections and rights For example, overpayments identified by the RACs are subject to reconsideration and appeal through several forums

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

In December 2010, the Department of Public Welfare (DPW) received approval from CMS for the Pennsylvania state plan amendments pursuant to Pennsylvania Act 49 of 2010 that, among other things, established a new inpatient hospital fee-for-service payment system (using APR-DRG), established enhanced hospital payments through the state's Medical Assistance managed care program and secured additional matching Medicaid funds through the establishment of the Quality Care Assessment (QCA) In February 2011, the DPW received the approvals necessary from CMS on the final technical language for the DPW contracts with managed care organizations The Hospital and Healthcare Association of Pennsylvania issued hospital-specific impacts of the MA payment modernization for fiscal year 2011 The Hospital recognized $6,639,000 related to the MA payment in net patient service revenue for the year ended June 30, 2011 DPW concurrently issued hospital-specific QCAs of $2,403,000 that are recorded in supplies and other expenses in the statements of operations for the year ended June 30, 2011

2. Summary of Significant Accounting Policies (continued)

Capital BlueCross reimburses the Hospital on a prospective basis for inpatient and surgical outpatient services Nonsurgical outpatient services are reimbursed on a percentage-of-charges basis

Revenues from the Medicare and PMA programs accounted for approximately 50% and 49% of the Hospital's net patient service revenues for the years ended June 30, 2011 and 2010, respectively Laws and regulations governing the Medicare and PMA programs are 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 The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and PMA programs

Allowance for Doubtful Accounts

The Hospital establishes an allowance for doubtful accounts to report the net realizable amounts to be received from patients Increases to this allowance are reflected as a provision for doubtful accounts in the statements of operations The Hospital regularly performs a detailed analysis of the collectibility of patient accounts receivable and considers such factors as prior collection experience and the age of the receivables to determine the appropriate allowance level

Inventories

Inventories are stated at the lower of cost or market Cost is determined on the first-in, first-out method

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets primarily by quoted market prices Investment income or loss (including realized gains and losses and other-than-temporary losses on investments, interest, and dividends) is included in the excess (deficiency) of revenues and gains over expenses and losses, unless the income or loss is restricted by the donor Changes in

2. Summary of Significant Accounting Policies (continued)

unrealized gains and losses to the extent that such losses are considered temporary are excluded from the excess (deficiency) of revenues and gains over expenses and losses

Investments and assets limited as to use are periodically reviewed for impairment conditions that indicate the occurrence of an other-than-temporary decline in value When an other-than-temporary decline is identified, the investment's cost basis is written down to its current market value Due primarily to a significant decline in the market value of equity securities, the Hospital recognized an other-than-temporary impairment (OTTI) loss on its investment portfolio of $131,000 for the year ended June 30, 2010 The other-than-temporary decline in market value of investments is a component of nonoperating gains (losses)

Fair Values of Financial Instruments

The methods and assumptions used to value the Hospital's financial instruments at fair value are set forth below

- Investments – fair values for investment securities are based on quoted market prices
- Long-term debt – the fair value of the Hospital's long-term debt is based upon quoted market prices
- Cash and cash equivalents, Patient accounts receivable, Accounts payable and accrued expenses, and Due to third-party payors – the carrying amount approximates fair value

Pledges Receivable

Unconditional promises to give are recorded as pledges receivable at their net present value in the year promised and are recognized as temporarily restricted or permanently restricted support as appropriate, based on donor stipulations Conditional pledges are not recorded until the donor-imposed condition has been substantially satisfied

The future expected cash flows from pledges receivable have been discounted using a 2 00% and 6 75% rate for the fiscal years ended June 30, 2011 and 2010, respectively, based on the average duration of such pledges At June 30, 2011 and 2010, pledges receivable, net of allowance for uncollectible pledges, due to the Hospital in less than one year are $753,000 and $614,000, in

2. Summary of Significant Accounting Policies (continued)

one to five years are $618,000 and $837,000, and in more than five years are $2,000 and $49,000, respectively For the years ended June 30, 2011 and 2010, the total allowance for uncollectible pledges is $471,000 and $765,000, respectively, which is recorded against the pledges receivable balance

Property, Buildings, and Equipment

Property, buildings, and equipment are recorded at cost, net of accumulated depreciation Provisions for depreciation are made over the estimated useful lives of the respective assets using the straight-line method

Maintenance and repairs are charged to expense as incurred Betterments and major renewals are capitalized Cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and the resulting gain or loss is included in nonoperating gains and losses

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess (deficiency) of revenues and gains over expenses and losses, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Bond Issue Costs

Bond issue costs, representing costs of issuance, are being amortized on a straight-line basis, which approximates the interest method, over the outstanding life of the related bonds

Goodwill

Goodwill and other intangible assets resulting from business acquisitions consist of the excess of the acquisition cost over the fair value of the net tangible assets of businesses acquired at the date of acquisition

