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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

**2011**

**Open to Public Inspection**

**A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012**

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

**C** Name of organization
DOYLESTOWN HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
595 WEST STATE STREET

City or town, state or country, and ZIP + 4
DOYLESTOWN, PA 18901

**D Employer identification number**
23-1352174

**E Telephone number**
(215) 345-2242

**G** Gross receipts $ 229,996,510

**F** Name and address of principal officer
JIM BREXLER FACHE
595 WEST STATE STREET
DOYLESTOWN,PA 18901

**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 DH ORG

**K** Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

**L** Year of formation 1923

**M** State of legal domicile PA

## Part I Summary

**1** Briefly describe the organization's mission or most significant activities
TO PROVIDE A RESPONSIVE HEALING ENVIRONMENT FOR PATIENTS AND THEIR FAMILIES, AND TO IMPROVE THE QUALITY OF LIFE FOR ALL MEMBERS OF THE COMMUNITY

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

| | | | |
|---|---|---|---|
| **3** | Number of voting members of the governing body (Part VI, line 1a) | **3** | 20 |
| **4** | Number of independent voting members of the governing body (Part VI, line 1b) | **4** | 16 |
| **5** | Total number of individuals employed in calendar year 2011 (Part V, line 2a) | **5** | 2,095 |
| **6** | Total number of volunteers (estimate if necessary) | **6** | 904 |
| **7a** | Total unrelated business revenue from Part VIII, column (C), line 12 | **7a** | 0 |
| **b** | Net unrelated business taxable income from Form 990-T, line 34 | **7b** | 0 |

| | | Prior Year | Current Year |
|---|---|---|---|
| **8** | Contributions and grants (Part VIII, line 1h) | 3,263,903 | 2,456,000 |
| **9** | Program service revenue (Part VIII, line 2g) | 234,410,090 | 232,701,993 |
| **10** | Investment income (Part VIII, column (A), lines 3, 4, and 7d ) | 3,225,098 | -7,809,233 |
| **11** | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 2,405,578 | 2,647,750 |
| **12** | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 243,304,669 | 229,996,510 |
| **13** | Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) | 3,067,339 | 667,255 |
| **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) | 114,721,836 | 115,816,946 |
| **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–24e) | 117,099,389 | 115,208,435 |
| **18** | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | 234,888,564 | 231,692,636 |
| **19** | Revenue less expenses Subtract line 18 from line 12 | 8,416,105 | -1,696,126 |

| | | Beginning of Current Year | End of Year |
|---|---|---|---|
| **20** | Total assets (Part X, line 16) | 321,631,544 | 315,805,181 |
| **21** | Total liabilities (Part X, line 26) | 213,696,405 | 228,817,869 |
| **22** | Net assets or fund balances Subtract line 21 from line 20 | 107,935,139 | 86,987,312 |

## 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**

****** 2013-05-14
Signature of officer Date

JIM BREXLER FACHE cfo
Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4
WITHUM SMITH BROWN PC
465 SOUTH STREET SUITE 200
MORRISTOWN, NJ 07960

EIN ▶

Phone no ▶ (973) 898-9494

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 A RESPONSIVE HEALING ENVIRONMENT FOR PATIENTS AND THEIR FAMILIES, AND TO IMPROVE THE QUALITY OF LIFE FOR ALL MEMBERS OF THE COMMUNITY PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT

**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 organization's program service accomplishments for each of its three largest program services, as measured 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 $ 113,504,400 including grants of $ 0 ) (Revenue $ 104,901,787 )

EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY INPATIENT SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY THE ORGANIZATION TREATED 13,315 ADMISSIONS FOR A TOTAL OF 54,214 PATIENT DAYS DURING THE FISCAL YEAR PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT

**4b** (Code ) (Expenses $ 56,029,889 including grants of $ 0 ) (Revenue $ 72,422,920 )

EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY OUTPATIENT SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY THE ORGANIZATION TREATED 173,486 PATIENT ENCOUNTERS DURING THE FISCAL YEAR PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT

**4c** (Code ) (Expenses $ 15,028,912 including grants of $ 0 ) (Revenue $ 16,121,906 )

EXPENSES INCURRED IN PROVIDING MEDICALLY NECESSARY EMERGENCY DEPARTMENT SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY THE ORGANIZATION TREATED 35,979 EMERGENCY DEPARTMENT ADMISSIONS DURING THE FISCAL YEAR PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT

**4d** Other program services (Describe in Schedule O )

(Expenses $ 24,026,896 including grants of $ 667,255 ) (Revenue $ 39,255,380 )

**4e** **Total program service expenses** ▶ $ 208,590,097

## 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 instructions)? | 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 for which 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 temporarily restricted endowments, permanent endowments, 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 | Yes | |
| d | Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.* | 11d | | No |
| e | Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.* | 11e | Yes | |
| f | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.* | 11f | 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I* | 14b | | No |
| 15 | Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II 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, Part 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* | 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.** All Form 990 filers that operated one or more hospitals must attach audited financial statements | 20b | Yes | |

**Part IV Checklist of Required Schedules** *(continued)*

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

## Part V Statements Regarding Other IRS Filings and Tax Compliance

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

| | | | | Yes | No |
|---|---|---|---|---|---|
| **1a** | Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . . . . . | **1a** | 259 | | |
| **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** | 2,095 | | | |
| **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** | | No |
| **b** | If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O* . . . . . | | | **3b** | | |
| **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 or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state | | | **13a** | | |
| **b** | Enter the aggregate 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 aggregate 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 | 20 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent . . . . . | 1b | 16 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . | 2 | | Yes | |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . | 3 | | | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | | | No |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? . | 5 | | | No |
| 6 | Did the organization have members or stockholders? . . . . . | 6 | | | No |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . . | 7a | | Yes | |
| b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . | 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 | Did the organization have local chapters, branches, or affiliates? . . . . . | 10a | | No |
| b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . | 10b | | |
| 11a | Has the organization provided a complete 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 the Form 990 . . . . . | | | | |
| 12a | Did the organization have a written conflict of interest policy? *If "No," go to line 13* . . . . . | 12a | | Yes | |
| b | Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . . | 12b | | Yes | |
| c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . . | 12c | | Yes | |
| 13 | Did the organization have a written whistleblower policy? . . . . . | 13 | | Yes | |
| 14 | Did the organization have a written document retention and destruction policy? . . . . . | 14 | | Yes | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | | | |
| a | The organization's CEO, Executive Director, or top management official . . . . . | 15a | | Yes | |
| b | Other officers or key employees of the organization . . . . . | 15b | | Yes | |
| | If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions) | | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . | 16a | | Yes | |
| b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . | 16b | | Yes | |

## Section C. Disclosure

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

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

DANIEL L UPTON
595 WEST STATE STREET
DOYLESTOWN, PA 18901
(215) 345-2242

## 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, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

| (A) Name and Title | (B) Average hours per week (describe hours for related organizations in Schedule O) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (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 | | | | | | | | | | |
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**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 (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (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 | | | | | | | | | | |
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| | | | | | | | | | | |
| **1b** **Sub-Total** . . . . . ▶ | | | | | | | | | | |
| **c** **Total from continuation sheets to Part VII, Section A** . . . . ▶ | | | | | | | | | | |
| **d** **Total (add lines 1b and 1c)** . . . . . ▶ | | | | | | | | 3,398,620 | 531,000 | 720,062 |

**2** Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 45

| | | | 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 Report compensation for the calendar year ending with or within the organization's tax year

| (A) Name and business address | (B) Description of services | (C) Compensation |
|---|---|---|
| PARLEE AND TATEM RADIOLOGICAL ASSOC<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901 | MEDICAL | 4,148,062 |
| DOYLESTOWN ANESTHESIA ASSOCIATES<br>5039 SWAMP ROAD<br>FOUNTAINVILLE, PA 18923 | MEDICAL | 3,745,385 |
| DOYLESTOWN EMERGENCY ASSOCIATES<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901 | MEDICAL | 1,537,639 |
| JOHN S MCMANUS<br>PO BOX 418<br>CHESTER HEIGHTS, PA 19017 | CONTRACTING | 1,493,750 |
| CROSS CASTNER ARCHITECTS<br>656 WEST VALLEY ROAD<br>WAYNE, PA 19087 | ARCHITECTURAL | 516,060 |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 31

## 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 1,454,407 | | | | |
| | e | Government grants (contributions) 1e 607,091 | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above 1f 394,502 | | | | |
| | g | Noncash contributions included in lines 1a-1f $ | | | | |
| | h | **Total.** Add lines 1a-1f . . . . . ▶ | 2,456,000 | | | |
| Program Service Revenue | | Business Code | | | | |
| | 2a | HOSPITAL DIVISION | 900099 | 197,940,508 | 197,940,508 | |
| | b | PINE RUN DIVISION | 900099 | 18,021,776 | 18,021,776 | |
| | c | RADIOLOGY GROUP | 900099 | 1,270,423 | 1,270,423 | |
| | d | OTHER HEALTHCARE RELATED REVENUE | 900099 | 15,469,286 | 15,469,286 | |
| | e | | | | | |
| | f | All other program service revenue | | | | |
| | g | **Total.** Add lines 2a–2f . . . . . ▶ | | 232,701,993 | | |
| | 3 | Investment income (including dividends, interest and other similar amounts) . . . . . ▶ | | -8,863,398 | | -8,863,398 |
| | 4 | Income from investment of tax-exempt bond proceeds . . ▶ | | 411,673 | | 411,673 |
| | 5 | Royalties . . . . . ▶ | | 0 | | |
| | | (i) Real / (ii) Personal | | | | |
| | 6a | Gross rents 30,847 | | | | |
| | b | Less rental expenses | | | | |
| | c | Rental income or (loss) 30,847 | | | | |
| | d | Net rental income or (loss) . . . . . ▶ | | 30,847 | | 30,847 |
| | | (i) Securities / (ii) Other | | | | |
| | 7a | Gross amount from sales of assets other than inventory 630,192 / 12,300 | | | | |
| | b | Less cost or other basis and sales expenses | | | | |
| | c | Gain or (loss) 630,192 / 12,300 | | | | |
| | d | Net gain or (loss) . . . . . ▶ | | 642,492 | | 642,492 |
| 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 | CHILDRENS VILLAGE 900099 | | 2,248,680 | | 2,248,680 |
| | b | SNACK BAR 722210 | | 221,803 | | 221,803 |
| | c | CAFETERIA 722210 | | 146,420 | | 146,420 |
| | d | All other revenue . . . . | | | | |
| | e | **Total.** Add lines 11a–11d . . . . . ▶ | | 2,616,903 | | |
| | 12 | **Total revenue.** See Instructions . . . ▶ | | 229,996,510 | 232,701,993 | -5,161,483 |

## 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)
Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

| 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 United States See Part IV, line 21 | 667,255 | 667,255 | | |
| 2 | Grants and other assistance to individuals in the United States See Part IV, line 22 | 0 | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States 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 . . . . | 3,184,280 | 2,865,852 | 318,428 | 0 |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . | 0 | | | |
| 7 | Other salaries and wages | 91,106,968 | 81,996,271 | 9,110,697 | |
| 8 | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . | 1,738,237 | 1,564,413 | 173,824 | |
| 9 | Other employee benefits . . . . . | 12,970,650 | 11,673,585 | 1,297,065 | |
| 10 | Payroll taxes . . . . . | 6,816,811 | 6,135,130 | 681,681 | |
| 11 | Fees for services (non-employees) | | | | |
| a | Management . . . . . | 0 | | | |
| b | Legal . . . . . | 479,984 | 431,986 | 47,998 | |
| c | Accounting . . . . . | 236,296 | 212,666 | 23,630 | |
| d | Lobbying . . . . . | 8,281 | 7,453 | 828 | |
| e | Professional fundraising *See Part IV, line 17* . . | 0 | | | |
| f | Investment management fees . . . . . | 141,756 | 127,580 | 14,176 | |
| g | Other . . . . . | 28,644,097 | 25,779,687 | 2,864,410 | |
| 12 | Advertising and promotion . . . . | 813,272 | 731,945 | 81,327 | |
| 13 | Office expenses . . . . . | 10,359,618 | 9,323,656 | 1,035,962 | |
| 14 | Information technology . . . . . | 61,473 | 55,326 | 6,147 | |
| 15 | Royalties . . | 0 | | | |
| 16 | Occupancy . . . . . | 1,624,493 | 1,462,044 | 162,449 | |
| 17 | Travel . . . . . | 348,196 | 313,376 | 34,820 | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . . | 0 | | | |
| 19 | Conferences, conventions, and meetings . . . . | 0 | | | |
| 20 | Interest . . . . . | 6,107,271 | 5,496,544 | 610,727 | |
| 21 | Payments to affiliates . . . . . | 0 | | | |
| 22 | Depreciation, depletion, and amortization . . . . . | 15,715,203 | 14,143,683 | 1,571,520 | |
| 23 | Insurance . . . . . | 4,510,336 | 4,059,302 | 451,034 | |
| 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 | 36,127,187 | 32,514,468 | 3,612,719 | 0 |
| b | UTILITIES | 4,217,124 | 3,795,412 | 421,712 | 0 |
| c | REAL ESTATE TAXES | 861,416 | 775,274 | 86,142 | 0 |
| d | DUES & SUBSCRIPTIONS | 710,733 | 639,660 | 71,073 | 0 |
| e | | | | | |
| f | All other expenses | 4,241,699 | 3,817,529 | 424,170 | |
| 25 | **Total functional expenses.** Add lines 1 through 24f | 231,692,636 | 208,590,097 | 23,102,539 | 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 | | 0 | 1 | 0 |
| | 2 | Savings and temporary cash investments | | 32,529,543 | 2 | 27,421,172 |
| | 3 | Pledges and grants receivable, net | | 0 | 3 | 0 |
| | 4 | Accounts receivable, net | | 24,238,082 | 4 | 24,989,174 |
| | 5 | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | 0 | 5 | 0 |
| | 6 | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L | | 0 | 6 | 0 |
| | 7 | Notes and loans receivable, net | | 5,228,984 | 7 | 5,528,112 |
| | 8 | Inventories for sale or use | | 5,521,227 | 8 | 5,269,354 |
| | 9 | Prepaid expenses and deferred charges | | 1,864,567 | 9 | 1,315,422 |
| | 10a | Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* | 10a 400,556,391 | | | |
| | b | Less accumulated depreciation | 10b 230,369,035 | 172,849,608 | 10c | 170,187,356 |
| | 11 | Investments—publicly traded securities | | 0 | 11 | 0 |
| | 12 | Investments—other securities See Part IV, line 11 | | 0 | 12 | 0 |
| | 13 | Investments—program-related See Part IV, line 11 | | 69,426,233 | 13 | 71,543,939 |
| | 14 | Intangible assets | | 3,072,061 | 14 | 2,857,426 |
| | 15 | Other assets See Part IV, line 11 | | 6,901,239 | 15 | 6,693,226 |
| | 16 | **Total assets.** Add lines 1 through 15 (must equal line 34) | | 321,631,544 | 16 | 315,805,181 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 43,577,891 | 17 | 61,672,827 |
| | 18 | Grants payable | | 0 | 18 | 0 |
| | 19 | Deferred revenue | | 6,115,278 | 19 | 6,010,187 |
| | 20 | Tax-exempt bond liabilities | | 147,902,987 | 20 | 143,829,572 |
| | 21 | Escrow or custodial account liability *Complete Part IV of Schedule D* | | 0 | 21 | 0 |
| | 22 | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L* | | 0 | 22 | 0 |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | 75,000 | 23 | 0 |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | 0 | 24 | 0 |
| | 25 | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | | 16,025,249 | 25 | 17,305,283 |
| | 26 | **Total liabilities.** Add lines 17 through 25 | | 213,696,405 | 26 | 228,817,869 |
| 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 | | 92,774,633 | 27 | 72,461,667 |
| | 28 | Temporarily restricted net assets | | 4,293,514 | 28 | 4,302,250 |
| | 29 | Permanently restricted net assets | | 10,866,992 | 29 | 10,223,395 |
| | | **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 | | 107,935,139 | 33 | 86,987,312 |
| | 34 | Total liabilities and net assets/fund balances | | 321,631,544 | 34 | 315,805,181 |

## 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 | 229,996,510 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) . . . . . | 2 | 231,692,636 |
| 3 | Revenue less expenses Subtract line 2 from line 1 . . . . | 3 | -1,696,126 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . | 4 | 107,935,139 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O) . . . . | 5 | -19,251,701 |
| 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 | 86,987,312 |

## Part XII Financial Statements and Reporting

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

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O | | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? . . | 2a | | No |
| b | Were the organization's financial statements audited by an independent accountant? . . . . . | 2b | Yes | |
| c | If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . . . | 2c | Yes | |
| d | If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separated basis | | | |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . . | 3a | | 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 | | |