2. Summary of Significant Accounting Policies (continued)

As a result of the acquisition of The Hyman S Caplan Pavilion in 1988, the excess of the purchase price over the fair value of net assets acquired was recorded as goodwill This intangible asset of $2,270,000 is deemed to have an indefinite life The Company performs an annual impairment test to determine if any impairment has occurred If impairment has occurred, then the Company is required to write down the value of the goodwill to its fair value Management does not believe that there has been any impairment of this intangible asset as of June 30, 2011 or 2010

Self-Insurance

The Hospital is self-insured for employee health benefits, including hospitalization, dental, and vision The self-insurance liability is determined through management's analysis of claims filed and an estimate of claims incurred but not reported

The Hospital is a 6 5% owner of Community Hospital Alternative for Risk Transfer (CHART), a risk retention group domiciled in Vermont and licensed by the Vermont Insurance Department and the Hospital's professional liability insurance carrier (see Note 11) As of June 30, 2011 and 2010, the Hospital's investment in CHART was $3,582,000 and $3,181,000, respectively, and is reflected as a component of goodwill and other assets within the accompanying balance sheets Included in 2011 and 2010 other operating revenue is $503,000 and $312,000 of equity earnings related to CHART

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost 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 statements of operations as net assets released from restrictions

2. Summary of Significant Accounting Policies (continued)

Unrestricted Net Assets

Contributions and gifts which are received with no restrictions or specified uses identified by the grantors or donors are included as unrestricted revenue in the statements of operations of the Hospital when received Certain unrestricted net assets have been designated by the Board of Trustees for future capital expansion and other long-term projects

Excess (Deficiency) of Revenues and Gains Over Expenses and Losses

The statements of operations include the excess (deficiency) of revenues and gains over expenses and losses Changes in unrestricted net assets that are excluded from the excess (deficiency) of revenues and gains over expenses and losses, consistent with industry practice, include unrealized gains and losses on investments to the extent that such losses are considered temporary, permanent transfers of assets to and from affiliates for other than goods and services, 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), other changes in accrued pension liability and postretirement benefits

Income Taxes

The Hospital is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code On such basis, the Hospital will not incur any liability for federal income taxes, except for possible unrelated business income

In the course of preparing the Hospital's tax returns, the Hospital evaluates tax positions taken or expected to be taken to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authorities Tax positions not deemed to meet the more-likely-than-not threshold are recorded as tax benefits or expenses in the current year Management has analyzed all tax positions taken on federal, state, and local income tax returns for all open tax years and has concluded that no provision for federal income tax is required in the financial statements There are no interest and penalties deducted in the current period and no interest and penalties accrued at June 30, 2011

2. Summary of Significant Accounting Policies (continued)

Reclassifications

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

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements* ASU 2010-06 amended certain of the disclosures required under ASC 820 The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each "class" of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is effective for fiscal years beginning after December 31, 2010, the Hospital adopted the guidance in ASU 2010-06 for the reporting period ended June 30, 2011 Adoption of ASU 2010-06 did not have a material effect on the Hospital's financial statements

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

2. Summary of Significant Accounting Policies (continued)

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

3. Concentrations of Credit Risk

The Hospital's operations are located in Lebanon, Pennsylvania, with a primary service area that includes the City of Lebanon and surrounding communities The Hospital grants credit to its patients and third-party payors, primarily Medicare, Medical Assistance, BlueCross and various commercial insurance companies without collateral The Hospital maintains reserves for potential credit losses and such losses have historically been within management's expectations

The mix of patient accounts receivable by payor was as follows

	June 30	
	2011	**2010**
	31%	35%
	6	6
	12	10
	2	3
	5	5
	43	40
	1	1
	100%	100%

4. Charity Care and Community Service

The Hospital provides services to patients who meet the criteria of its charity care policy Criteria for charity care consider the patient's family income, number of dependents, and ability to pay Poverty guidelines are used as a means of determining the patient's ability to pay

The Hospital maintains records to identify and monitor the level of charity care and community service it provides These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity care and community service policies, the estimated cost of those services, and the number of patients receiving services under these policies

Charges forgone for charity care were approximately $7,378,000 and $2,224,000 in 2011 and 2010, respectively Such amounts have been excluded from revenue in 2011 and 2010, respectively During 2011, management reevaluated its 2010 charity care determination on certain services provided to patients during 2010 and determined that $4,329,000 qualified as charity care but was presented in the provision for doubtful accounts on the accompanying statements of operations

Additionally, the Hospital sponsors certain other service programs and charity services that provide substantial benefit to the broader community These programs include services to needy populations that require special services and support, such as community service programs and charity services for the benefit of elderly programs, substance abuse, and child abuse as well as health promotion and education

5. Investments

Investments available for operations of the Hospital, stated at fair value, are as follows

	June 30	
	2011	**2010**
Fixed income	**$ 12,788,000**	$ 12,338,000
Equities	**8,869,000**	6,413,000
	21,657,000	18,751,000
Accrued interest	–	1,000
	$ 21,657,000	$ 18,752,000

5. Investments (continued)

Investment income, gains, and other-than-temporary decline in market value of investments are comprised of the following

	Year Ended June 30	
	2011	**2010**
Nonoperating gains (losses)		
Interest and dividend income	**$ 339,000**	$ 515,000
Realized gains on sales of securities, net	**361,000**	200,000
Other-than-temporary decline in market value of investments	**–**	(131,000)
	$ 700,000	$ 584,000

Included in long-term investments are funds held by others in an irrevocable trust for the benefit of the Hospital of $175,000 and $175,000 at June 30, 2011 and 2010, respectively

6. Assets Limited as to Use

Funds Held by Trustee

The respective bond indentures for the 2002 Bonds and the 2004 Bonds require that certain funds be established and controlled by the trustee during the period the Bonds are outstanding The current and long-term portions of funds held by trustee, stated at fair value, are as follows

	June 30	
	2011	**2010**
Debt service reserve fund	**$ 5,636,000**	$ 5,582,000
Debt service fund	**84,000**	84,000
Revenue fund	**1,174,000**	1,188,000
	6,894,000	6,854,000
Less current portion	**(84,000)**	(84,000)
	$ 6,810,000	$ 6,770,000

6. Assets Limited as to Use (continued)

The above funds are invested in cash and cash equivalents and corporate and government bonds The debt service reserve fund is available for the redemption of bonds, and the debt service fund is used for the payment of principal and interest on the bonds The revenue funds are available for the redemption of bonds within the next 12 months

Interest income earned on funds held by trustee was $31,000 and $37,000 for the years ended June 30, 2011 and 2010, respectively, and is included in other operating revenue

Board-Designated Funds

Board-designated funds, stated at fair value, are as follows

	June 30	
	2011	**2010**
Cash and cash equivalents	**$ 344,000**	$ 346,000
Fixed income	**4,310,000**	4,201,000
Equities	**2,657,000**	1,922,000
	7,311,000	6,469,000
Accrued interest	**1,000**	1,000
	$ 7,312,000	$ 6,470,000

Investment income and gains from Board-designated funds are comprised of the following

	Year Ended June 30	
	2011	**2010**
Nonoperating gains (losses)		
Interest and dividend income	**$ 114,000**	$ 158,000
Realized gains on sales of securities, net	**108,000**	63,000
	$ 222,000	$ 221,000

7. Fair Value Measurements

ASC 820 clarifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value These tiers include Level 1 – defined as observable inputs such as quoted prices in active markets, Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, and Level 3 – defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions

In determining fair value, the Hospital uses the market approach The market approach utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

The following table presents the fair value hierarchy for the Hospital's financial assets measured at fair value on a recurring basis at June 30, 2011 and 2010

7. Fair Value Measurements (continued)

	Total	Level 1	Level 2	Level 3
June 30, 2011				
Cash and cash equivalents				
Money market funds	**$ 2,409,000**	**$ 2,409,000**	**$ –**	**$ –**
Assets limited as to use				
Equity securities	**2,673,000**	**2,673,000**	**–**	**–**
Bond mutual funds	**9,959,000**	**9,959,000**	**–**	**–**
Money market funds	**1,574,000**	**1,574,000**	**–**	**–**
Investments				
Equity securities	**8,932,000**	**8,932,000**	**–**	**–**
Bond mutual funds	**12,776,000**	**12,776,000**	**–**	**–**
Money market funds	**124,000**	**124,000**	**–**	**–**
	$ 38,447,000	**$ 38,447,000**	**$ –**	**$ –**
June 30, 2010				
Cash and cash equivalents				
Money market funds	$ 3,271,000	$ 3,271,000	$ –	$ –
Assets limited as to use				
Equity securities	1,923,000	1,923,000	–	–
Bond mutual funds	10,656,000	10,656,000	–	–
Money market funds	745,000	745,000	–	–
Investments				
Equity securities	6,471,000	6,471,000	–	–
Bond mutual funds	12,350,000	12,350,000	–	–
Money market funds	106,000	106,000	–	–
	$ 35,522,000	$ 35,522,000	$ –	$ –

8. Property, Buildings, and Equipment

	June 30 2011	2010
Land	**$ 1,469,000**	$ 1,469,000
Land improvements	**1,645,000**	1,645,000
Buildings and fixed equipment	**100,730,000**	100,509,000
Movable equipment	**76,383,000**	72,772,000
	180,227,000	176,395,000
Less accumulated depreciation and amortization	**(108,602,000)**	(99,304,000)
	71,625,000	77,091,000
Construction in progress	**1,619,000**	988,000
	$ 73,244,000	$ 78,079,000