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135024913

# 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

**2011**

**Open to Public Inspection**

Name of the organization
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Part II** **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I 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) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (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) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|---|---|---|---|---|---|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets | | | | | | |
| 11 **Total support** (Add lines 7 through 10) | | | | | | |

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

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

## Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

**Part III** **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I 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) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (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) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|---|---|---|---|---|---|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV ) | | | | | | |
| 13 **Total support** (Add lines 9, 10c, 11 and 12 ) | | | | | | |

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

## Section C. Computation of Public Support Percentage

| | | |
|---|---|---|
| 15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) | 15 | |
| 16 Public support percentage from 2010 Schedule A, Part III, line 15 | 16 | |

## Section D. Computation of Investment Income Percentage

| | | |
|---|---|---|
| 17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f)) | 17 | |
| 18 Investment income percentage from **2010** Schedule A, Part III, line 17 | 18 | |

19a **33 1/3% support tests—2011.** 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—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

| Facts And Circumstances Test |
| --- |
| |

**Explanation**

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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

**2011**

**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, line 35c (Proxy Tax), then**

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

| Name of the organization | Employer identification number |
|---|---|
| DOYLESTOWN HOSPITAL | 23-1352174 |

**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 on behalf of or in opposition to candidates for public office 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

**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) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (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? | | No | |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | Yes | | |
| i | Other activities? If "Yes," describe in Part IV | Yes | | 8,281 |
| j | Total lines 1c through 1i | | | 8,281 |
| 2a | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | No | |
| b | If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c | If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | No | |

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

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

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

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

## Part IV Supplemental Information

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

| Identifier | Return Reference | Explanation |
|---|---|---|
| LOBBYING ACTIVITIES | SCHEDULE C, PART II-B, LINES 1G AND 1H | THE ORGANIZATION IS A MEMBER OF THE HOSPITAL AND HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA WHICH ENGAGEs IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBER HOSPITALS A PORTION OF THE DUES PAID TO THIs ORGANIZATION HAS BEEN ALLOCATED TO LOBBYING ACTIVITES PERFORMED ON BEHALF OF THE ORGANIZATION THIs ALLOCATION AMOUNTED TO $8,281 DURING THE FISCAL YEAR ENDED JUNE 30, 2012 |

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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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public Inspection**

**Name of the organization**
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

## 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 | | | | | |
| b Contributions | | | | | |
| c Investment earnings or losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

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) | | |
| (ii) related organizations | 3a(ii) | | |
| 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 Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|---|---|---|---|
| 1a Land | | 15,276,375 | | 15,276,375 |
| b Buildings | | 193,802,801 | 72,960,986 | 120,841,816 |
| c Leasehold improvements | | | | |
| d Equipment | | 185,382,784 | 15,532,840 | 30,054,374 |
| e Other | | 6,094,431 | 2,079,639 | 4,014,791 |
| **Total.** Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶ | | | | 170,187,356 |

**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 |
|---|---|---|
| (1) LIMITED USE | 62,163 | F |
| (2) USE | 48,437,392 | F |
| (3) DEBT SERVICE FUND RESERVE FUND | | F |
| (4) LIMITED USE | 7,506,763 | F |
| (5) CONSTRUCTION FUND, LIMITED USE | 178,061 | F |
| (6) FOUNDATION | 13,736,230 | F |
| (7) INVESTMENTS IN OTHER ENTITIES | 1,623,330 | F |
| | | |
| | | |
| **Total.** *(Column (b) should equal Form 990, Part X, col (B) line 13 )* ▶ | 71,543,939 | |

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

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

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

| 1 (a) Description of Liability | (b) Amount |
|---|---|
| Federal Income Taxes | 0 |
| PAYOR SETTLEMENTS | 79,223 |
| OTHER LIABILITIES | 1,875,693 |
| DUE TO AFFILIATED ENTITIES | 97,216 |
| INTEREST RATE SWAPS | 15,253,151 |
| | |
| | |
| | |
| | |
| | |
| **Total.** *(Column (b) should equal Form 990, Part X, col (B) line 25 )* ▶ | 17,305,283 |

**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 | 229,996,510 |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 2 | 231,692,636 |
| 3 | Excess or (deficit) for the year Subtract line 2 from line 1 | 3 | -1,696,126 |
| 4 | Net unrealized gains (losses) on investments | 4 | -1,025,607 |
| 5 | Donated services and use of facilities | 5 | |
| 6 | Investment expenses | 6 | |
| 7 | Prior period adjustments | 7 | |
| 8 | Other (Describe in Part XIV) | 8 | -18,226,094 |
| 9 | Total adjustments (net) Add lines 4 - 8 | 9 | -19,251,701 |
| 10 | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 10 | -20,947,827 |

## 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 | 228,790,498 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | | | | |
| a | Net unrealized gains on investments | 2a | -1,039,536 | | |
| b | Donated services and use of facilities | 2b | | | |
| c | Recoveries of prior year grants | 2c | | | |
| d | Other (Describe in Part XIV) | 2d | | | |
| e | Add lines **2a** through **2d** | | | 2e | -1,039,536 |
| 3 | Subtract line **2e** from line **1** | | | 3 | 229,830,034 |
| 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 | 141,755 | | |
| b | Other (Describe in Part XIV) | 4b | 24,721 | | |
| c | Add lines **4a** and **4b** | | | 4c | 166,476 |
| 5 | Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12 ) | | | 5 | 229,996,510 |

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

| | | | | | |
|---|---|---|---|---|---|
| 1 | Total expenses and losses per audited financial statements | | | 1 | 231,381,033 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25 | | | | |
| a | Donated services and use of facilities | 2a | | | |
| b | Prior year adjustments | 2b | | | |
| c | Other losses | 2c | | | |
| d | Other (Describe in Part XIV) | 2d | | | |
| e | Add lines **2a** through **2d** | | | 2e | |
| 3 | Subtract line **2e** from line **1** | | | 3 | 231,381,033 |
| 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 | 141,755 | | |
| b | Other (Describe in Part XIV) | 4b | 169,848 | | |
| c | Add lines **4a** and **4b** | | | 4c | 311,603 |
| 5 | Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18 ) | | | 5 | 231,692,636 |

## 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, QUESTION 4 | RESTRICTED FUNDS ARE USED TO SUPPORT THE CHARITABLE ACTIVITIES AND PROGRAMS OF THE ORGANIZATION AND ITS AFFILIATES |
| TEXT OF FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE | SCHEDULE D, PART X | AN INDEPENDENT CPA FIRM AUDITED THE FINANCIAL STATEMENTS OF DOYLESTOWN HOSPITAL FOR THE YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2012, RESPECTIVELY THE FOLLOWING IS THE TEXT OF THE FOOTNOTE INCLUDED IN THE ORGANIZATION'S YEAR ENDED JUNE 30, 2012 AUDITED FINANCIAL STATEMENTS THAT REPORTS THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 A TAX POSITION IS RECOGNIZED OR DERECOGNIZED BY THE CORPORATION BASED ON A "MORE LIKELY THAN NOT" THRESHOLD THIS APPLIES TO POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN THE CORPORATION DOES NOT BELIEVE ITS CONSOLIDATED FINANCIAL STATEMENTS INCLUDE MATERIAL UNCERTAIN TAX POSITIONS |
| RECONCILIATION OF CHANGE IN NET ASSETS TO AUDITED FINANCIAL STATEMENTS | SCHEDULE D, PART XI, LINE 8 | OTHER CHANGES IN NET ASSETS INCLUDE - EQUITY DISTRIBUTION, ($135,000), - NET ASSETS RELEASED FROM RESTRICTIONS, $956,999, - OTHER CHANGES IN ACCRUED PENSION, ($18,388,510), - NET ASSETS RELEASED FROM TEMPORARY RESTRICTIONS, ($962,167), - INCREASE IN INTEREST IN NET ASSETS OF DOYLESTOWN HEALTH FOUNDATION, TEMPORARILY RESTRICTED, $946,181 AND - DECREASE IN INTEREST IN NET ASSETS OF DOYLESTOWN HEALTH FOUNDATION, PERMANENTLY RESTRICTED, ($643,597) |
| RECONCILIATION OF REV PER AUDITED FINANCIAL STATMENTS WITH REV PER RETURN | SCHEDULE D, PART XII, LINE 4B | AMOUNTS INCLUDED ON FORM 990, PART VII, LINE 12, BUT NOT INCLUDED ON LINE 1 - TEMPORARILY RESTRICTED CONTRIBUTIONS, $24,721 |
| RECONCILIATION OF EXP PER AUDITED FINANCIAL STATMENTS WITH EXP PER RETURN | SCHEDULE D, PART XIII, LINE 4B | AMOUNTS INCLUDED ON FORM 990, PART IX, LINE 25, BUT NOT ON LINE 1 - NET TRANSFERS TO DOYLESTOWN HEALTH FOUNDATION, $169,848 |

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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

2011

Open to Public Inspection

**Name of the organization**
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

## Part I Charity Care and Certain Other Community Benefits at Cost

| | | | Yes | No |
|---|---|---|---|---|
| 1a | Did the organization have a charity care policy? If "No," skip to question 6a | 1a | Yes | |
| b | If "Yes," is it a written policy? | 1b | Yes | |
| 2 | If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals<br>☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals<br>☐ Generally tailored to individual hospitals | | | |
| 3 | Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year | | | |
| a | Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care<br>☐ 100% ☐ 150% ☑ 200% ☐ Other _____ % | 3a | Yes | |
| b | Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care<br>☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 0 % | 3b | Yes | |
| c | If the organization did 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 policy provide 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 charity care 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 | Did the organization prepare a community benefit reportduring 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** Charity Care and Certain Other Community Benefits at Cost

| Charity Care and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|---|---|---|---|---|
| a Charity care at cost (from Worksheet 1) | | | 2,182,446 | 0 | 2,182,446 | 0 940 % |
| b Medicaid (from Worksheet 3, column a) | | | 10,840,364 | 5,431,068 | 5,409,296 | 2 330 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d **Total** Charity Care and Means-Tested Government Programs | | | 13,022,810 | 5,431,068 | 7,591,742 | 3 270 % |
| **Other Benefits** | | | | | | |
| e Community health improvement services and community benefit operations (from (Worksheet 4) | | | 5,089,179 | 405,913 | 4,683,266 | 2 020 % |
| f Health professions education (from Worksheet 5) | | | 734,309 | | 734,309 | 0 320 % |
| g Subsidized health services (from Worksheet 6) | | | 11,670,998 | 9,394,501 | 2,276,497 | 0 980 % |
| h Research (from Worksheet 7) | | | 962,774 | 695,827 | 266,947 | 0 120 % |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 99,933 | 3,840 | 96,093 | 0 040 % |
| j **Total** Other Benefits | | | 18,557,193 | 10,500,081 | 8,057,112 | 3 480 % |
| k **Total.** Add lines 7d and 7j | | | 31,580,003 | 15,931,149 | 15,648,854 | 6 750 % |

## Part II Community Building Activities Complete this table if the organization conducted any community building activities.

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

## 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 Heathcare Financial Management Association Statement No 15? | | 1 | Yes | |
| 2 | Enter the amount of the organization's bad debt expense | 2 | 3,674,766 | | |
| 3 | Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy | 3 | 804,760 | | |
| 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 | 55,956,752 | | |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 63,809,675 | | |
| 7 | Subtract line 6 from line 5 This is the surplus or (shortfall) | 7 | -7,852,923 | | |
| 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 | Did the organization have a written debt collection policy during the tax year? | | | 9a | Yes |
| b | If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI | | | 9b | Yes |

## Part IV Management Companies and Joint Ventures (see instructions)

| (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 DOYLESTOWN RADIOLOGY | | | | |
| 2 GROUP LP | RADIOLOGY SERVICES | 51 000 % | | 49 000 % |
| 3 DOYLESTOWN SURGICAL | | | | |
| 4 CENTER LLC | MEDICAL SERVICES | 60 000 % | | 40 000 % |
| 5 DOYLESTOWN PET | | | | |
| 6 ASSOCIATES LLC | MEDICAL SERVICES | 49 000 % | | 51 000 % |
| 7 PAVILION I MOB LLC | MEDICAL OFFICE BUILDING | 23 300 % | 5 000 % | 35 010 % |
| 8 PAVILION II MOB LLC | MEDICAL OFFICE BUILDING | 25 500 % | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |

## Part V Facility Information

### Section A. Hospital Facilities

(list in order of size 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 | DOYLESTOWN HOSPITAL<br>595 WEST STATE STREET<br>DOYLESTOWN,PA 18901 | X | X | | | | | X | | |
| | | | | | | | | | | |
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## Part V Facility Information *(continued)*

### Section B. Facility Policies and Practices.

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

DOYLESTOWN HOSPITAL

**Name of Hospital Facility:** DOYLESTOWN HOSPITAL

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

| | | Yes | No |
|---|---|---|---|
| **Community Health Needs Assessment** (Lines 1 through 7 are optional for 2011) | | | |
| **1** During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 | 1 | | |
| If "Yes," indicate what the Needs Assessment describes (check all that apply) | | | |
| **a** ☐ A definition of the community served by the hospital facility | | | |
| **b** ☐ Demographics of the community | | | |
| **c** ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | | |
| **d** ☐ How data was obtained | | | |
| **e** ☐ The health needs of the community | | | |
| **f** ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | | |
| **g** ☐ The process for identifying and prioritizing community health needs and services to meet those needs | | | |
| **h** ☐ The process for consulting with persons representing the community's interests | | | |
| **i** ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs | | | |
| **j** ☐ Other (describe in Part VI) | | | |
| **2** Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___ | | | |
| **3** In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 3 | | |
| **4** Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI | 4 | | |
| **5** Did the hospital facility make its Needs Assessment widely available to the public? | 5 | | |
| If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) | | | |
| **a** ☐ Hospital facility's website | | | |
| **b** ☐ Available upon request from the hospital facility | | | |
| **c** ☐ Other (describe in Part VI) | | | |
| **6** If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) | | | |
| **a** ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community | | | |
| **b** ☐ Execution of the implementation strategy | | | |
| **c** ☐ Development of a community-wide community benefit plan for the facility | | | |
| **d** ☐ Participation in community-wide community benefit plan | | | |
| **e** ☐ Inclusion of a community benefit section in operational plans | | | |
| **f** ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA | | | |
| **g** ☐ Prioritization of health needs in the community | | | |
| **h** ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community | | | |
| **i** ☐ Other (describe in Part VI) | | | |
| **7** Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs | 7 | | |
| **Financial Assistance Policy** | | | |
| Did the hospital facility have in place during the tax year a written financial assistance policy that | | | |
| **8** Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | 8 | Yes | |
| **9** Used federal poverty guidelines (FPG) to determine eligibility for providing free care? | 9 | Yes | |
| If "Yes," indicate the FPG family income limit for eligibility for free care 200 % | | | |
| If "No," explain in Part VI the criteria the hospital facility used | | | |

## Part V Facility Information *(continued)*

| | | | Yes | No |
|---|---|---|---|---|
| 10 | Used FPG to determine eligibility for providing discounted care? | 10 | Yes | |
| | If "Yes," indicate the FPG family income limit for eligibility for discounted care __% | | | |
| | If "No," explain in Part VI the criteria the hospital facility used | | | |
| 11 | Explained the basis for calculating amounts charged to patients? | 11 | Yes | |
| | If "Yes," indicate the factors used in determining such amounts (check all that apply) | | | |
| | **a** ☑ Income level | | | |
| | **b** ☐ Asset level | | | |
| | **c** ☐ Medical indigency | | | |
| | **d** ☑ Insurance status | | | |
| | **e** ☑ Uninsured discount | | | |
| | **f** ☑ Medicaid/Medicare | | | |
| | **g** ☐ State regulation | | | |
| | **h** ☑ Other (describe in Part VI) | | | |
| 12 | Explained the method for applying for financial assistance? | 12 | Yes | |
| 13 | Included measures to publicize the policy within the community served by the hospital facility? | 13 | Yes | |
| | If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | | | |
| | **a** ☑ The policy was posted at all times on the hospital facility's web site | | | |
| | **b** ☐ The policy was attached to all billing invoices | | | |
| | **c** ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| | **d** ☑ The policy was posted in the hospital facility's admissions offices | | | |
| | **e** ☐ The policy was provided, in writing, to patients upon admission to the hospital facility | | | |
| | **f** ☑ The policy was available upon request | | | |
| | **g** ☐ Other (describe in Part VI) | | | |

**Billing and Collections**

| | | | | |
|---|---|---|---|---|
| 14 | Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | 14 | Yes | |
| 15 | Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP | | | |
| | **a** ☑ Reporting to credit agency | | | |
| | **b** ☐ Lawsuits | | | |
| | **c** ☐ Liens on residences | | | |
| | **d** ☐ Body attachments or arrests | | | |
| | **e** ☐ Other similar actions (describe in Part VI) | | | |
| 16 | Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? | 16 | Yes | |
| | If "Yes," check all actions in which the hospital facility or a third party engaged | | | |
| | **a** ☑ Reporting to credit agency | | | |
| | **b** ☑ Lawsuits | | | |
| | **c** ☐ Liens on residences | | | |
| | **d** ☐ Body attachments | | | |
| | **e** ☐ Other similar actions (describe in Part VI) | | | |
| 17 | Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) | | | |
| | **a** ☑ Notified patients of the financial assistance policy upon admission | | | |
| | **b** ☑ Notified patients of the financial assistance policy prior to discharge | | | |
| | **c** ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills | | | |
| | **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy | | | |
| | **e** ☑ Other (describe in Part VI) | | | |

## Part V Facility Information *(continued)*

### Policy Relating to Emergency Medical Care

| | | Yes | No |
|---|---|---|---|
| **18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . . | **18** | Yes | |
| If "No," indicate why | | | |
| **a** ☐ The hospital facility did not provide care for any emergency medical conditions | | | |
| **b** ☐ The hospital facility's policy was not in writing | | | |
| **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI) | | | |
| **d** ☐ Other (describe in Part VI) | | | |

### Individuals Eligible for Financial Assistance

| | | | |
|---|---|---|---|
| **19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care | | | |
| **a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged | | | |
| **b** ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged | | | |
| **c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged | | | |
| **d** ☐ Other (describe in Part VI) | | | |
| **20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . . | **20** | | No |
| If "Yes," explain in Part VI | | | |
| **21** Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? . . . . . | **21** | | No |
| If "Yes," explain in Part VI | | | |

**Part V Facility Information** *(continued)*

**Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? **4**

| | Name and address | Type of Facility (Describe) |
|---|---|---|
| 1 | PINE RUN COMMUNITY<br>777 FERRY ROAD<br>DOYLESTOWN,PA 18901 | SENIOR LIVING - INDEPENDENT NURSING HOME, ASSISTED LIVING |
| 2 | DOYLESTOWN SURGICAL CENTER LLC<br>847 EASTON ROAD SUITE 1400<br>WARRINGTON,PA 18974 | OUTPATIENT SURGERY CENTER |
| 3 | DOYLESTOWN RADIOLOGY GROUP LP<br>1240 OLD YORK ROAD<br>WARMINSTER,PA 18974 | MRI SCANS |
| 4 | DH HEALTH & WELLNESS CENTER INC<br>847 EASTON ROAD<br>WARRINGTON,PA 18976 | WELLNESS CENTER & DIAGNOSTIC HOSPITAL STUDIES |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |

## Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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 |
|---|---|---|
| FINANCIAL ASSISTANCE ELIGIBILITY | SCHEDULE H, PART I, LINE 3C | THE MISSION OF DOYLESTOWN HOSPITAL IS TO PROVIDE A RESPONSIVE, HEALING ENVIRONMENT FOR OUR PATIENTS AND THEIR FAMILIES, AND TO IMPROVE THE QUALITY OF LIFE FOR ALL MEMBERS OF OUR COMMUNITY PROVIDING HEALTHCARE FOR ALL COMMUNITY MEMBERS WAS ONE OF THE PRINCIPLE GOALS OF THE VILLAGE IMPROVEMENT ASSOCIATION (V I A ), THE WOMEN'S CLUB THAT FOUNDED DOYLESTOWN HOSPITAL THE V I A TRADITION OF ENSURING ACCESS TO HEALTHCARE FOR ALL COMMUNITY MEMBERS CONTINUES TODAY PATIENTS SHOULD NEVER AVOID SEEKING CARE BECAUSE THEY THINK THEY CANNOT AFFORD IT DOYLESTOWN HOSPITAL HONORS THE V I A 'S ORIGINAL PROMISE TODAY FOR ALL PATIENTS, REGARDLESS OF ABILITY TO PAY TO HELP THOSE WHO ARE UNISURED OR UNDERINSURED, DOYLESTOWN HOSPITAL OFFERS THE HEALTHCARE FINANCIAL ASSISTANCE PROGRAM THIS PROGRAM OFFERS A VARIETY OF ASSISTANCE, COUNSELING AND FINANCING OPTIONS TO HELP EASE THE WORRY ABOUT HEALTHCARE COSTS EVEN FOR PATIENTS WHO DO NOT QUALIFY FOR FREE HEALTHCARE SERVICES, DOYLESTOWN HOSPITAL PROVIDES OPTIONS TO HELP WITH HEALTHCARE COSTS IN THESE SITUATIONS, FINANCIAL COUNSELORS HELP TO DETERMINE THE AVAILABLE OPTIONS (FINANCING, SLIDING SCALE AND CHARITY CARE ALLOWANCES TO REDUCE THE PATIENT BALANCE) A VARIETY OF FACTORS AND CRITERIA ARE CONSIDERED - PATIENT/GUARANTOR HAS NO GOVERNMENTAL OR PRIVATE INSURANCE COVERAGE FOR MEDICALLY NECESSARY SERVICES - PATIENT/GUARANTOR HAS EXHAUSTED ANY INSURANCE BENEFITS AND HAS BECOME MEDICALLY INDIGENT - CIRCUMSTANCES HAVE CHANGED THAT CASUED THE PATIENT/GUARANTOR TO NO LONGER HAVE THE MEANS TO PAY AN EXISTING LIABILITY, EITHER CURRENT OR DELINQUENT - SLIDING SCALE FINANCIAL ASSISTANCE DISCOUNTS ARE PROVIDED BASED ON FAMILY SIZE, INCOME LEVEL, BALANCE DUE IN PROPORTION TO INCOME AFTER RECONCILIATION WITH PUBLIC OR PRIVATE INSURERS - PATIENTS WITH FAMILY INCOME AT OR BELOW 100% OF THE PUBLISHED POVERTY GUIDELINES ARE SCREENED FOR ELIGIBILITY FOR MEDICAID BASED ON CURRENT STATE ELIGIBILITY CRITERIA - PATIENTS WHOSE FAMILY INCOME IS BETWEEN 100% AND 200% OF THE PUBLISHED POVERTY GUIDELINES WILL HAVE BALANCES REDUCED FOR FULL FINANCIAL ASSISTANCE (FREE CARE) - PATIENTS WHOSE FAMILY INCOME FALLS BETWEEN 250% AND 1000% OF THE PUBLISHED FEDERAL POVERTY GUIDELINES WILL BE ELIGIBLE FOR DISCOUNTED SERVICE ACCORDING TO ANNUAL SLIDING SCALE DISCOUNT MODEL - PATIENTS WHO APPEAR ELIGIBLE FOR CHARITY CARE BUT FOR WHOM THERE IS NO FINANCIAL ASSISTANCE FORM ON FILE DUE TO A LACK OF SUPPORTING DOCUMENTATION MAY BE GRANTED UP TO 100% WRITE-OFF OF THE ACCOUNT BALANCE PRESUMPTIVE ELIGIBILITY MAY BE DETERMINED THROUGH THE USE OF AN OUTSIDE SERVICE PROVIDING A HEALTHCARE CREDIT REPORT PESUMPTIVE ELIGIBILITY MAY ALSO BE DETERMINED ON THE BASIS OF INDIVIDUAL LIFE CIRCUMSTANCES THAT MAY INCLUDE STATE FUNDED PRESCRIPTION PROGRAMS, HOMELESS OR RECEIVING CARE FROM A HOMELESS CLINIC, PARTICIPATION IN WOMEN, INFANTS AND CHILDREN (WIC) PROGRAM, FOOD STAMP ELIGIBILITY, SUBSIDIZED SCHOOL LUNCH PROGRAM, ELIGIBILITY FOR OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED, LOW INCOME/SUBSIDIZED HOUSING IS PROVIDED AS VALID ADDRESS, PATIENT IS DECEASED WITH NO KNOWN ESTATE, ELIGIBILITY FOR ANN SILVERMAN COMMUNITY HEALTH CLINIC FREE HEALTHCARE - UNINSURED PATIENTS IDENTIFIED AS QUALIFYING FOR DISCOUNTED CHARGES FOR MEDICALLY NECESSARY SERVICES WILL BE GRANTED A 50% SELF-PAY DISCOUNT FROM TOTAL CHARGES IF NOT COVERED BY A THIRD PARTY ADDITIONAL DISCOUNTS MAY BE APPLIED FOR UNDERINSURED PATIENTS AFTER APPLICABLE INSURANCE PAYMENTS AND CO-PAYMENTS ARE RECEIVED, IN ACCORDANCE WITH THE FINANCIAL ASSISTANCE POLICY FINANCIAL COUNSELING IS OFFERED AT THE TIME OF SERVICE, IF POSSIBLE, AND ALL UNINSURED PATIENTS RECEIVE INFORMATION REGARDING THE FINANCIAL ASSISTANCE PROGRAM UNINSURED DISCOUNTS AND SLIDING SCALE ALLOWANCES ARE GRANTED AS APPROPRIATE, AT THE TIME OF SERVICE, OR AFTERWARD THE ORGANIZATION PREPARES AND ISSUES AUDITED FINANCIAL STATEMENTS THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION CHARITY CARE THE CORPORATION PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES UNREIMBURSED CHARGES FROM MEDICAL ASSISTANCE PROGRAMS ON BEHALF OF PATIENTS THAT MEET THE HOSPITAL'S CHARITY CARE CRITERIA ARE ALSO CONSIDERED CHARITY CARE THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, AND ESTABLISHES RESERVES FOR THESE AMOUNTS ACCORDINGLY, SUCH AMOUNTS ARE NOT REPORTED AS REVENUE IN THE ACCOMPANYING CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THE HOSPITAL'S CHARITY CARE POLICY ARE SUMMARIZED IN THE FOLLOWING TABLE YEAR ENDED JUNE 30, 2012 2011 UNREIMBURSED CHARGES FROM MEDICAL ASSISTANCE PROGRAMS $ 5,208,201 $ 4,881,395 FREE CARE AND FINANCIAL ASSISTANCE 2,705,387 1,838,491 ---------- ---------- $ 7,913,588 $ 6,719,886 |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COMMUNITY BENEFIT REPORT | SCHEDULE H, PART I, LINE 6A | PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST | SCHEDULE H, PART I, LINE 7 | COMMUNITY BENEFIT AMOUNTS WERE CALCULATED USING A COST ACCOUNTING SYSTEM NO COSTS RELATING TO SUBSIDIZED HEALTHCARE SERVICES ARE ATTRIBUTABLE TO ANY PHYSICIAN CLINICS OR PRACTICES |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COMMUNITY BUILDING ACTIVITIES | SCHEDULE H, PART II | COMMUNITY BUILDING IS AT THE CORE OF DOYLESTOWN HOSPITAL'S MISSION IT IS THE ONLY HOSPITAL IN THE U S OWNED AND OPERATED BY A WOMEN'S CLUB, THE VILLAGE IMPROVEMENT ASSOCIATION ("V I A ") THROUGHOUT ITS MORE THAN 100-YEAR HISTORY, THE V I A HAS BEEN A LEADER IN COMMUNITY ADVOCACY THE GROUP FOUNDED DOYLESTOWN HOSPITAL IN 1923 IN RECENT YEARS, DOYLESTOWN HOSPITAL, ALONG WITH MEMBERS OF ITS MEDICAL STAFF, ESTABLISHED THE ANN SILVERMAN COMMUNITY HEALTH CLINIC TO SERVE THE NEEDS OF THE UNINSURED IN OUR COMMUNITY MORE THAN 11,000 PATIENT ENCOUNTERS WERE GRANTED FINANCIAL ASSISTANCE DURING FY 2012 DOYLESTOWN HOSPITAL IS ACTIVELY ENGAGED WITH MANY COMMUNITY ORGANIZATIONS THAT PROMOTE THE HEALTH AND WELL BEING OF THE POPULATION, FROM BIRTH TO DEATH HOSPITAL EMPLOYEES ARE ENCOURAGED TO VOLUNTEER IN THEIR NEIGHBORHOODS THE HOSPITAL ALSO PROVIDES EDUCATIONAL MATERIALS, CONDUCTS COMMUNITY HEALTH FAIRS AND HOLDS HEALTH EDUCATION PROGRAMS AND OUTREACH SESSIONS FOR PATIENTS AND MEMBERS OF THE COMMUNITY AS A WHOLE PRESENTATIONS ARE PROVIDED BY PHYSICIANS, NURSES AND OTHER HEALTHCARE PROFESSIONALS |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| BAD DEBT EXPENSE | SCHEDULE H, PART III, LINE 4 | BAD DEBT EXPENSE WAS CALCULATED USING THE PROVIDERS' BAD DEBT EXPENSE FROM THE FINANCIAL STATEMENTS, NET OF ACCOUNTS WRITTEN OFF AT CHARGES, AND NET OF ACCOUNTS SUBSEQUENTLY IDENTIFIED FOR PRESUMPTIVE ELIGIBILITY FOR FREE CARE |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| MEDICARE SHORTFALL | SCHEDULE H, PART III, LINE 8 | MEDICARE COSTS WERE DERIVED USING THE HOSPITAL'S COST ACCOUNTING SYSTEM THE ORGANIZATION BELIEVES THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBTS ARE COMMUNITY BENEFIT AND A SSOCIATED COSTS SHOULD BE INCLUDED ON THE FORM 990, SCHEDULE H, PART I AS OUTLINED MORE F ULLY BELOW, THE ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HE ALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S C HARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERV ICES TO ALL INDIVIDUAL'S IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CRE ED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY, AND CONSISTENT WITH THE COMMUNITY BE NEFIT STANDARD PROMULGATED BY THE IRS THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STAND ARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTER NAL REVENUE CODE ("IRC") 501(C)(3) THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION UNDER 501(C)(3) OF THE IRC ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "CHARITABLE", A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "THE TERM CHARITABLE IS USED IN SECTION 5 01(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPO SES, INCLUDING THE RELIEF OF THE POOR OR UNPRIVILEGED, THE PROMOTION OF SOCIAL WELFARE, AN D THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE NOTE IT DOES NOT EXPLICITLY ADDRES S THE ACTIVITIES OF HOSPITALS IN THE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREM ENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC 501(C)(3) CHARITABLE ORGANIZATIONS TH E ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE STANDARD THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD WHICH IS THE CURRENT STANDARD CHARITY CARE ST ANDARD IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOS PITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC 501(C)(3) STATUS ONE OF THESE REQUIREME NTS IS KNOWN AS THE "CHARITY CARE STANDARD " UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE , TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVID E CHARITY CARE BASED ON THE FACT THAT SOME PATIENTS ULTIMATELY FAILED TO PAY THE RULING E MPHASIZED THAT A LOW LEVEL OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FA ILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVI DE SUCH CARE THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORM ALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY, AND A LO W LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE S URROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS COMMUNITY BENEFIT STANDARD IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE[D]" FROM REVENUE RULING 56-185 "THE REQUI REMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST " UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STAN DARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVID UALS IN THE COMMUNITY THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO C OULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS ME DICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHAR ITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCE PTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY TREAS REG 1 501(C)(3)-1(D)(2) THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE A DVANCEMENT OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE, EVEN THOUGH THE CLASS OF BENEFICIA RIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS N OT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL, AND IT PROVIDED CARE TO EVERYON E WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT OTHER CHARACTERIST ICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING ITS SURPLUS FUNDS WER E USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FA |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| MEDICARE SHORTFALL | SCHEDULE H, PART III, LINE 8 | CILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH, IT WAS CONTROLLED BY A BO ARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS, AND HOSPITAL MEDICAL STAFF PR IVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS THIS ORGANIZATION BELIEVES THAT MEDIC ARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDBALE O N THE FORM 990, SCHEUDLE H, PART I THE AMERICAN HOSPITAL ASSOCIATION ("AHA") BELIEVES THA T MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABL E ON THE FORM 990, SCHEDULE H, PART I THIS ORGANIZATION AGREES WITH THE AHA POSITION AS OUTLINED IN THE AHA LETTER TO THE IRS DATED AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBL ISHED DRAFT OF THE NEW FORM 990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORA TE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UND ERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS - PROV IDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMU NITY BENEFIT STANDARD - MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE RECE NTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 20 07 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHI NG A 10-YEAR LOW AT NEGATIVE 5 4% - MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUN TERPARTS, ARE POOR MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES WHOSE I NCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL MANY OF THOSE MEDICARE BENEFICIAR IES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED "DUAL ELIGIBLES " THERE IS EVERY COMPELLIN G PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND TO INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PAR T I MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATIN G THE COMMUNITY'S ELDERLY AND POOR THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING T HE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT BOTH THE AHA AND THIS O RGANIZATION ALSO BELIEVE THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO A RE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BE NEFIT AS FOLLOWS - A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIE NTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILIT Y FOR THE HOSPITAL'S CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS A 2006 CONGRESSIONAL B UDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATI ENTS WITH INCOMES BELOW 200% OF THE FEDERAL POVERTY LINE " - THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE UNLIKE BAD DEBT IN OTHER INDUSTRI ES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO TH E COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDL ESS OF ABILITY TO PAY PATIENTS WHO HAVE OUTSTANDING HOSPITAL INVOICES ARE NOT TURNED AWAY , UNLIKE OTHER INDUSTRIES BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STAN DARDS ON REPORTING CHARITY CARE MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXT ENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS AS A RESULT, ROUGHLY 40% OF BAD DEBT IS PENDING CHARITY CARE - THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT TH E VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF CO MMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE, THE EXPERIENCE OF HO SPITALS AROUND THE NATION REINFORCES THA |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| DEBT COLLECTION POLICY | SCHEDULE H, PART III, LINE 9B | ACCOUNTS CONSIDERED TO BE CHARITY CARE ARE NOT INCLUDED IN THE BAD DEBT EXPENSE, BUT RATHER, ACCOUNTED FOR AS AN ALLOWANCE IT IS THE POLICY OF DOYLESTOWN HOSPITAL AND ITS RELATED ENTITIES TO TREAT ALL PATIENTS