Depreciation expense relating to property and equipment for the years ended June 30, 2011 and 2010 amounted to $9,509,000 and $9,592,000, respectively

Plant and equipment are being depreciated over the following periods 10 to 15 years for land improvements, 20 to 40 years for buildings and fixed equipment, and 3 to 10 years for movable equipment

9. Long-Term Debt

The composition of long-term debt is as follows

	June 30 2011	June 30 2010
Hospital Revenue Bonds, Series of 2002, issued by the Lebanon County Good Samaritan Hospital Authority, the bonds mature serially through fiscal 2036 bearing interest rates of 4 35% to 6 00%	**$ 54,670,000**	$ 54,800,000
Hospital Revenue Bonds, Series of 2004, issued by the Lebanon County Good Samaritan Hospital Authority, the bonds mature serially through fiscal 2019 bearing interest rates of 4 00% to 4 50%	**11,155,000**	12,320,000
Capital lease obligation with imputed interest of 6 25%	**792,000**	877,000
	66,617,000	67,997,000
Less bond discount	**(674,000)**	(709,000)
Plus bond premium	**122,000**	138,000
Less current portion	**(1,419,000)**	(1,379,000)
	$ 64,646,000	$ 66,047,000

In accordance with the bond indentures, the Hospital has granted as collateral to the Authority an interest in its gross revenues In addition, the bond indentures require the Hospital, among other things, to generate "income available for debt service" each fiscal year sufficient to meet 110% of the annual debt service of its long-term debt "Income available for debt service" is defined as the excess of total revenues over all operating and nonoperating expenses before the provision for depreciation, amortization, and interest For the years ended June 30, 2011 and 2010, the Hospital was in compliance with the "income available for debt service" requirements

9. Long-Term Debt (continued)

A summary of principal payments during the next five years and thereafter for the years ending June 30 is as follows

	Bonds	Capital Lease
2012	$ 1,335,000	$ 146,000
2013	1,390,000	146,000
2014	1,445,000	146,000
2015	1,520,000	146,000
2016	1,585,000	146,000
Thereafter	58,550,000	647,000
	$ 65,825,000	1,377,000
Less Amounts representing interest at 6 25%		(585,000)
Present value of net minimum lease payment		$ 792,000

The estimated fair value of long-term debt was $61,792,000 and $67,135,000 as of June 30, 2011 and 2010, respectively

The capital lease obligation is collateralized by the leased property This property is included in the Hospital's building and fixed equipment with a value of $1,598,000 net of accumulated depreciation of $383,000

The Hospital has available a line of credit in the amount of $4,500,000 At June 30, 2011 and 2010, the amount outstanding under the line of credit was $2,701,000 and $1,610,000, respectively

10. Operating Leases

The Hospital leases various equipment and office space under operating lease arrangements primarily with annual terms from third parties and also with controlled entities of the Parent (see Note 13) Total rent expense related to operating lease agreements was $3,855,00 and $3,945,000 for the years ended June 30, 2011 and 2010, respectively

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2011, that have initial or remaining lease terms in excess of one year

	Third-Party Leases	Related-Party Leases
2012	$ 2,251,000	$ 276,000
2013	1,905,000	276,000
2014	1,190,000	276,000
2015	527,000	276,000
2016	494,000	276,000

11. Malpractice Insurance

The Hospital is a defendant in civil actions for alleged medical malpractice These actions are being defended by the Hospital's medical malpractice insurance carrier In the opinion of management, the Hospital's potential liability in these actions is within the limits of its medical malpractice liability and comprehensive general liability insurance Additionally, there are known claims and incidents that may result in the assertion of additional claims as well as potential claims from unknown incidents that may be asserted arising from services provided to patients

The Hospital carries professional liability insurance in the amounts of $500,000 each claim and $2,500,000 annual aggregate through CHART, a risk retention group domiciled in Vermont in which the Hospital holds a 6 5% equity interest

Excess limits of $500,000 each occurrence and $1,500,000 annual aggregate are provided by the Pennsylvania Medical Care Availability and Reduction of Error Fund (MCARE Fund) (see below)

The Hospital also carries excess umbrella coverage with CHART of $10,000,000 each occurrence and $45,000,000 aggregate

11. Malpractice Insurance (continued)

The Hospital has retained risk for claims of $0 to $500,000 plus pro rata expenses As of June 30, 2011 and 2010, the Hospital's estimated liability is $1,015,000, respectively, for future payments of its unasserted medical malpractice claims is included in insurance liabilities in the accompanying balance sheets The estimated liability has been discounted at 3%

Prior to May 1, 2002, the Medical Inter-Insurance Exchange (MIIX) provided the Hospital malpractice insurance coverage for all employees including certain Hospital-based physicians The coverage was contracted under a claims-made basis During 2001, the Risk Based Capital of MIIX Group, Inc 's operating subsidiary, MIIX Insurance Company (MIC), fell below National Association of Insurance Commissioners' (NAIC) minimum thresholds, requiring MIC to file a corrective action plan with the New Jersey Department of Banking and Insurance (NJDBI) that resulted in the company entering solvent runoff As a result of further adverse developments, MIC entered into an Order with the NJDBI on May 1, 2003 that set forth a framework for the regulatory monitoring of MIC As of June 30, 2011, the Hospital had one remaining claim with MIC It is management's belief that the future settlement of this claim will not have a material effect on the Hospital's financial statements

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

The actuarially computed liability for all health care providers (hospital, physicians, and others) participating in the MCARE Fund at December 31, 2009 (the latest date for which such information is publicly available) was $1 34 billion Current law provides that the unfunded liability will likely be funded through assessments in future years as MCARE Fund-covered claims are eventually settled and paid

11. Malpractice Insurance (continued)

The Hospital's annual premiums for participation in the MCARE Fund were $237,000 and $255,000 for the years ended June 30, 2011 and 2010, respectively No provision has been made for any future MCARE Fund assessments in the accompanying financial statements as the Hospital's portion of the MCARE Fund unfunded liability cannot be reasonably estimated

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose Temporarily restricted net assets are available for the following purposes

	June 30	
	2011	**2010**
Equipment purchases	**$ 512,000**	$ 468,000
Oncology Center	**346,000**	228,000
Scholarships	**42,000**	34,000
Restricted due to timing	**1,373,000**	1,604,000
	$ 2,273,000	$ 2,334,000

Permanently restricted net assets are endowments with the income designated for the following purposes

	June 30	
	2011	**2010**
Nursing scholarships	**$ 320,000**	$ 320,000
Employee scholarships	**201,000**	201,000
General	**151,000**	151,000
	$ 672,000	$ 672,000

12. Temporarily and Permanently Restricted Net Assets (continued)

Endowments

In August 2008, the FASB issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds The Hospital operates in the Commonwealth of Pennsylvania, and is not required to adopt the provisions related to UPMIFA, however, it is subject to enhanced disclosure requirements

The Hospital's Board of Trustees follows the interpretation of Commonwealth of Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the value of gifts donated to the permanent endowment and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund This is regarded as the "historic dollar value" of the endowed fund Any remaining unspent earnings or net appreciation of the donor-restricted endowment funds is not classified in permanently restricted net assets and is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the Hospital's spending policy For investment purposes, the Hospital commingles the endowment assets in a pooled investment account established by the Hospital

Changes in endowment net assets for the years ended June 30, 2011 and 2010, respectively, are as follows

	Permanently Restricted
Endowment net assets, June 30, 2009	$ 672,000
Investment return	19,000
Contributions	–
Appropriation of endowment assets for expenditure	(19,000)
Endowment net assets, June 30, 2010	672,000
Investment return	**5,000**
Contributions	–
Appropriation of endowment assets for expenditure	**(5,000)**
Endowment net assets, June 30, 2011	**$ 672,000**

13. Related Party Transactions

Certain members of the Board of Trustees of the Hospital are related to entities providing services to the Hospital in the ordinary course of business The Hospital's policy states that all members of the Board of Trustees must sign a statement each year disclosing any conflict of interest that may arise and agree to abstain when any issue involving the parties with conflicting interests is called to motion

The Hospital incurred the following expenses with controlled entities of the Parent

	Year Ended June 30	
	2011	**2010**
Rental fees	**$ 974,000**	$ 936,000
Purchased services	**468,000**	553,000
Medical supplies	**12,000**	10,000
	$ 1,454,000	$ 1,499,000

Routine operations for the Hospital resulted in recording receivables for services provided to and payables for services received from the controlled entities of the Parent as of June 30, 2011 and 2010

During 2008, 2009, and 2010, the Hospital advanced funds to Good Samaritan Physician Services Inc (GSPS), a parent-controlled entity In 2010, it was determined that collection of the related receivable was in doubt and the Hospital reserved the entire balance of $11,647,000 Collection of the receivable arising from $7,206,000 of funds advanced to GSPS during 2011 is in doubt and, therefore, the entire balance has been reserved as of June 30, 2011

14. Pension and Other Postretirement Benefit Plans

The Hospital maintains a noncontributory defined benefit pension plan (pension plan) covering substantially all employees of the Hospital The pension plan provides a pension benefit that is generally based on the years of service and the employee's compensation in certain years preceding retirement Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future The Hospital's policy is to fund annually at least the minimum amount required by the Employee Retirement Income Security Act of 1974 (ERISA)

14. Pension and Other Postretirement Benefit Plans (continued)

The Hospital also sponsors a defined benefit postretirement plan (retirement plan) covering employees who were age 50 or older on July 1, 1993, have a minimum of five years of vesting services, and retire directly from the Hospital after age 55 The contributory retirement plan provides hospitalization, prescription drug and vision health benefits as a supplement to Medicare coverage Hospital contributions are fixed per retiree with retiree contributions adjusted annually Certain eligible retirees receive benefits with no contribution The retirement plan is unfunded