EQUALLY REGARDLESS OF INSURANCE OR ABILITY TO PAY FOR ACCOUNTS DETERMINED TO BE "SELF-PAY" AND/OR ACCOUNTS WITH BALANCES AFTER PRIMARY INSURANCE PAYMENTS, THE COLLECTION POLICY REQUIRES REASONABLE AND CUSTOMARY EFFORTS TO COLLECT PATIENT BALANCES, INCLUDING CONTACT BY TELEPHONE, LETTER AND/OR ACCOUNT STATEMENTS NO LESS THAN 90 DAYS FROM THE FIRST BILLING NOTICE SENT TO A PATIENT, POTENTIAL BAD DEBT ACCOUNTS ARE REVIEWED BY AN ACCOUNT REPRESENTATIVE, AND A PRE-COLLECTION LETTER/FINAL NOTICE IS MAILED TO THE PATIENT/GUARANTOR AS APPROPRIATE AFTER 15 DAYS, ANY ACCOUNTS OVER $15 WITH NO RESPONSE ARE PLACED WITH A CONTRACTED OUTSIDE COLLECTION AGENCY THE FACILITY ALSO HAS A FINANCIAL ASSISTANCE POLICY TO ASSURE PATIENTS ARE PROVIDED WITH CHARITY CARE ASSISTANCE DETERMINED BY STATE AND FEDERAL REGULATIONS IT IS THE POLICY TO INFORM ALL PATIENTS DEEMED SELF-PAY OF THE APPROPRIATE ASSISTANCE PROGRAMS AVAILABLE THIS IS ACCOMPLISHED THROUGH SIGNAGE, NOTICES ON PATIENT STATEMENTS, AND FINANCIAL COUNSELING PATIENTS APPLYING FOR CHARITY CARE ASSISTANCE WILL BE FINANCIALLY SCREENED BY A FINANCIAL COUNSELOR TO DETERMINE ELIGIBILITY ACCORDING TO STATE AND FEDERAL GUIDELINES AND WILL BE INFORMED OF DOCUMENTATION NEEDED TO COMPLETE A CHARITY CARE APPLICATION QUALIFIED PATIENTS WILL BE REFERRED TO ALL APPROPRIATE AGENCIES OR PROGRAMS TO MEET OTHER FINANCIAL NEEDS PATIENTS NOT ELIGIBLE FOR CHARITY CARE WILL BE PROVIDED WITH INFORMATION REGARDING OTHER OPTIONS UNINSURED PATIENTS IDENTIFIED AS QUALIFYING FOR DISCOUNTED CHARGES FOR MEDICALLY NECESSARY SERVICES WILL BE GRANTED A 50% UNINSURED DISCOUNT FROM TOTAL CHARGES IF NOT COVERED BY A THIRD PARTY ADDITIONAL DISCOUNTS MAY BE APPLIED FOR UNDERINSURED PATIENTS AFTER APPLICABLE INSURANCE PAYMENTS AND CO-PAYMENTS ARE RECEIVED AT THE TIME OF THE PATIENT VISIT AND AS PART OF THE REGISTRATION PROCESS AT THE FACILITY, THE FOLLOWING OPTIONS ARE MADE AVAILABLE TO PATIENTS - FINANCIAL COUNSELING FOR POSSIBLE ELIGIBILITY FOR MEDICAL ASSISTANCE INCLUDING MEDICAID AND SUPPLEMENTAL SECURITY INCOME - FINANCIAL COUNSELING FOR POSSIBLE ELIGIBILITY FOR THE DOYLESTOWN HOSPITAL FINANCIAL ASSISTANCE PROGRAM - CASH, CHECK, CREDIT CARD - PROMPT PAY DISCOUNTS - INTEREST-FREE PAYMENT PLANS |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| FACILITY POLICIES AND PRACTICES | SCHEDULE H, PART V, SECTION B, QUESTIONS 1J, 3, 4, 5C, 6I & 7 | NOT APPLICABLE |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| FACILITY POLICIES AND PRACTICES | SCHEDULE H, PART V, SECTION B,QUESTIONS 9,10,13G,15E,16E,18D,20&21 | NOT APPLICABLE |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| FACILITY POLICIES AND PRACTICES | SCHEDULE H, PART V, SECTION B, QUESTION 11H | SLIDING SCALE FINANCIAL ASSISTANCE DISCOUNTS ARE PROVIDED BASED ON FAMILY SIZE, INCOME LEVEL, BALANCE DUE IN PROPORTION TO INCOME AFTER RECONCILIATION WITH PUBLIC OR PRIVATE INSURERS |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| FACILITY POLICIES AND PRACTICES | SCHEDULE H, PART V, SECTION B, QUESTIONS 17E & 19D | PATIENTS WHO APPEAR ELIGIBLE FOR CHARITY CARE BUT FOR WHOM THERE IS NO FINANCIAL ASSISTANCE FORM ON FILE DUE TO A LACK OF SUPPORTING DOCUMENTATION MAY BE GRANTED UP TO 100% WRITE-OFF OF THE ACCOUNT BALANCE PRESUMPTIVE ELIGIBILITY MAY BE DETERMINED THROUGH THE USE OF AN OUTSIDE SERVICE PROVIDING A HEALTHCARE CREDIT REPORT PESUMPTIVE ELIGIBILITY MAY ALSO BE DETERMINED ON THE BASIS OF INDIVIDUAL LIFE CIRCUMSTANCES THAT MAY INCLUDE STATE FUNDED PRESCRIPTION PROGRAMS, HOMELESS OR RECEIVING CARE FROM A HOMELESS CLINIC, PARTICIPATION IN WOMEN, INFANTS AND CHILDREN (WIC) PROGRAM, FOOD STAMP ELIGIBILITY, SUBSIDIZED SCHOOL LUNCH PROGRAM, ELIGIBILITY FOR OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED, LOW INCOME/SUBSIDIZED HOUSING IS PROVIDED AS VALID ADDRESS, PATIENT IS DECEASED WITH NO KNOWN ESTATE, ELIGIBILITY FOR ANN SILVERMAN COMMUNITY HEALTH CLINIC FREE HEALTHCARE |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| NEEDS ASSESSMENT | SCHEDULE H, PART VI, QUESTION 2 | DURING FY 2013, DOYLESTOWN HOSPITAL WILL COMPLETE A COMPREHENSIVE COMMUNITY BENEFIT NEEDS ASSESSMENT COOPERATIVELY WITH THE BUCKS COUNTY HEALTH IMPROVEMENT INITIATEVE AND THE HOSPITAL ASSOCIATION OF PENNSYLVANIA AS A ROUTINE, DOYLESTOWN HOSPITAL CONDUCTS REGULAR REVIEWS OF HEALTHCARE UTILIZATION IN ITS SERVICE AREA FOR BOTH CLINICAL QUALITY AND TO DETERMINE PATIENT PREFERENCES CURRENT DATA ON SERVICE LINE UTILIZATION (CARDIOLOGY, OBSTETRICS AND GYNECOLOGY, ORTHOPEDICS, ETC ) IS USED TO FORECAST HEALTHCARE NEEDS, TO ESTIMATE PROJECTED INPATIENT AND OUTPATIENT ACTIVITY, AND TO PLAN FOR CAPITAL AND STAFF RESOURCES TO BETTER MEET THE NEEDS OF OUR PATIENTS REAL-TIME REVIEWS OF QUALITY INDICATORS HELP TO IMPROVE SYSTEMS AND PROCESSES PATIENT AND VISITOR FEEDBACK, ALONG WITH QUARTERLY REVIEWS OF PATIENT SATISFACTION AND EXPERIENCE SURVEYS FOR EACH UNIT OF THE HOSPITAL, ARE INSTRUMENTAL IN PROCESS AND QUALITY IMPROVEMENT INITIATIVES EVERY TWO YEARS, DOYLESTOWN HOSPITAL CONDUCTS A SURVEY OF COMMUNITY MEMBERS, MEDICAL STAFF AND HOSPITAL BOARD MEMBERS AS PART OF ITS MEDICAL STAFF DEVELOPMENT PLAN RESPONSES TO THE SURVEY ARE THE BASIS FOR IDENTIFYING GAPS IN SPECIALIST AND/OR PRIMARY CARE MEDICAL SERVICES THE SURVEYS HELP GUIDE THE MEDICAL STAFF DEVELOPMENT COMMITTEE IN REVIEWING APPLICATIONS FOR MEMBERSHIP, AND DIRECT RECRUITING EFFORTS FOR SPECIALTIES IDENTIFIED BY THE SURVEY RESPONDENTS IN ADDITION, DOYLESTOWN HOSPITAL COOPERATES CLOSELY WITH THE BUCKS COUNTY DEPARTMENT OF HEALTH AND COMMUNITY PHYSICIANS TO MONITOR THE HEALTH NEEDS OF THE POPULATION AMONG THE MANY COMMUNITY HEALTH ORGANIZATIONS THE HOSPITAL WORKS WITH AND SUPPORTS IS THE BUCKS COUNTY HEALTH IMPROVEMENT PARTNERSHIP, A COLLABORATION OF THE SEVEN HOSPITALS IN BUCKS COUNTY, ALONG WITH THE COUNTY HEALTH DEPARTMENT, BUCKS COUNTY MEDICAL SOCIETY, CENTRAL BUCKS SCHOOL DISTRICT AND BUCKS COUNTY AREA AGENCY ON AGING DOYLESTOWN HOSPITAL WAS A FOUNDING MEMBER OF THE BUCKS COUNTY HEALTH IMPROVEMENT PARTNERSHIP |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE | SCHEDULE H, PART VI, QUESTION 3 | CHARITY CARE SIGNS ARE POSTED THROUGHOUT THE FACILITY, MAINLY IN PATIENT REGISTRATION AREAS SIGNS ARE POSTED IN BOTH ENGLISH AND SPANISH ALL PATIENTS DEEMED SELF-PAY ARE SCREENED FOR FINANCIAL ASSISTANCE BY A FINANCIAL COUNSELOR ACCORDING TO THE FEDERAL POVERTY GUIDELINES, AND REFERRED TO APPROPRIATE AGENCIES OR PROGRAMS AS IDENTIFIED |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| COMMUNITY INFORMATION | SCHEDULE H, PART VI, QUESTION 4 | DOYLESTOWN HOSPITAL SERVES A GEOGRAPHIC AREA THAT SPANS RURAL AND SUBURBAN TOWNSHIPS AND DENSELY POPULATED TOWNS IT IS SITUATED IN DOYLESTOWN TOWNSHIP, ON THE BORDER WITH DOYLESTOWN BOROUGH, THE BUCKS COUNTY SEAT OF GOVERNMENT BUCKS COUNTY IS AMONG THE MOST POPULATED AND FASTEST GROWING COUNTIES IN PENNSYLVANIA, WITH APPROXIMATELY 630,000 RESIDENTS THE POPULATION IS PREDOMINATELY CAUCASIAN (90%) WITH THE REMAINING 10% DIVIDED APPROXIMATELY EQUALLY AMONG AFRICAN AMERICAN, ASIAN AND HISPANIC RESIDENTS ABOUT 5% OF FAMILIES WITH CHILDREN LIVE BELOW THE FEDERAL POVERTY LEVEL |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| PROMOTION OF COMMUNITY HEALTH | SCHEDULE H, PART VI, QUESTION 5 | THE V I A HEALTH SYSTEM IS DEVOTED TO THE COMMUNITY IT SERVES AND SPONSORS AND COORDINATES MANY CHARITABLE AND HEALTH PROMOTION ACTIVITIES COMMUNITY OUTREACH PROGRAMS INCLUDE - PROVIDING SPACE FOR AMERICAN RED CROSS BLOOD DRIVES AND BI-MONTHLY PLATELET DONATIONS, - PARTICIPATION IN THE BUCKS COUNTY HEALTH IMPROVEMENT PARTNERSHIP (BCHIP), WHICH IS AN ADULT HEALTH CLINIC AVAILABLE TO PATIENTS THROUGHOUT THE COUNTY, - PARTICIPATION IN CB CARES, A COMMUNITY COALITION FOR YOUTH, OPERATION OF A DAY CARE CENTER, - SUPPORT OF THE ANN SILVERMAN COMMUNITY HEALTH CLINIC, - ROUTINE COMMUNITY EDUCATION PROGRAMS AND CLASSES, - MENTAL HEALTH SCREENINGS, - SPONSORSHIP OF WOMEN'S PROGRAMS AND EDUCATIONAL SCHOLARSHIPS, HOSPICE AND BEREAVEMENT PROGRAMS, - THE DOYLESTOWN CLINICAL NETWORK, - SPONSORSHIP OF COMMUNITY ORGANIZATIONS AND EVENTS, - THE VIAL OF LIFE PROGRAM AND - COMMUNITY ACCESS TO DH MEDICAL LIBRARY EDUCATIONAL PROGRAMS INCLUDE - LIFESTYLE, DRIVER SAFETY AND HEALTH LECTURES, - BREAST CANCER EDUCATION AND SUPPORT GROUPS, - PROSTATE CANCER SUPPORT GROUPS AND EDUCATION, - PREVENTION PROGRAMS FOR HIGH SCHOOL STUDENTS, - NUTRITION EDUCATION PROGRAMS, - STUDENT INTERNSHIP PROGRAMS FOR RADIOLOGY, EXERCISE PHYSIOLOGY, AND OTHER HEALTH SCIENCE/TECHNOLOGY FIELDS, - SMOKING CESSATION CLASSES, - ALZHEIMER'S CAREGIVER TRAINING, - MATERNITY AND PARENTING PROGRAMS INCLUDE WELL BABY EDUCATION, HEALTHY BEGINNINGS PROGRAM FOR PRENATAL HEALTH, BREASTFEEDING AND CHILDBIRTH CLASSES AND - CHILD DEVELOPMENT AND SIBLING AND GRANDPARENT CLASSES SCHOOL AGE ACTIVITIES INCLUDE - PARENTING AND BABYSITTING EDUCATION, - EMERGENCY DEPARTMENT CLINICS AND - SUPPORT FOR CB CARES FORTY ASSETS PROJECT MORE THAN 25 SUPPORT GROUPS ARE PROVIDED FREE MEETING SPACE, AND HOSPITAL STAFF SERVES AS LEADERS FOR MANY OF THE GROUPS (E G , BEREAVEMENT, AUTISM, ALATEEN, LYME DISEASE, DIABETES) LEADERSHIP ACTIVITIES INCLUDE MANAGEMENT VOLUNTEERS WHO SERVE FOR VARIOUS COMMUNITY ORGANIZATIONS (E G , GILDA'S CLUB, DELAWARE VALLEY COLLEGE) TEACHING PROGRAMS SUPORT MEDICAL, NURSING, ALLIED HEALTH AND HOSPITAL MANAGEMENT PROGRAMS, SUPPORTING MORE THAN TWENTY COLLEGES AND UNIVERSITIES IN ADDITION, THE HOSPITAL CONDUCTS A NUMBER OF HEALTH SCREENINGS AND IMMUNIZATIONS THROUGHOUT THE YEAR FOR COMMUNITY MEMBERS EACH OF THESE PROGRAMS IS DESCRIBED MORE FULLY IN THE COMMUNITY BENEFIT STATEMENT IN SCHEDULE O THESE EFFORTS ARE NOT NECESSARILY PART OF THE PATIENT AND FAMILY EXPERIENCE DURING HOSPITAL ENCOUNTERS, BUT SERVE TO SUPPORT THE NEEDS FOR HEALTH AND GROWTH FOR INDIVIDUALS IN THE COMMUNITY |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| AFFILIATED HEALTHCARE SYSTEM | SCHEDULE H, PART VI, QUESTION 6 | NOT-FOR-PROFIT VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN AND CONTROLLED ENTITIES VILL AGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN (" THE V I A ") IS A NOT-FOR-PROFIT HOLDING COMPANY BASED IN DOYLESTOWN, PENNSYLVANIA AS TH E PARENT ORGANIZATION OF A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM, THE V I A ST RIVES TO CONTINUALLY DEVELOP AND OPERATE AN INTEGRATED HEALTHCARE DELIVERY SYSTEM WHICH PR OVIDES A COMPREHENSIVE SPECTRUM OF MEDICALLY NECESSARY HEALTHCARE SERVICES TO THE RESIDENT S OF PENNSYLVANIA COUNTIES INCLUDING BUCKS AND MONTGOMERY, PENNSYLVANIA AND HUNTERDON AND MERCER, NEW JERSEY THE V I A IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVI CE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A SUPPORTING ORGANIZAT ION PURSUANT TO INTERNAL REVENUE CODE 509(A)(1) THE V I A ENSURES THAT ITS SYSTEM PROVID ES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANN ER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES DOYLESTOWN HOSPITAL OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 1 IT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABI LITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS, 2 IT OPERA TE AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS, WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR, 3 IT MAINTAIN AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS, 4 CONTROL RESTS WITH ITS BOARD OF TRUSTEES AND THE BOARD OF TRUSTEE S OF THE SYSTEM BOTH BOARDS ARE COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINEN T MEMBERS OF THE COMMUNITY, AND 5 SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIEN T CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES DOYLESTOWN HOSPITAL DOYLESTOWN HOSPITAL ("DH") IS A 247-BED NON-PROFIT ACUTE CARE MEDICAL CENTER LOCATED IN DOYLESTOWN, BUCKS COUNTY, PENNSYLVANIA DH IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION PU RSUANT TO ITS CHARITABLE PURPOSES, DH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATI ONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, DH OPERATES CONSISTENTLY WITH THE CRITE RIA OUTLINED IN IRS REVENUE RULING 69-545 DOYLESTOWN HEALTH FOUNDATION DOYLESTOWN HEALTH FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PUR SUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTER NAL REVENUE CODE 509(A)(1) THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE C HARITABLE PURPOSES, PROGRAMS AND SERVICES OF DOYLESTOWN HOSPITAL, A RELATED INTERNAL REVEN UE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SE RVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY V I A AFFILIATES V I A AFFILIATES IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTER NAL REVENUE CODE 501(C)(3) AND AS A SUPPORTING ORGANIZATION PURSUANT TO INTERNAL REVENUE C ODE 509(A)(3) THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF DOYLESTOWN HOSPITAL, A RELATED INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION, T HAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMIN ATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY T O PAY PINE RUN RETIREMENT COMMUNITY PINE RUN RETIREMENT COMMUNITY IS A DIVISION WITHIN DO YLESTOWN HOSPITAL AND OPERATES JOINTLY AS A SINGLE INTERNAL REVENUE CODE 501(C)(3) TAX-EXE MPT ORGANIZATION PINE RUN INCLUDES A 127-BED NURSING FACILITY AND 40-BED PERSONAL CARE FA CILITY, 107 ASSISTED LIVING BED FACILITY AND 300 INDEPENDENT LIVING UNITS IN BUCKS COUNTY, PENNSYLVANIA FOR-PROFIT VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN AND CONTROLLED ENT ITIES DOYLESTOWN HOSPITAL HEALTH & WELLNESS CENTER A FOR-PROFIT ENTITY WHOSE SOLE SHAREHO LDER IS DOYLESTOWN HEALTH FOUNDATION THE ORGANIZATION IS LOCATED IN WARRINGTON, BUCKS COU NTY, PENNSYLVANIA THE ORGANIZATION LEASES SPACE TO AN UNRELATED ENTITY WHICH OPERATES A F ITNESS CENTER DOYLESTOWN SURGICAL CENTER, LLC A LIMITED LIABILITY COMPANY TAXED AS A PART NERSHIP DOYLESTOWN HOSPITAL HAS A 60% OWNERSHIP INTEREST IN JULY 2012, THE HOSPITAL PURC HASED THE ASSETS OF THE DOYLESTOWN SURGICAL CENTER, LLC GOING FORWARD, THE SURGERY CENTER WILL BE OPERATED AS A DEPARTMENT OF THE HOSPITAL DOYLESTOWN RADIOLOGY GROUP, LP A PENNSY LVANIA LIMITED PARTNERSHIP THAT OPERATES A FREESTANDING MRI FACILITY IN HARTSVILLE, PENNSY LVANIA DOYLESTOWN HOSPITAL HAS A 51% OWNERSHIP IN |