The following table summarizes information about the Plans and reflects the adoption of ASC 715

	Pension Benefits		Other Benefits	
	2011	**2010**	**2011**	**2010**
Change in benefit obligation				
Benefit obligation at beginning of year	**$ 80,797,000**	$ 68,335,000	**$ 3,779,000**	$ 3,128,000
Service cost	**2,545,000**	2,372,000	**–**	–
Interest cost	**4,350,000**	4,209,000	**145,000**	208,000
Actuarial (gain) loss	**218,000**	(1,426,000)	**(466,000)**	385,000
Change in plan actuarial assumptions	**(2,377,000)**	8,975,000	**99,000**	386,000
Benefits paid	**(2,000,000)**	(1,668,000)	**(322,000)**	(328,000)
Benefit obligation at end of year	**83,533,000**	80,797,000	**3,235,000**	3,779,000
Change in plan assets				
Fair value of plan assets at beginning of year	**44,600,000**	36,111,000	**–**	–
Employer contributions	**5,523,000**	3,611,000	**322,000**	328,000
Actual return on plan assets	**7,902,000**	6,546,000	**–**	–
Benefits paid	**(2,000,000)**	(1,668,000)	**(322,000)**	(328,000)
Fair value of plan assets at end of year	**56,025,000**	44,600,000	**–**	–
Funded status at end of year	**$(27,508,000)**	$(36,197,000)	**$ (3,235,000)**	$ (3,779,000)
Amounts recognized in the balance sheets consist of				
Accrued benefit costs	**$(27,508,000)**	$(36,197,000)	**$ (3,235,000)**	$ (3,779,000)

14. Pension and Other Postretirement Benefit Plans (continued)

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Amounts recognized in accumulated unrestricted net assets consist of				
Prior service cost (credit)	**$ 3,998,000**	$ 4,666,000	**$ (441,000)**	$ (530,000)
Net actuarial (gain) loss	**23,258,000**	31,665,000	**146,000**	513,000
Net amount recognized	**$ 27,256,000**	$ 36,331,000	**$ (295,000)**	$ (17,000)
Components of net periodic benefit cost				
Service cost	**$ 2,545,000**	$ 2,372,000	**$ –**	$ –
Interest cost	**4,350,000**	4,209,000	**145,000**	208,000
Expected return on plan assets	**(3,620,000)**	(3,332,000)	**–**	–
Amortization of prior service cost	**667,000**	667,000	**(88,000)**	(88,000)
Amortization of unrecognized net actuarial (gain) loss	**1,965,000**	1,863,000	**–**	–
Net periodic benefit cost	**5,907,000**	5,779,000	**57,000**	120,000
Other changes in accrued pension liability and postretirement benefits recognized in unrestricted net assets consist of				
Current-year actuarial (gain) loss	**(4,065,000)**	(4,641,000)	**(466,000)**	385,000
Recognized actuarial (loss) gain	**(1,965,000)**	(1,863,000)	**–**	–
Change due to change in assumption	**(2,376,000)**	8,975,000	**82,000**	386,000
Amortization of prior service cost	**(667,000)**	(667,000)	**88,000**	88,000
Total recognized in unrestricted net assets	**(9,073,000)**	1,804,000	**(296,000)**	859,000
Total recognized in net periodic benefit cost and unrestricted net assets	**$ (3,166,000)**	$ 7,583,000	**$ (239,000)**	$ 979,000
Weighted-average assumptions used to determine benefit obligations at June 30				
Discount rate	**5.65%**	5 46%	**4.52%**	4 62%
Expected return on plan assets	**8.00**	9 00	**–**	–
Rate of compensation increase	**3.75**	3 75	**–**	–

14. Pension and Other Postretirement Benefit Plans (continued)

	Pension Benefits		Other Benefits	
	2011	**2010**	**2011**	**2010**
Weighted-average assumptions used to determine net periodic pension cost at June 30				
Discount rate	**5.65%**	5 46%	**4.52%**	4 62%
Rate of compensation increases	**3.75**	3 75	–	–

The investment objectives of the pension plan are invest consistent with the fiduciary standards of ERISA, to provide for the funding and anticipated withdrawals on an ongoing basis, conserve and enhance the capital value of the pension plan in real terms while maintaining a moderate risk profile, to minimize principal fluctuations over the investment cycle, and achieve a long-term level of return commensurate with contemporary economic conditions The expected long-term rate of return with respect to the pension plan is based on an aggregate of expected capital market returns within each asset category

The asset allocation percentage by major asset class and the target allocation for 2011 is as follows