| Identifier | ReturnReference | Explanation |
|---|---|---|
| AFFILIATED HEALTHCARE SYSTEM | SCHEDULE H, PART VI, QUESTION 6 | TEREST |

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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

**2011**

**Open to Public Inspection**

Name of the organization
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

## Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

| (a) Name and address of organization or government | (b) EIN | (c) IRC Code section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|---|---|---|---|---|---|---|---|
| (1) DOYLESTOWN HEALTH FOUNDATION595 W ST STREET DOYLESTOWN,PA 18901 | 23-2368196 | 501(C)(3) | 497,407 | | | | PROGRAM SUPPORT |
| (2) VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN595 WEST STATE STREET DOYLESTOWN,PA 18901 | 23-2368197 | 501(C)(3) | 80,155 | | | | PROGRAM SUPPORT |
| | | | | | | | |
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| | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 0

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

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

**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 |
|---|---|---|
| GRANT FUND MONITORING | SCHEDULE I, PART I, QUESTION 2 | GRANTS ARE MONITORED BY THE ORGANIZATION'S FINANCE PERSONNEL THROUGH THE UTILIZATION OF COST CENTER AND OTHER INFORMATION, INCLUDING WRITTEN DOCUMENTATION AND RECEIPTS |

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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

**2011**

**Open to Public Inspection**

**Name of the organization**
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

## 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<br>☐ First-class or charter travel ☐ Housing allowance or residence for personal use<br>☐ Travel for companions ☐ Payments for business use of personal residence<br>☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees<br>☐ 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<br>☑ Compensation committee ☐ Written employment contract<br>☑ Independent compensation consultant ☑ Compensation survey or study<br>☑ Form 990 of other organizations ☑ Approval by the board or compensation committee | | | |
| **4** | During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization | | | |
| **a** | Receive a severance payment or change-of-control payment? | **4a** | | No |
| **b** | Participate in, or receive payment from, a supplemental nonqualified retirement plan? | **4b** | Yes | |
| **c** | Participate in, or receive payment from, an equity-based compensation arrangement? | **4c** | | No |
| | If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III | | | |
| | **Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.** | | | |
| **5** | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of | | | |
| **a** | The organization? | **5a** | | No |
| **b** | Any related organization? | **5b** | | No |
| | If "Yes," to line 5a or 5b, describe in Part III | | | |
| **6** | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of | | | |
| **a** | The organization? | **6a** | | No |
| **b** | Any related organization? | **6b** | | No |
| | If "Yes," to line 6a or 6b, describe in Part III | | | |
| **7** | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III | **7** | | No |
| **8** | Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III | **8** | | No |
| **9** | If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)? | **9** | | |

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

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

| (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) BRUCE DERRICK MD | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 361,715 | 0 | 0 | 0 | 14,165 | 375,880 | 0 |
| (2) SCOTT S LEVY MD | (i) | 379,068 | 0 | 844 | 124,335 | 17,573 | 521,820 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (3) RICHARD A REIF | (i) | 448,386 | 0 | 9,749 | 7,350 | 15,279 | 480,764 | 0 |
| | (ii) | 169,285 | 0 | 0 | 0 | 0 | 169,285 | 0 |
| (4) ELEANOR WILSON RN MSN MHA | (i) | 319,128 | 0 | 2,057 | 7,350 | 17,203 | 345,738 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (5) DANIEL L UPTON | (i) | 310,555 | 0 | 1,315 | 176,398 | 17,705 | 505,973 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (6) BARBARA HEBEL | (i) | 209,171 | 0 | 121,663 | 53,771 | 16,455 | 401,060 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (7) RICHARD LANG | (i) | 212,168 | 0 | 459 | 67,982 | 22,262 | 302,871 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (8) LINDA PLANK | (i) | 183,165 | 0 | 1,028 | 5,343 | 7,841 | 197,377 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (9) LOUIS IOBBI | (i) | 154,751 | 0 | 819 | 2,933 | 13,383 | 171,886 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (10) CATHLEEN Q STEWART | (i) | 210,611 | 0 | 277 | 31,931 | 6,472 | 249,291 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (11) JOHN MITCHELL | (i) | 198,527 | 0 | 606 | 5,869 | 18,054 | 223,056 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (12) STEVEN DAY JR | (i) | 193,227 | 0 | 0 | 2,933 | 13,383 | 209,543 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (13) ELIZABETH SEEBER | (i) | 147,317 | 0 | 223 | 4,349 | 16,455 | 168,344 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (14) PATRICIA STOVER | (i) | 146,070 | 0 | 278 | 4,197 | 17,531 | 168,076 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (15) SHERI M PUTNAM | (i) | 139,207 | 0 | 451 | 4,023 | 7,537 | 151,218 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | |

## 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 |
|---|---|---|
| COMPENSATION INFORMATION | PART VII AND SCHEDULE J | TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM EACH INDIVIDUAL'S 2011 FORM W-2 AND FORM 1099-MISC, IF APPLICABLE |
| COMPENSATION INFORMATION | SCHEDULE J, PART 1, QUESTION 4B | THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDES UNVESTED BENEFITS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP") BECAUSE THE AMOUNT IS SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THIS UNVESTED BENEFIT AMOUNT THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN EACH INDIVIDUAL'S 2011 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES SCOTT S LEVY, M D , $105,385, DANIEL L UPTON, $152,548, BARBARA HEBEL, $31,144, RICHARD LANG, $44,999 AND CATHLEEN Q STEWART, $25,950 |

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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

**2011**

**Open to Public Inspection**

Name of the organization
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

## 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 | DOYLESTOWN HOSPITAL AUTHORITY | 23-1352174 | 261333DX3 | 04-01-2008 | 139,004,953 | CAP EXP/REFUND SERIES 1998B | | X | | X | | X |
| B | TELFORD INDUSTRIAL DEVELOPMEN AUTHORITY | 23-1352174 | | 11-12-2008 | 8,000,000 | MORTGAGE/CONSTRUCTION LOAN | | X | | X | | X |

## Part II Proceeds

| | | A | B | C | D |
|---|---|---|---|---|---|
| 1 | Amount of bonds retired | 0 | 0 | | |
| 2 | Amount of bonds defeased | 0 | 0 | | |
| 3 | Total proceeds of issue | 139,004,953 | 8,000,000 | | |
| 4 | Gross proceeds in reserve funds | 6,031,250 | 0 | | |
| 5 | Capitalized interest from proceeds | 0 | 0 | | |
| 6 | Proceeds in refunding escrow | 63,487,125 | 0 | | |
| 7 | Issuance costs from proceeds | 1,461,148 | 0 | | |
| 8 | Credit enhancement from proceeds | 0 | 0 | | |
| 9 | Working capital expenditures from proceeds | 0 | 0 | | |
| 10 | Capital expenditures from proceeds | 76,754,631 | 11,082,464 | | |
| 11 | Other spent proceeds | 0 | 0 | | |
| 12 | Other unspent proceeds | 178,061 | 0 | | |
| 13 | Year of substantial completion | 2011 | 2010 | | |

| | | 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 | | | X | | | | |
| 15 | Were the bonds issued as part of an advance refunding issue? | | X | | X | | | | |
| 16 | Has the final allocation of proceeds been made? | X | | | X | | | | |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | X | | | | | |

## Part III Private Business Use

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

## Part III Private Business Use *(Continued)*

| | | A | | B | | C | | D | |
|---|---|---|---|---|---|---|---|---|---|
| | | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a | Are there any management or service contracts that may result in private business use? | | X | | X | | | | |
| b | If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? | | | | | | | | |
| c | Are there any research agreements that may result in private business use of bond-financed property? | | X | | X | | | | |
| d | If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | X | | | | | | | |
| 4 | Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶ | 0 % | | 0 % | | | | | |
| 5 | Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶ | | | | | | | | |
| 6 | Total of lines 4 and 5 | | | | | | | | |
| 7 | Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities? | X | | X | | | | | |

## Part IV Arbitrage

| | | A | | B | | C | | D | |
|---|---|---|---|---|---|---|---|---|---|
| | | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 | Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? | | X | | X | | | | |
| 2 | Is the bond issue a variable rate issue? | X | | | X | | | | |
| 3a | Has the organization or the governmental issuer entered into a hedge with respect to the bond issue? | X | | | X | | | | |
| b | Name of provider | PNC BANK | | 0 | | | | | |
| c | Term of hedge | 29 | | | | | | | |
| d | Was the hedge superintegrated? | | X | | | | | | |
| e | Was a hedge terminated? | | X | | | | | | |
| 4a | Were gross proceeds invested in a GIC? | X | | | X | | | | |
| b | Name of provider | ROYAL BANK OF CANADA | | 0 | | | | | |
| c | Term of GIC | 29 | | | | | | | |
| d | Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | X | | | | | | | |
| 5 | Were any gross proceeds invested beyond an available temporary period? | | X | | X | | | | |
| 6 | Did the bond issue qualify for an exception to rebate? | | X | | X | | | | |

## Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☑ Yes ☐ No

## Part VI Supplemental Information

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

| Identifier | Return Reference | Explanation |
|---|---|---|

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135024913

**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

**2011**

**Open to Public Inspection**

**Name of the organization**
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

## 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) From | (c) Original principal amount | (d) Balance due | (e) In default? Yes | (e) No | (f) Approved by board or committee? Yes | (f) No | (g) Written agreement? Yes | (g) No |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
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| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| 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) PAVILION I MOB | COMPANY - LEVY(5% MEMBER) | 923,915 | RENT | | 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 |
|---|---|---|
| BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS | SCHEDULE L, PART IV | SCOTT S LEVY, M D IS A TRUSTEE OF THE ORGANIZATION AND IS A 5% MEMBER OF PAVILION I MOB THE ORGANIZATION UTILIZED THE SERVICES OF PAVILION I MOB DURING 2011 TOTAL FEES PAID TO PAVILION I MOB WERE $923,915 RENT PAID TO PAVILION I MOB IS AT FAIR MARKET VALUE RATES PURSUANT TO ARM'S LENGTH NEGOTIATIONS |

| efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135024913 |
|---|---|---|

**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

**2011**

**Open to Public Inspection**

Name of the organization
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

| Identifier | Return Reference | Explanation |
|---|---|---|
| COMMUNITY BENEFIT STATEMENT | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | V I A HEALTH SYSTEM BACKGROUND ========== THE VILLAGE IMPROVEMENT AS SOCIATION ("V I A ") WAS FOUNDED IN 1895 WITH THE HEALTH, WELFARE AND BEAUTY OF THE COMMUN ITY OF DOYLESTOWN AS ITS PRIMARY CONCERNS In response to community needs, the V I A esta blished the Visiting Nurse service in 1916, it continues to operate today The original 14 -bed hospital facility, designed for emergency and maternity cases, w as dedicated in 1923 To reflect a broadening community constituency, a new 25-bed hospital facility w as dedica ted in 1939 and w as subsequently expanded three times to reach a capacity of 129 beds The Hospital outgrew its original locations and, in 1975, moved to its present location at th e intersection of Routes 202 and 611 in Doylestow n, Bucks County, Pennsylvania, approximat ely 39 miles north of the center of Philadelphia After several expansions of the Hospital 's facilities, the most recent of w hich w as in 2010, the Hospital currently occupies appro ximately 62 acres of land, 611,000 square feet of building space, has 1,889 parking spaces and is licensed for 238 beds In 2001, the Health & Wellness Center of Doylestow n Hospita l w as opened in Warrington, about five miles south of the Hospital, offering outpatient la boratory and testing services, same-day surgery and access to community physician practice s In 1986, a corporate restructuring created the V I A Health System, the Doylestow n Hea lth Foundation and the V I A Affiliates Restructuring enabled the V I A and Doylestow n Hospital to operate more efficiently and w ith greater diversification Throughout its hist ory, the VIA continued to be forw ard looking, w hile maintaining the original goals of the Association w hich are to promote "every proper means of improving and beautifying Bucks Co unty improving the health and w elfare of the residents," and "supporting a community ho spital and other healthcare facilities for the benefit of all persons " IN ITS 117TH YEAR, THE V I A OVERSEES THE OPERATIONS OF THE SYSTEM OF AFFILIATED HEALTH CORPORATIONS THE P URPOSES OF THE V I A HAVE BEEN CONSISTENT THROUGHOUT ITS HISTORY - TO ENCOURAGE AND PROM OTE PUBLIC HEALTH WORK IN GENERAL - TO IMPROVE THE HEALTH AND WELFARE OF THE RESIDENTS OF DOYLESTOWN AND GREATER CENTRAL BUCKS COUNTY - TO PROVIDE FOOD, CLOTHING, SHELTER, MEDICAL AND SURGICAL CARE AND NURSING TO THE INDIGENT OF THE COMMUNITY WITHOUT CHARGE, INSOFAR AS HOSPITAL RESOURCES WILL PERMIT - TO OWN, MANAGE, SUPPORT, AND MAINTAIN A VISITING NURSE SE RVICE AND COMMUNITY HOSPITAL FOR THE BENEFIT OF ALL PERSONS - TO RAISE FUNDS FOR AND TO RE CEIVE AND HOLD ALL PROPERTY THAT MAY BE GIVEN TO THE ASSOCIATION TO ACCOMPLISH ITS MISSION FOR THE FISCAL YEAR ENDING 6/30/12 THE V I A HEALTH SYSTEM ACCOUNTS FOR THREE TAX-EXEMP T AFFILIATES IN THIS NARRATIVE DOYLESTOWN HEALTH FOUNDATION, DOYLESTOWN HOSPITAL, AND THE V I A AFFILIATES DESCRIBED BELOW ARE THE CHARITABLE MISSIONS OF THESE ENTITIES V I A HEALTH SYSTEM MISSIONS ========== DOYLESTOWN HEALTH FOUNDATION -------- ---------- The mission of the Foundation has four main points assessment of com munity needs, communication of those needs and the System's response to them, solicitation of funds to support the response, and the accountability to the community for both the ma nagement of the funds and the response to the needs DOYLESTOWN HOSPITAL ---------- -- Doylestow n Hospital is a comprehensive 238-bed medical center serving families througho ut Bucks and Montgomery Counties and Western New Jersey The Medical Staff includes more t han 420 physicians in more than 40 specialty areas Doylestow n Hospital is one of the 100 best hospitals in the U S , according to the Thomson Reuters 100 Top Hospitals study relea sed in 2012 The Heart Institute of Doylestow n Hospital is a regional center of excellence for cardiology and cardiac surgery and w as named one of the 50 Top Cardiovascular Hospita ls in the nation (Thomson Reuters 2012) Areas of clinical emphasis also include emergency medicine, oncology, maternal-child health, orthopedics, interventional radiology, gastroe nterology, urology, general surgery and robotic surgery Doylestow n Hospital's mission is to "provide a responsive, healing environment for our patients and their families and to i mprove the quality of life for all members of our community " These community members incl ude the vulnerable, the disenfranchised, those in need of health education, and those unin sured or underinsured persons w ho depend on us for care DOYLESTOWN HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NEC ESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, DOYLESTOW N HOSPITAL OPERATES CONSISTENTLY WITH THE FOLLOWIN |