		June 30	
	Target 2011	**2011**	**2010**
Assets			
Fixed income	41% – 50%	**49%**	51%
Equity securities	50% – 60%	**51**	49
		100%	100%

The following table presents the fair value hierarchy for the Hospital's pension plan assets measured at fair value as of June 30, 2011 and 2010

	Total	**Level 1**	**Level 2**	**Level 3**
June 30, 2011				
Investments				
Equity securities	**$ 28,681,000**	**$ 28,681,000**	**$ –**	**$ –**
Bond mutual funds	**27,344,000**	**27,344,000**	**–**	**–**
Total assets at fair value	**$ 56,025,000**	**$ 56,025,000**	**$ –**	**$ –**

14. Pension and Other Postretirement Benefit Plans (continued)

	Total	Level 1	Level 2	Level 3
June 30, 2010				
Investments				
Equity securities	$ 21,812,000	$ 21,812,000	$ –	$ –
Bond mutual funds	22,788,000	22,788,000	–	–
Total assets at fair value	$ 44,600,000	$ 44,600,000	$ –	$ –

At June 30, 2011 and 2010, the accumulated benefit obligation for the pension plan was $76,100,000 and $72,428,000, respectively

A summary of benefit payments, which reflect expected future service, as appropriate, that are expected to be paid to participants in the pension plan during the next five years ending June 30 and the five-year period beginning thereafter is as follows

2012	$ 2,528,000
2013	2,690,000
2014	2,892,000
2015	3,110,000
2016	3,419,000
Five-year period beginning thereafter	23,593,000

For measurement purposes, an 8 0% and 8 0% annual rate of increase in the per capita cost of covered health care benefits was assumed for the 2011 and 2010 fiscal years, respectively The rate was assumed to decrease by 0 5% per year to 5 5% in 2016

Assumed health care cost trend rates have a significant effect on the amounts reported for the other postretirement benefit plan A one-percentage-point change in assumed health care cost trend rates would have the following effects

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost components	$ 7,000	$ 6,000
Effect on postretirement benefit obligation	160,000	143,000

14. Pension and Other Postretirement Benefit Plans (continued)

A summary of benefit payments, including prescription drug benefits, that are expected to be paid to participants in the retirement plan during the next five years ending June 30 and the five-year period beginning thereafter is as follows

	Gross Benefit Payments	Gross Subsidy Receipts	Net Benefit Payments
2012	$ 355,000	$ (45,000)	$ 310,000
2013	358,000	(44,000)	314,000
2014	355,000	(43,000)	312,000
2015	349,000	(42,000)	307,000
2016	331,000	(41,000)	290,000
Five-year period beginning thereafter	1,432,000	(163,000)	1,269,000

15. Functional Expenses

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

	Year Ended June 30 2011	2010
Health care services	**$ 104,278,000**	$ 104,120,000
General and administrative	**63,422,000**	64,325,000
	$ 167,700,000	$ 168,445,000

16. Subsequent Events

The Hospital has evaluated the need for disclosures and/or adjustments resulting from subsequent events through October 24, 2011, the date the financial statements were available to be issued Based on this evaluation, no adjustments or additional disclosures were required to be made to the financial statements as of June 30, 2011

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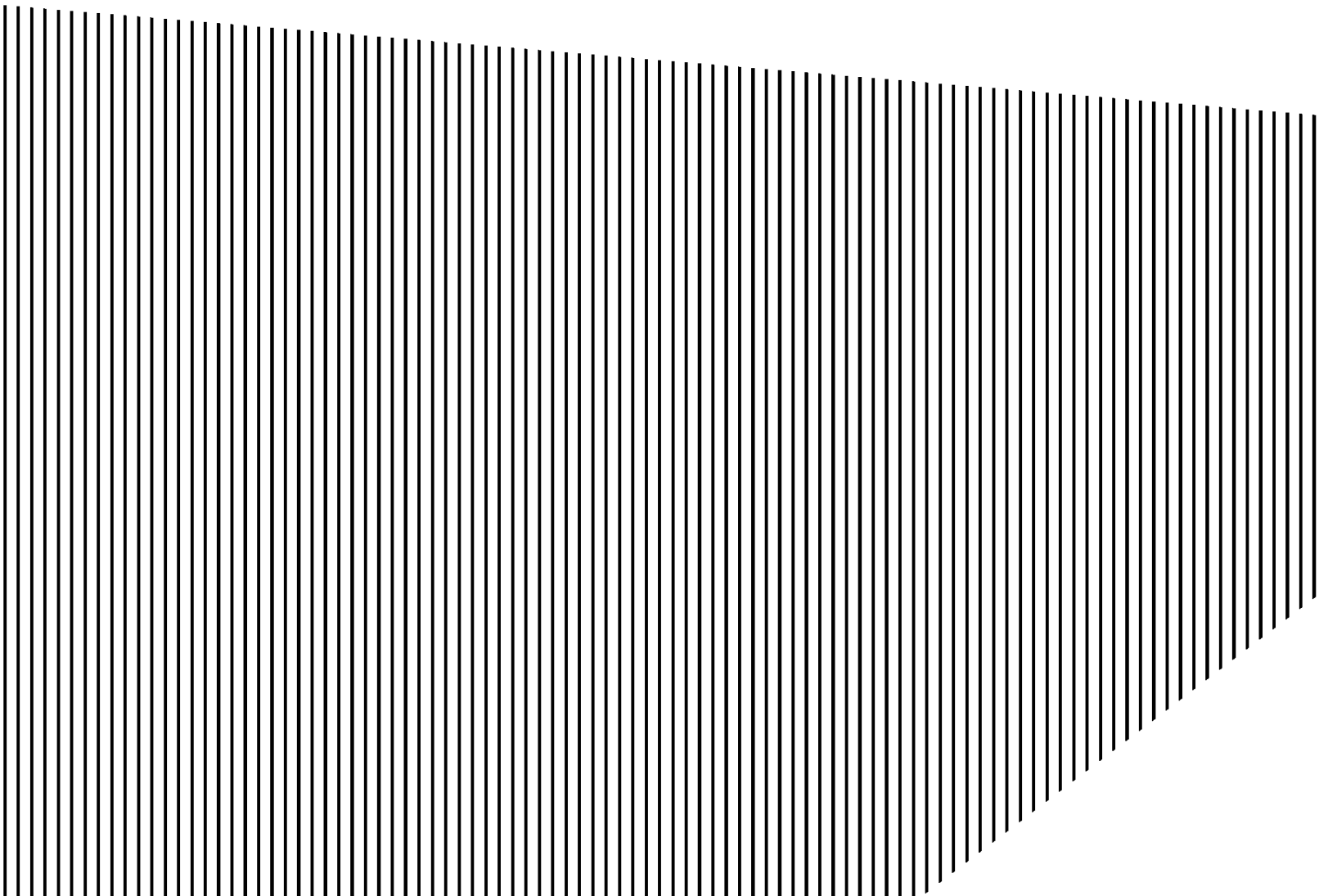

Additional Data

Software ID:
Software Version:
EIN: 23-0794160
Name: Good Samaritan Hospital The

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			
CAROL BLECKER TRUSTEE	1.0	X						0	0	0
EARL H BRINSER TRUSTEE	1.0	X						0	0	0
SLOAN CAPLAN TRUSTEE	1.0	X						0	0	0
EVELYN C COLON TRUSTEE	1.0	X						0	0	0
PAUL R DIGIACOMO TRUSTEE	1.0	X						0	0	0
DONALD H DREIBELBIS SECOND VICE CHAIRMAN	1.0	X		X				0	0	0
ROBERT J FUNK TRUSTEE	1.0	X						0	0	0
ROBERT P HOFFMAN TRUSTEE	1.0	X						0	0	0
JANE W JUPPENLATZ SECRETARY	1.0	X		X				0	0	0
FREDERICK C LAURENZO TRUSTEE	1.0	X						0	0	0
ROBERT J PHILLIPS TRUSTEE	1.0	X						0	0	0
WILLIAM E SCHAEFFER JR MD TRUSTEE	1.0	X						0	0	0
DENNIS L SHALTERS CHAIRMAN	1.0	X		X				0	0	0
GALEN G WEABER TRUSTEE	1.0	X						0	0	0
JOHN P WELCH MD FIRST VICE CHAIRMAN	1.0	X		X				0	0	0
DEBORAH T WEAVER TRUSTEE	1.0	X						0	0	0
FREDERICK S WOLFSON ESQ TREASURER	1.0	X		X				0	0	0
JULIE ZINSSER TRUSTEE	1.0	X						0	0	0
ROBERT J LONGO PRES & CEO	40.0	X		X				510,035	0	2,884
KIMBERLY FEEMAN SENIOR VP & COO	40.0			X				246,840	0	0
ROBERT J RICHARDS VP FINANCE & CFO	40.0			X				286,870	0	0
JACQUELYN M GOULD VP NURSING	40.0				X			191,573	0	0
JULIE MIKSIT VP CV SVCS & REHAB THERAPIES	40.0				X			164,171	0	0
WILLIAM HENDRICK VP OF ENGINEERING	40.0				X			194,453	0	0
ROBERT D SHAVER MD VP MEDICAL AFFAIRS	40.0				X			331,140	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			
ELLEN JOHNSON PHYSICIAN	40 0					X		188,017	0	0
DARIA KOVARIKOVA PHYSICIAN	40 0					X		187,568	0	0
BYARD YODER PHYSICIAN	40 0					X		174,481	0	0
ROBERTA SCHERR PHYSICIAN	40 0					X		170,211	0	0
JAMES MCGEARY PHYSICIAN	40 0					X		159,625	0	0