| Identifier | Return Reference | Explanation |
|---|---|---|
| COMMUNITY BENEFIT STATEMENT | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | G CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 1 IT PROVIDES MEDICALLY NECESSARY HEALT HCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SE LF-PAY, MEDICARE AND MEDICAID PATIENTS, 2 IT OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PE RSONS, WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR, 3 IT MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS, 4 CONTROL REST S WITH ITS BOARD OF TRUSTEES AND THE BOARD OF TRUSTEES OF THE SYSTEM BOTH BOARDS ARE COMP RISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY, AND 5 SU RPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIE S AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES As a values-based organization, Doyle stow n Hospital has made a public commitment to five core values Service, Enthusiasm, Resp ect, Value and Excellence The hospital holds Board members, Medical Staff, and paid and u npaid staff accountable for incorporating these values into policies, behaviors, clinical practices and management decisions The five core values guide Doylestow n Hospital's respo nse to community needs 1 SERVICE - ANTICIPATE THE HEALTHCARE NEEDS OF THE COMMUNITY, EIT HER BY ADDING PROGRAMS OR SERVICES, OR OFFER OPPORTUNITIES FOR HEALTH EDUCATION OR SCREENI NG, AND ASSURE THAT THE HOSPITAL RESPONDS TO THOSE NEEDS IN A TIMELY FASHION THESE NEEDS ARE DETERMINED THROUGH THE HOSPITAL'S STRATEGIC PLANNING EFFORTS, WHICH ARE IN TURN GUIDED BY THE HOSPITAL'S MISSION STATEMENT 2 ENTHUSIASM - DOYLESTOWN HOSPITAL STRIVES TO SUSTA IN WITHIN ITS STAFF THE INSPIRATION THAT FIRST COMPELLED THEM TO HEALTHCARE-RELATED WORK A ND A COMMITMENT TO THE JOB OF SERVING OUR PATIENTS 3 RESPECT - DOYLESTOWN HOSPITAL WELCO MES AND PROVIDES CARE TO ALL MEMBERS OF THE COMMUNITY, WITHOUT REGARD FOR RACE, RELIGION, SEX, SEXUAL ORIENTATION, COLOR, NATIONAL ORIGIN, OR ABILITY TO PAY ALL THE MEDICAL, SURGI CAL, AND PROGRAM SERVICES LISTED ON ADDENDUM A ARE PROVIDED TO EVERY ONE WHO COMES TO DOYLE STOWN HOSPITAL FOR CARE, INCLUDING THOSE UNABLE TO PAY FOR THESE SERVICES 4 VALUE - AS A RESULT OF ITS COMMITMENT TO KEEP COST AND QUALITY IN PROPER PERSPECTIVE, DOYLESTOWN HOSPI TAL PROVIDES MANY PROGRAMS AND SERVICES AT NO CHARGE, BECAUSE THE COMMUNITY EXPECTS, NEEDS , AND DESERVES THIS CONTRIBUTION OF HEALTHCARE RESOURCES TO ITS OVERALL GOOD HEALTH IN TH E FISCAL YEAR ENDING 6/30/12, OVER 27,500 COMMUNITY MEMBERS TOOK ADVANTAGE OF COMMUNITY BE NEFIT ACTIVITIES, INCLUDING FREE HEALTH PROMOTION EVENTS, SCREENINGS, HEALTH EDUCATION PRO GRAMS, AND OTHER OUTREACH EFFORTS 5 EXCELLENCE - DOYLESTOWN HOSPITAL PROMISES THE COMMUN ITY IT WILL STRIVE FOR THE BEST POSSIBLE CUSTOMER SERVICE, PATIENT CARE, AND TECHNOLOGY TH AT MEET OR EXCEED THE COMMUNITY'S EXPECTATIONS IT ALSO PROMISES FAITHFULNESS TO ITS HERIT AGE AND ASSURES THAT EVERY DECISION REFLECTS A COMMITMENT TO THE VALUES PINE RUN COMMUNIT Y ---------- In 1992 Doylestow n Hospital enhanced its commitment to the older adul t population in the Central Bucks County area by acquiring the Pine Run Community Pine Ru n operates as a division of Doylestow n Hospital w ith the follow ing mission "Pine Run Comm unity is committed to and passionate about seniors, and w e are dedicated to being an excep tional retirement community By focusing on a spectrum of w ellness for everyone in our con tinuum, w e w ill enhance the quality of life throughout the region " Pine Run serves the su rrounding community as a non-profit continuing care retirement community by offering a con tinuum of services at its facilities w hich include 300 apartments (the Village), a 167-bed health care building providing 2 floors of nursing care and 1 floor of personal care Alzh eimer's and related care (the Health Center), and a 107-bed personal care facility w hich i ncludes a 13-bed dementia care unit (Lakeview) |

| Identifier | Return Reference | Explanation |
|---|---|---|
| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | PINE RUN STRIVES TO BE A PROGRESSIVE, RESIDENT-FOCUSED COMMUNITY, FULL OF VITALITY AND ENT HUSIASM, PROMOTING INDEPENDENCE AND WELLNESS THROUGH A CULTURE OF WELLNESS, PINE RUN IS D EDICATED TO THE PROMOTION OF HOLISTIC CARE AND SERVICES FOR VILLAGERS AND RESIDENTS THE V ILLAGE, LOCATED APPROXIMATELY 3 MILES FROM THE HOSPITAL, CONSISTS OF GARDEN COTTAGES SET I N CLUSTERS AND A MULTI-UNIT APARTMENT BUILDING, AS WELL AS A COMMUNITY CENTER, DINING ROOM , STORE, LIBRARY, AND OTHER AMENITIES MAINTENANCE, SECURITY, HOUSEKEEPING, UTILITIES, DIN ING, RECREATIONAL, CULTURAL, TRANSPORTATION AND FITNESS SERVICES ARE PROVIDED FOR THE VILL AGERS THE HEALTH CENTER, LOCATED ON THE SAME CAMPUS AS THE VILLAGE, PROVIDES TRANSITIONAL CARE FOR SHORT-STAY NURSING AND REHABILITATION RESIDENTS, WITH SKILLED NURSING CARE AND C OMPREHENSIVE THERAPY PROGRAMS, A PERSONAL CARE ALZHEIMER'S/DEMENTIA PROGRAM FOR THOSE WITH IMPAIRED MEMORY, LONG-TERM CARE FOR RESIDENTS REQUIRING ON-GOING CUSTODIAL CARE, SHORT-TE RM RESPITE CARE TO ALLOW HOME-BASED CARE GIVERS TO TAKE A VACATION OR TRIP, AND HOSPICE CA RE FOR END OF LIFE CARE LAKEVIEW, A PERSONAL CARE FACILITY, WAS PURCHASED BY DOYLESTOWN H OSPITAL IN 1998 AND ADDED TO THE PINE RUN FAMILY OF FACILITIES IT OFFERS PERSONAL CARE AC COMMODATIONS IN PRIVATE SUITES AND COMPANION SUITES, WITH SUPPORTIVE SERVICES AND ENHANCED PROGRAMMING FOR THOSE WITH MEMORY IMPAIRMENT THIS PERSONAL CARE RESIDENCE IS 3 5 MILES F ROM PINE RUN VILLAGE, AND TWO BLOCKS FROM THE HOSPITAL V I A AFFILIATES ---------- - The V I A Affiliates grew significantly in recent years in an effort to more closely in tegrate care, especially for the inpatient population The physician practices of the V I A Affiliates include Hospitalists - Nine physicians certified in internal medicine are s upported by three nurse practitioners/physician assistants Together they manage the day-t o-day care of most Hospital inpatients General Surgeons - Two physician practices, combin ing a total of seven board-certified surgeons, are among the V I A Affiliates and perform a wide array of surgical services, including laparoscopic and robotic procedures Cardiot horacic Surgeons - The surgeons of VIAA Cardiothoracic Surgery w ork exclusively in the Ric hard A Reif Heart Institute's closed Cardiovascular Intensive Care Unit w ith a dedicated nursing staff, cardiovascular anesthesiologists and 24/7 coverage by cardiovascular physic ian assistants Neurology - A neurologist, supported by a nurse practitioner, w orks w ith c ommunity neurologists to manage stroke care in the Hospital setting The goal of the V I A Affiliates is to bring community-based services to the residents of the Central Bucks co mmunity that might not otherw ise be available or included in the mission of other system e ntities V I A Affiliates exists to support the SERVE core value of Doylestow n Hospital HIGH QUALITY, LOW COST ---------- -------- The Hospital has positioned itself as the hi gh-quality, low-cost provider for medical services providing convenient and responsive acc ess to all community members The hospital has maintained a strong focus on clinical integ ration, beginning w ith the creation of the Bucks County Physician Hospital Association (BC PHA) The BCPHA w as formed by the Hospital and Doylestow n Independent Practice Association in 1989 to help coordinate medical management and risk contracting activities The BCPHA is now engaged in a federal Bundled Payment initiative to improve the quality and efficien cy of care for Medicare patients Partnerships w ith several academic healthcare institutio ns have enabled the Hospital to offer certain state-of-the-art services in the Doylestow n community as it continues to solidify its position as a quality, cost and access leader in the marketplace The Hospital has an established and robust program of continuous perform ance improvement, incorporating concurrent statistical measurement, process redesign and s tandardization The quality of the results is evident in data publically reported by the C enters for Medicare and Medicaid Services (CMS) CMS identified Doylestow n Hospital as num ber two in the nation for low est mortality rate for heart attack patients in 2011 The Hos pital w as named one of the 50 Top Cardiovascular Hospitals and among the 100 Top Hospitals in the U S by Thomson Reuters in 2012 Early in 2013, the Hospital w as named among Becke r's Hospital News "100 Hospitals w ith a Great Heart Program" The Hospital continues to ma ke significant investments in information technology The Hospital w as among the first to convert to Meditech Client/Server and w as named among the "Most Wired Hospitals" of 2010 The Hospital achieved 100 percent adoption of computerized provider order entry (CPOE) in June 2012, creating a fully electronic medical record The Hospital has already received $ 2 5 million in federal "meaningful use" funds for its IT investment, and meets criteria to receive additional funds in the future A paralle |

| Identifier | Return Reference | Explanation |
|---|---|---|
| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | l effort to create a community health ınformation exchange w as takıng place at the same tı me the ınpatient electronıc medıcal record w as ın development Communıty physıcians curren tly share crıtıcal patıent ınformatıon such as allergıes, lab results, problem lısts and m edıcatıons vıa the Doylestow n Clınıcal Netw ork w ıth the hospıtal and other practıces Comm unıty physıcians also have a portal to access theır patıents' hospıtal record, ıncludıng ı mages The transıtıon to an electronıc medıcal record subsequently provıdes real-tıme data to further enhance qualıty ımprovement actıvıtıes at Doylestow n Hospıtal The Hospıtal co ntınues to seek opportunıtıes to ımprove clınıcal ıntegratıon and the patıent experıence A majo r addıtıon to the Hospıtal completed ın 2010 expanded the Emergency Department from 17 to 49 beds A second floor atop the addıtıon provıdes 40 prıvate patıent rooms An expa nded and accredıted Cancer Institute at Doylestow n Hospıtal opened ın 2011 and offers radı atıon therapy on the campus for the fırst tıme The Hospıtal ıs accredıted by The Joınt Co mmıssıon ın for care of Stroke, Heart Failure and Joınt Replacements There ıs an accredıt ed Chest Paın Center on campus The Hospıtal has also receıved "Blue Dıstınctıon" status f rom Blue Cross/Blue Shıeld for joınt replacements PATIENT SAFETY AND SATISFACTION ------- ---------- PRESS GANEY AWARD FOR PATIENT SATISFACTION Doylestow n Hospıtal ea rned a 2012 Summıt Aw ard for Patıent Satısfactıon - Emergency Department by Press Ganey As socıates, Inc The Summıt Aw ard recognızes top-performıng facılıtıes that sustaın the hıgh est levels of patıent satısfactıon performance for three consecutıve years The Press Gane y Summıt Aw ard ıs one of the healthcare ındustry's most coveted symbols of achıevement Do ylestow n Hospıtal ıs one of only 100 organızatıons to receıve thıs prestıgıous honor for p atıent satısfactıon ın 2012, and one of only 24 Emergency Departments be recognızed Press Ganey partners w ıth more than 10,000 healthcare facılıtıes, ıncludıng more than half of a ll U S hospıtals, to measure and ımprove the patıent experıence Doylestow n Hospıtal's ne w, 55,756-square foot Emergency Department (ED) opened w ıth 41 beds ın Aprıl 2010 A colla borative team of physıcıans, nurses, hospıtal admınıstrators and patıents, aıded by expert s ın emergency department desıgn, desıgned an ED that focuses on how care should be delıve red, not how ıt ıs tradıtıonally delıvered Varıous effıcıencıes promote faster movement t hrough the system, reducıng the tıme that patıents spend ın the ED In w orkıng to ımprove systems, the maın area of focus w as the ımpact of w aıt tıme on patıent care and satısfactı on Several protocols w ere ınıtıated to move the Emergency Department vısıtor out of the " w aıtıng room" as soon as possıble and ınto a treatment room These ıncluded ınstıtutıng s tandıng order sets for the treatment of most common ED complaınts to expedıte the delıvery of care, and empow erıng nursıng staff to ınıtıate the order sets w ıthın theır scope of pr actıce before the patıent ıs seen by a physıcıan Fınally, all physıcıans ın the ED adopte d the same standards for patıent communıcatıon and vısıbılıty Electronıc medıcal records consolıdate and coordınate chartıng A "tracker board" ıs plaınly vısıble to staff to monı tor w ho ıs next to be seen, the amount of w aıt tıme and the acuıty of the patıent To ımpr ove communıcatıon, staff members carry cell phones w ıth speed-dıal connectıvıty |

| Identifier | Return Reference | Explanation |
|---|---|---|
| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | "Our model of care is completely patient-centered," said Lawrence Brilliant, MD, Medical Director, Emergency Department "With support from the staff, physicians and Administration , we have been able to create an environment from the ground up that focuses on patient experience and the way care should be delivered to ensure the best and safest possible experience for each patient " "We are proud to partner with Doylestown Hospital," said Patrick T Ryan, CEO of Press Ganey "Achieving this level of excellence in patient satisfaction reflects the organization's commitment to delivering outstanding service and quality Doyle stown Hospital's efforts benefit patients in the community and will lead to improved patie nt experience " WOMEN'S CHOICE AWARD AS ONE OF THE 2012 AMERICA'S BEST HOSPITALS FOR PATIE NT EXPERIENCE ---------- The award is based on robust criteria that consider female patient satisfaction and what wome n say they want from a hospital including quality physician communications, responsiveness of nurses and support staff, cleanliness and trusted referrals from other women The awar d is presented by WomenCertified, representing the collective voice of female consumers It is a trusted referral source for top businesses and brands identified as meeting the nee ds and preference of women "We are honored to receive the Women's Choice Award recognizin g Doylestown Hospital as one of the Top 100 hospitals for Patient Experience," says Doyles town Hospital President & CEO Richard A Reif "We especially appreciate the fact that our female patients have selected us for this award Doylestown Hospital has the unique disti nction of being founded and still run by a women's civic organization, the Village Improve ment Association Being selected for this award by women affirms our commitment to providi ng the best experience possible as they rely on us for quality health services for themsel ves and their families " Women make or influence more than 90 percent of healthcare decisi ons for themselves and their families, according to a study published by the American Acad emy of Family Physicians The Women's Choice Award signals that a hospital meets high stan dards regarding a woman's preferences, and the distinction allows women to make an informe d decision about where to go for care for themselves or their family "Doylestown Hospital 's selection by WomenCertified as one of America's Best 100 Hospitals for Patient Experien ce differentiates it from other choices in the area," explains Delia Passi, CEO and founde r of WomenCertified, and former publisher of Working Woman and Working Mother magazines " Women have many choices when it comes to healthcare and they set the standard for customer service Women's Choice Award recipients have demonstrated extraordinary service in meeti ng the needs of women and their families, and represent the smart choice for women " Hospi tals qualify for this highly selective annual list based on an in-depth proprietary scorin g process The scoring incorporates a national, standardized survey of patients' perspecti ves of hospital care reported by the U S Department of Health and Human Services (Hospita l Consumer Assessment of Healthcare Providers and Systems) and an analysis that weighs cri teria identified as the most important to women for patient satisfaction Additionally, th e scoring incorporates WomenCertified's in-depth research on customer satisfaction among w omen, including a joint study on customer satisfaction by gender conducted with the Wharto n School of the University of Pennsylvania The 100 best scores in four hospital size cate gories determine the Award winners WomenCertified accepts absolutely no payment in exchan ge for placement on the list "Recognizing the best hospitals nationwide that are women-fr iendly and align with women's identified preferences is important to our mission at WomenC ertified, where women help other women with tough, consumer decisions," Passi concludes " Most importantly, when a woman sees the Women's Choice Award at her local hospital, she'll know the hospital values her experience as a critical component of her and her loved one' s care " RECENT ACHIEVEMENTS DOYLESTOWN HOSPITAL IS 2ND IN THE NATION AND BEST IN PENNSYLV ANIA FOR HEART ATTCK SURVIVAL ---------- ---------- The 30-day mortality rate for heart attack patients is 10 4% at Doylestown H ospital, the national average is 15 5%, according to CMS The mortality rate takes into ac count not only the life-saving care provided before and during emergency angioplasty, but also the superior care a patient receives after the event and even after they return home This ranking affirms the hospital's designation as a 50 Top Cardiovascular Hospital for 2 012 by Thomson Reuters That study examined the performance of more than 1,000 hospitals b y analyzing outcomes for patients with heart failu |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | re and heart attacks and for those w ho received coronary bypass surgery and percutaneous c oronary ınterventıons such as angıoplastıes "Doylestow n Hospıtal has a team approach to t he care of heart attack patıents," says Steven Guıdera, MD, cardıologıst w ıth The Heart In stıtute of Doylestow n Hospıtal "Our team consısts of physıcıans, nurses, cardıovascular s pecialists, therapists and admınıstrators Each member of the team has a clearly defıned r ole and makes meanıngful contrıbutıons to the care of our heart attack patıents We consta ntly evaluate our processes and make refınements w ıth the goal of contınuous quality ımpro vement Thıs recognıtıon acknow ledges the hard w ork of men and w omen from throughout our h ospıtal famıly " DOYLESTOWN HOSPITAL RECEIVES STROKE GOLD PLUS QUALITY ACHIEVEMENT AWARD - ---------- Doylestow n Hospıt al receıved the Get With The Guıdelınes - Stroke Gold Plus Quality Achıevement Aw ard from the Amerıcan Heart Assocıatıon ın 2012 The aw ard recognızes Doylestow n Hospıtal's commıtm ent and success ın ımplementıng a hıgher standard of care by ensurıng that stroke patıents receıve treatment accordıng to natıonally accepted guıdelınes Get With The Guıdelınes - Stroke helps Doylestow n Hospıtal's staff develop and ımplement acute and secondary prevent ıon guıdelıne processes to ımprove patıent care and outcomes The program provıdes hospıta ls w ıth a w eb-based patıent management tool, best practıce dıscharge protocols and standın g orders, along w ıth a robust regıstry and real-tıme benchmarkıng capabılıtıes to track pe rformance The quıck and effıcıent use of guıdelıne procedures can ımprove the quality of care for stroke patıents and may reduce dısabılity and save lıves Doylestow n Hospıtal ıs a certıfıed Prımary Stroke Center that offers the hıghest quality care to ıts stroke patıe nts Doylestow n Hospıtal has developed a comprehensıve system for rapıd dıagnosıs and trea tment of stroke patıents admıtted to the emergency department Thıs ıncludes alw ays beıng equıpped to provıde braın ımagıng scans, havıng neurologısts avaılable to conduct patıent evaluatıons and usıng clot-bustıng medıcatıons w hen approprıate "Thıs achıevement represe nts a tremendous amount of teamw ork that begıns as soon as a stroke alert ıs ıssued," saıd Doylestow n Hospıtal neurologıst Abraham Ashkenazı, M D "The quality of the care spans th e contınuum from the assessment of the doctors and nurses ın the ER all the w ay to the clı nıcıans ın rehab Our goal ıs to provıde the best dıagnosıs, treatment and follow-up care to ensure the stroke patıent has the best quality of lıfe possıble " "Recent studıes show that patıents treated ın hospıtals partıcıpatıng ın the Amerıcan Heart Assocıatıon's Get W ıth The Guıdelınes-Stroke program receıve a hıgher quality of care and may experıence bett er outcomes," saıd Lee H Schw amm, M D , chaır of the Get With The Guıdelınes Natıonal Ste erıng Committee and dırector of the TeleStroke and Acute Stroke Servıces at Massachusetts General Hospıtal ın Boston, Mass "The Doylestow n Hospıtal team ıs to be commended for the ır commıtment to ımprovıng the care of theır patıents " Followıng Get With The Guıdelınes - Stroke treatment guıdelınes, patıents are started on aggressıve rısk-reductıon therapıes ıncludıng the use of medıcatıons such as tPA, antıthrombotıcs and antıcoagulatıon therapy , along w ıth cholesterol-reducıng drugs and smokıng cessatıon counselıng These are all aı med at reducıng death and dısabılity and ımprovıng the lıves of stroke patıents Hospıtals must adhere to these measures at a set level for a desıgnated perıod of tıme to be eligıb le for the achıevement aw ards |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | "Doylestown Hospital is dedicated to making our care for stroke patients among the best in the country The American Heart Association's Get With The Guidelines - Stroke program he lps us to accomplish this goal," said Doylestown Hospital's Stroke Program Coordinator, Br ooke Kearins, CRNP "This recognition demonstrates that we are on the right track and we'r e very proud of our team" According to the American Heart Association/American Stroke Ass ociation, stroke is one of the leading causes of death and serious, long-term disability i n the United States On average, someone suffers a stroke every 40 seconds, someone dies o f a stroke every four minutes, and 795,000 people suffer a new or recurrent stroke each ye ar SERVICE ENHANCEMENTS DOYLESTOWN RANKED AMONG 100 TOP HOSPITALS ---------- ---------- Doylestown Hospital is one of the best 100 hospitals in the U S accord ing to the Thomson Reuters 100 Top Hospitals study released April 16 The annual study eva luates hospitals based on their overall organizational performance "The Thomson Reuters 1 00 Top Hospital rating is a wonderful affirmation of the quality of care we consistently d eliver and the culture of patient safety that we all have worked so hard to achieve," said Richard A Reif, President and CEO of the hospital "I could not be more proud of, or exc ited for, every Associate, member of our Medical Staff and hospital Volunteer " To conduct the 100 Top Hospitals study, Thomson Reuters researchers evaluated 2,886 short-term, acut e-care, non-federal hospitals They used public information - Medicare cost reports, Medic are Provider Analysis and Review (MedPAR) data, and core measures and patient satisfaction data from the Centers for Medicare and Medicaid Services (CMS) HospitalCompare w ebsite H ospitals do not apply, and w inners do not pay to market this honor There are 10 areas of study - Mortality - Medical complications - Patient safety - Average patient stay - Expen ses - Profitability - Patient satisfaction - Adherence to clinical standards of care - Pos t-discharge mortality - Readmission rates for heart attack, heart failure and pneumonia In November 2011, Thomson Reuters named Doylestown Hospital among the Top 50 Cardiovascular Hospitals in the U S for 2012 That recognition came on the heels of another national hon or DH's 30-day mortality rate for heart attack w as tied for fourth best in the nation acc ording to data on the CMS HospitalCompare w eb site (August 2011) V I A MATERNITY CENTER RENOVATIONS ---------- The birth experience at Doylestown Hospita l is family-centered, and our caring staff makes every "birthday" as special as possible Our state-of-the-art facilities and neonatal affiliation w ith Children's Hospital of Phila delphia place the very finest maternity and pediatric care right in the heart of our commu nity Approximately 1,300 babies are born every year at Doylestown Hospital, rated among t he best in the region for maternity care by HealthGrades(tm) We provide services from pre gnancy through birth for mothers and newborns, for the most common deliveries to neonatal intensive care services We are equipped and ready to care for families w ith higher than n ormal risk related to multiple births, maternal age and medical risk factors Doylestown H ospital is pleased to meet the needs of new moms by offering all private rooms in our Mate rnity Center The V I A Maternity Center features a 32-bed maternity unit that includes 1 0 Labor, Delivery & Recovery rooms, 22 private post-partum rooms (w ith private bathrooms), and a Jacuzzi room for mothers in labor Our maternity team w ill w ork w ith you to persona lize your birth experience and provide the finest care for you and your baby NATIONAL STU DY PLACES DOYLESTOWN HOSPITAL'S CARDIAC SERVICES BEST IN BUCKS COUNTY ---------- ---------- Doylestown Hospital is the top rate d hospital in Bucks County for overall cardiac care, according to a comprehensive annual s tudy released today by HealthGrades, the leading independent healthcare ratings organizati on The HealthGrades study analyzes tens of millions of patients' outcomes - specifically, mortality and complication rates - at the nation's 5,000 hospitals Patients highly value independent information on hospital quality performance And in light of recent health re form measures, demand for this information is only likely to increase In a recent survey of visitors to HealthGrades com related to hospital quality, 94% ranked quality outcomes a nd ratings as very important compared to reputation (89%), volume (78%), and location (58% ) Doylestown Hospital stands committed to a culture of quality and transparency and is pr oud of the results that its cardiac program has achieved Doylestown Hospital received Hea lthGrades highest rating - 5-stars - for both coronary interventional procedures as w ell a s treatment of heart attacks This is not the firs |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | t year the hospital scored high, in fact it has sustained the top ratings for four consecu tive years In this year's HealthGrades study, no other hospital in Bucks County received the 5-star rating for treatment of heart attacks "Our goal is to provide care of the high est quality with the best possible outcomes for our patients," says Chief Medical Officer Scott Levy, M D "Acknowledgement of our achievements by HealthGrades certainly helps vali date the work we do " According to the Thirteenth Annual HealthGrades Hospital Quality in America study top-rated hospitals had a 53% lower mortality rate than the U S national av erage for 17 procedures and diagnoses ranging from bypass surgery to treatment for heart a ttack When the top-rated hospitals were compared to the poorest performers, there was an even greater quality gap a 72% lower risk of mortality Doylestown Hospital is an accredi ted Chest Pain Center with protocols in place to offer the highest level of care for cardi ac symptoms The Heart Institute of Doylestown Hospital is a leader in primary (emergency) angioplasty, the treatment of choice to open blocked coronary arteries during a heart att ack. At 62 5 minutes, Doylestown Hospital's Door-to-Balloon time (the time from patient ar rival to when the artery is opened) is consistently superior to national averages, and well below the suggested benchmark of 90 minutes "The key to our success is a multidisciplin ary approach to the treatment of heart attack," says Executive Director of Cardiovascular Services John Mitchell "This involves close collaboration betw een the Emergency Departmen t, Cath Lab, physicians and nurses Every member of the team has the same goal of providin g successful, patient-centered care " HealthGrades' hospital ratings and awards reflect th e track record of patient outcomes at hospitals in the form of mortality and complication rates HealthGrades rates hospitals independently based on data that hospitals submit to t he federal government No hospital can opt in or out of being rated, and no hospital pays to be rated For 26 procedures and treatments, HealthGrades issues star ratings that refle ct the mortality and complication rates for each category of care Hospitals receiving a 5 -star rating have mortality or complication rates that are better than anticipated, to a s tatistically significant degree A 3-star rating means the hospital performs as expected One-star ratings indicate the hospital's mortality or complication rates in that procedure or treatment are statistically higher than average Because the risk profiles of patient populations at hospitals are not alike, HealthGrades risk-adjusts the data to allow for eq ual comparisons DOYLESTOWN RECOGNIZED FOR INNOVATIVE USE OF TECHNOLOGY FOR SAFER PATIENT CARE ---------- Doylestown Hospital has received two prestigious awards for its use of technology Doylestown is amo ng an elite group of 85 hospitals across the nation to be recognized with the Healthcare I nformation and Management Systems Society (HIMSS) EMR Stage 6 Award Doylestown Hospital i s the only Philadelphia-area hospital to receive this award EMR Stage 6 marks significant progress toward achieving a full EMR (Electronic Medical Record As a Stage 6 hospital, D oylestown does full electronic medication management, is well on its way with CPOE (Comput erized Physician Order Entry) with about 32% of inpatient orders are currently generated t hrough CPOE, has full PACS (digital radiology images) and online clinical decision support |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | The next, and highest, stage according is HIMSS EMR Stage 7, Doylestown is expected to rea ch this level in the near future Doylestown Hospital has also received a Microsoft Health Users Group (MS-HUG) Innovation Award in the area of HIE (Health Information Exchange) an d Interoperability for its work on the Doylestown Clinical Network This network ties toge ther the EMR systems of the hospital and community physicians The hospital has 185 physic ians on the NextGen network, which automatically transfers a patient's EMR to specialists and the hospital Of those, more than 50 are active EMR users There are about 400,000 pat ients in our community enrolled in this network. The ultimate goal is to safely and effici ently share a patient's health information throughout the healthcare continuum V I A HEA LTH SYSTEM COMMUNITY BENEFIT ACTIVITIES ========== THE V I A HEALTH SYSTEM IS DEVOTED TO THE COMMUNITY IT SERVES, AND IT SPONSORS AND COORDI NATES MANY CHARITABLE ACTIVITIES, WHICH, DESCRIBED IN THE NARRATIVE BELOW, IDENTIFIES WHAT IS DONE DAILY BY THE HEALTH SYSTEM'S ASSOCIATES AND VOLUNTEERS COMMUNITY OUTREACH & BENE FIT ACTIVITIES ---------- AMERICAN RED CROSS DONATION The Hos pital provides space on a weekly basis for a blood donation program conducted by the Ameri can Red Cross that benefits patients and the community Hospital space is valued at $15,00 0 BUCKS COUNTY HEALTH IMPROVEMENT PARTNERSHIP The Bucks County Health Improvement Partner ship (BCHIP) is a collaborative effort among Doylestown Hospital and the other five hospit als in the county, also including the Bucks County Medical Society and The Bucks County De partment of Health BCHIP addresses maternal and child health issues, mental health conce rns, coordination of health promotion and prevention (notably tobacco and cardiovascular r isk reduction), supports CHIP enrollment, domestic violence prevention and provides adult health and dental clinics for underserved populations The Foundation contributed $20,000 to a common fund, from which these projects were supported CB CARES Both the Doylestown H ospital and the Doylestown Health Foundation support the Team with Board members who provi de leadership, fundraising and human resource skills The value of space, utilities, phone , computer and cleaning services were donated for FY2012 for a total of $20,098 CHILDREN' S VILLAGE DAY CARE SUBSIDIES Children's Village, on-site day care, welcomes children from low-income families in the area and also children with special needs that are eligible for child-care subsidies $8,141 was written off for this ANN SILVERMAN COMMUNITY HEALTH CLI NIC The mission of the Clinic is to provide free medical care, dental care and social serv ices to any eligible person who seeks its help The target population is low income, under insured or uninsured people in the greater Central Bucks County area The hospital provide d the Clinic with offices and exam rooms at a nominal charge The Foundation assisted in s ome of the health needs of the patients that go beyond the resources of the Clinic with a contribution of $40,000 Other donations included pharmaceuticals and medical testing, as well as senior management's time contributing to the Clinic's Board During FY11-12 there were 2,189 visits to the medical program for 813 individual adults and children There wer e 826 treatment visits for the dental program for 249 adults and children There were 87 v isits provided through the Social Service Program including 453 eligibility appointments a nd 159 medical insurance applications There were 418 prescriptions filled from donated sa mples and 390 applications completed or Prescription Assistance Programs COMMUNITY EDUCAT ION CALENDAR Doylestown Hospital published a quarterly calendar which is distributed to 18 7,500 households This calendar lists communications related to health education programs and classes The approximate cost of this publication is $195,140 Advertisements are in l ocal newspapers which inform the community members about upcoming health education classes , physician lectures, support groups and other health education activities In addition, D oylestown Hospital publishes three disease specific newsletters which offer wellness and p revention information to patients who have been diagnosed with or are concerned about hear t disease (Cardiac Connection), osteoporosis, breast cancer, menopause and other women's h ealth issues (Her Health) and cancer (Concierge) More than 175,000 people receive this in formation through a mailing to their homes An additional 2,500 e-newsletters are also sen t The cost to produce and distribute these newsletters was $160,480 MEDICAID APPLICATION PREPARATION FOR ALL UNINSURED PA RESIDENTS Doylestown Hospital offers all uninsured PA re sidents the option of filing a Medicaid application HRSI is the Hospital's vendor and the y help our patients through the process The Hospi |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | tal is charged $475/application, if the applicant obtains eligibility HRIS has successful ly obtained eligibility for 189 uninsured patients For this process, the Hospital paid HR SI $89,775, staff time cost incurred of $31,571 Cost of Connecticut Medical Assistance ap plication fee of $680 and Trans Union Monthly fees totally $73,733 for the fiscal year LE NAPE VALLEY HEALTH FOUNDATION This organization provides psychiatric coverage and clinical supervision for Unit Patients and psychiatric consultation services in the Hospital's Eme rgency Department This is a cost to the hospital of $45,000 FOUNDATION FUND RAISING PROG RAM The Foundation's fund raising program requested unrestricted gifts for this fiscal yea r that w ould enable Doylestow n Hospital to continue its mission of a responsive, healing e nvironment for patients and their families Gifts benefited many departments of the hospit al, especially the Heart Institute, Hospice and the Cancer Center Special events included a silent auction to benefit the Cancer and Hospice programs, a Heart Brunch, and a golf o uting The Planned Giving program w as successful, including the growth of the charitable g ift annuity program HOSPICE PROGRAM SUPPORT The Hospice Program provided caregivers for r espite care in the homes of terminally ill patients, and contacted bereaved people over th e phone throughout the year after the death of a loved one Value $4,516 BEREAVEMENT SUP PORT The Bereavement Support Program provided support for bereaved and hospice families T here are various types of bereavement support groups that take place monthly in order to m eet the needs of all types of losses These programs are offered all year round and have a Chaplain and other professional staff in attendance The Hospital served 180 community me mbers, at a value of $24,437 "HOW TO COPE" PROGRAMS There w ere events held at various chu rches and organizations to discuss topics of coping w ith the loss of a loved one at the Ho lidays, "Who am I now" and having conversations before the crisis Value $13,321 PULSE L INE A phone line that is dedicated for community information, registration and referral H ospital staff screened applicants and referred patients w ith primary care and specialist p hysicians They also referred eligible patients to the Free Clinic of Doylestow n Estimate d staff time w as 1,040 hours (20 hours/w eek for 2 operators) valued at $20,280 DOYLESTOWN CLINICAL NETWORK (DCN) The DCN facilitates seamless transfer of clinical information prov ider-to-provider to improve the quality of care for members of the Doylestow n Community T here is an estimated 12,372 hours of paid Associate time An estimated cost of $230,000 fo r phone lines, maintenance, depreciation, etc and an estimated cost of $19,200 for Admini stration An estimate of direct offsetting revenue of $50,000 The outcome for the communi ty is the serving of approximately 450,000 persons Collaboration occurred betw een Doylest ow n Hospital and the Bucks County Physician Hospital Alliance (BCPHA) SCHOLARSHIP ASSISTA NCE 17 scholarships are supported by the Foundation through restricted gifts These schola rships, totaling $17,200 are aw arded to men and w omen pursuing nursing, allied health, par amedic, and other training BEN WILSON SENIOR CENTER NEWSLETTER Four times a year a staff member from Community relations assists w ith the preparation of a new sletter for the Ben W ilson Senior Center in Warrington by supplying health and w ellness information and editori al oversight We then print 1,500 copies at a value of $215 Staff time of 12 hours/issue valued at a total of $278, for the four issues |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | COMMUNITY BUSINESS SPONSORSHIPS Throughout the year, Doylestown Hospital has made cash donations to assist local businesses, non-profits and cultural organizations provide programs and activities that improve and/or enhance the overall quality of life for the greater Central Bucks Community We believe that one way to keep community members safe, health and vibrant is by supporting the numerous community and business groups that are the fabric of our community and by participating in special programs and events that benefit a broad spectrum of community residents The total amount donated for sponsorships is $ 35,800 VISITING NURSE PROGRAM FREE SUPPORT The Visiting Nurses made visits to families without insurance Clinics were held at the Center Square Towers, Yorktowne Manor and Buckingham Springs , which are all senior living complexes 45 hours were donated at a cost of $4,615 HOSPICE PROGRAMS Mailings and telephone contact to other community service organizations, such as Beelong Adult Day Services, Bayada Nurses in Hatboro & Bucks County Office, The Manor at Yorktown, to name a few, as well as healthcare organizations to offer information and education regarding "End of Life" and Hospice Programs 50 paid hours and 10 donated hours at a cost of $4,441 plus refreshments and handouts at a cost of $75 LIBRARY SERVICES AT DOYLESTOWN HOSPITAL The Hospital has an extensive library that is open to users from the community, other than Medical Staff, Associates and Volunteers of the Hospital Physicians that have privileges at the Hospital as well as Honorary/Emeritus Medical Staff make up the largest group of users At a cost to the Hospital of $83,274 HEALTHY E-COOKING SHOW The Hospital has an ongoing program that has an online database of over 600 healthy recipes and nutritional information along with videos These are accessible through Doylestown Hospital's website This access to the community helps with information on obesity, diabetes, cardiovascular disease and all dietary links This information is available to help promote healthy eating habits At a cost to the Hospital of 48 paid professional hours at a cost of $2,074 and an annual license fee of $14,400 ADAM HEALTH ENCYCLOPEDIA Health information is the 3rd most popular search on the internet The Hospital has an extensive health library on its website with over 4,000 health and wellness articles and covers over 1,500 medical topics The site has reference index and interactive tools At a cost to the Hospital of 20 paid professional hours at a cost of $ 864 and an annual license fee of $17,500 FOOD SHELTER DONATION Doylestown Hospital donated 50 cartons of food to New Britain Baptist Church to be distributed to local families in need The cost to the Hospital was $24,000 EDUCATIONAL PROGRAMS ---------- CANCER SURVIVOR DAY This event was held by Doylestown Hospital for all cancer survivors and their family and friends It was intended to provide psychological support and a networking experience with other survivors and connect survivors with community resources Over 100 people attended the event Volunteer hours included physicians, nursing, clerical staff attending for a total of $1,223 LIFESTYLE LECTURES This was a series of informal educational lectures offered to the community by members of the medical staff The hospital coordinated the program, which helped 354 community members $2,500 in physician time was donated DRIVER SAFETY PROGRAM This was a cooperative program with AARP that follows their rules for participation We provide room for 214 participants and 11 classes, which amounted to $1,250 in hospital donated costs COMMUNITY LECTURES The Hospital provided speakers for various community groups and organizations Presenters for events utilized both staff and physicians The donated staff time was $500 and the session helped 155 community individuals These programs improved the community's health and quality of life through education BREAST CANCER SUPPORT GROUP Provided opportunities for educational and emotional support for breast cancer survivors and their families The Hospital provided education to 25 persons per month at a cost of $1,497 Additional programs sponsored by the Hospital for cancer support were four cancer educational programs (Psychological Support Program, Breast Cancer and Emotional Support Program, Nutrition Program and "Basket Bingo" Costs incurred for these events were $5,162 MAN TO MAN PROSTATE CANCER SUPPORT GROUP EDUCATION This monthly program addresses issues and the struggles that face prostate cancer survivors and their families Volunteer time was 27 hours valued at $2 ,133 LOOK GOOD, FEEL BETTER This program provided support and resources for cancer patients undergoing chemotherapy 26 individuals attended and $388 was the value of staff and volunteer time and resources NUTRITION PRESENTATIONS Programs were held throughout the year to provide education on nutrition to promote opti |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | mal health and Diabetes Awareness Locations included several churches, senior communitie s, two High Schools and various women's' and men's' groups, menu evaluation for Yorktown M anor, health fair displays for YMCA and many local elementary schools Over 1,500 were edu cated with these programs 95 hours of staff time spent at a cost of $4,335 to the hospita l CANCER ROADMAP - Q&A FOR THE NEWLY DIAGNOSED PATIENT This program describes the process to the newly cancer diagnosed There is a one-on-one with an oncology nurse, social worke r and volunteer survivor to discuss a treatment plan, expectations and available resources for positive coping There were 4 individuals who attended, and a cost of $135 I CAN COP E This program was an educational series that addressed topics such as cancer and treatmen t, managing side effect, emotional concerns, fatigue and energy conservation and proper nu trition 20 persons were served at a cost of $640 STUDENT INTERNSHIP SUMMER PROGRAM This program with Students of the Gwynedd Mercy Cardiovascular Technology Program and Bucks Cou nty Community College Nursing Program The students spend 2 weeks observing procedures in Cardiac Services, Echo and the Cath Lab to help them decide where they would like to focus their educational/career and education The value of this program is $182,475 for support staff, physicians and professional staff time STUDENT INTERNSHIP RADIOLOGY PROGRAM SIX s tudents from Abington Memorial Hospital School of Radiologic Technology attend the Hospita l's Department of Radiology on a rotation basis Students learn clinical skills that are i mportant to their educational process Radiographers at the Hospital serve as clinical ins tructors for the students on a one to one ratio Doylestown Hospital does not receive a fi nancial reward for this agreement The cost of this program to the Hospital is $136,648 T here is also an intern program for ONE student with the Ultrasound Department The cost of this program is $22,525 ALLIED HEALTH RCIS COLLEGE INTERN PROGRAM Students work with a D oylestown Hospital Cardiac Rehab Associate, developing their skills such as reading physic ian reports, collecting information for first visit patients, assessing skills, documentin g meds, exercise evaluations, evaluating outcomes and discharging patients For the studen t college training, this is a mandatory clinical experience program The cost of this prog ram to the hospital is $341,015 SMOKING CESSATION PROGRAM Programs were held using CDC Re sources "Cleaning the Air" 54 individuals were given help in quitting the habit smoking The hospital's overall contribution is valued at $1,000 AMERICAN FAMILY FESTIVAL & COUNTR Y FAIR A Program was held at Pine Run for the community, at a value of $185 for time and r efreshments Staff and handout materials were valued at $1,500 |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | MATERNITY AND PARENTING ACTIVITIES ---------- BABY WELL This progr am educated 232 parents on how to care for their newborn $5,648 in staff time w as devoted towards 23 community programs HEALTHY BEGINNINGS PROGRAM This is a program to bring pren atal health to the underserved in the Community This is mostly the ones without the abili ty to pay or those who have not yet enrolled or who are enrolled in Medicaid Much of our program deals with high risk patients and those with substance abuse problems There is a Physician, a social worker and a dietician, as well as two nurses who run the program The cost of this program w as $454,017 BREASTFEEDING EDUCATION This program provides an incre ased understanding of the benefits of breastfeeding, which leads to improved nutrition/hea lth of infants 154 individuals attended the 24 lectures that w ere held throughout the yea r The cost to the hospital is about $6,130 CHILDBIRTH CLASSES A program teaching the how -to's of childbirth served 600 people at a cost of $46,468 to the hospital through 25 cour ses series every day of the w eek except Friday Tours of the Birthing Center w ere also giv en at a cost to the hospital of $1,102 TEEN PARENTING EDUCATION This is a cooperative pro gram w ith Child, Home and Community, Inc The hospital provided room for the educational c ourse 52 individuals w ere given free Childbirth instruction and 52 attended a support gro up called Building the Family $4,600 is the value of the meeting space CHILD DEVELOPMENT This program w as in cooperation w ith the Central Bucks School District High school stude nts toured the LDRP Unit They viewed and discussed family's admission from birthing room to postpartum room to the nursery Discussions w ere held on newborns and basic development , including ICN & types of infants admitted at Doylestow n Hospital The program w as presen ted on two dates, w ith 105 participants, including 1 teacher at a value of $1,080 Grand p arenting Classes This program prepared grandparents-to-be on how to be support their child ren as they start their ow n family 99 individuals attended the course, w ith a cost to the Hospital of $2,859 for the 6 classes Prenatal Refresher Classes This program refreshed n early 16 parents-to-be, w ho already have delivered other children, on the childbirth exper ience $2,369 in staff time w as devoted to this for 6 classes during the year SIBLING EDU CATION CLASSES A program designed to lessen a child's feelings of anxiety and jealousy Th ere w ere 34 participants in 9 classes during the year at a cost to the Hospital of $2,006 SCHOOL AGE ACTIVITIES ---------- PARENTING AND BABYSITTING EDUCATION This is a cooperative program w ith Child, Home and Community, Inc The hospital provided room for t he educational course 92 individuals w ere given babysitting instruction at a cost of $300 to the Hospital SERVICE LEARNING & CAREER ACADEMY The Service Learning Career Academy is a joint project betw een the VIA Health System and the three High Schools in the Central B ucks School District In collaboration w ith the Consumer and Family Sciences course, the h ospital's day care center provides students w ith hands-on experience to enhance learning o f child development theory In addition, hospital professional staff and CB faculty jointl y designed a curriculum for Advanced Placement Biology Students, Advanced Health Students and Anatomy Physiology Students, w ho spend class time on-site at the hospital to obtain th e practical application of class content Over 200 students participated in this program w here $22,000 in hospital staffs time and other costs TEDDY BEAR CLINICS Children in the c ommunity w ere exposed to the Emergency Department and ambulance in a fun environment The experience taught them to not be frightened in the event they may need emergency services Over 200 children came through the Teddy Bear Clinic at the hospital Donated materials a nd staff time is valued at $2,840 GIRL SCOUTS The hospital provided meeting space for 2 G irl Scout Troops Meeting space w as valued at $5,400 BUCKS COUNTY DOWN'S SYNDROME Space w as provided for monthly meetings at Children's Village for the Bucks County Dow ns Syndrome group Meeting space w as valued at $750 FOCUS ON MOTHERHOOD Family Home and Community Ch ildbirth classes for Teen Parents meet at C V every Monday evening to prepare for childbi rth Instruction is also provided for infant care, health & nutritional and life skills M eeting space is valued at $2,400 annually BEREAVEMENT GROUP MEETINGS Space is provided mo nthly for these meetings at C V and is valued at $5,400 LEADERSHIP ACTIVITIES ---------- ---------- The Hospital President/CEO devoted $21,000 w orth of his time to community bene fit activities including, but not limited to, the Bucks County Health Improvement Partners hip, Ann Silverman Community Health Clinic, Health Quality Partners, Delaw are Valley Healt hcare Council and Gilda's Club The Vice-President |

| Identifier | Return Reference | Explanation |
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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | of Development was also involved in contributing time to activities that benefit the community including Ann Silverman Community Health Clinic, CB Cares, The American Red Cross, the Central Bucks Chamber of Commerce and the Doylestown Business and Community Alliance Doylestown Hospital's managers also contribute their leadership and expertise to a variety of community boards, agencies, and projects During 2011-2012, a value of $105,000 in man ager's time was given, often during work time, to help some of the following community org anizations ADVOCACY SPEECHES AMERICAN CANCER SOCIETY AMERICAN HERITAGE FCU AMERICAN RED C ROSS BLOOD DRIVE BUCKS CO HOSPITAL DECON TASK FORCE BUCKS CO QUALITY CHILD CARE COALITIO N BUCKS CO MH/MR ADVISORY BOARD BOYS SCOUTS OF AMERICA BUCKS COUNTY HOUSING GROUP BUCKS C O HEALTH IMPROVEMENT PARTNERSHIP CB CHAMBER OF COMMERCE CENTRAL BUCKS MINISTERIUM CB CHRI STIAN WOMEN'S CLUB CHILD, HOME AND COMMUNITY, INC CENTRAL BUCKS FAMILY YMCA CB CARES COMMU NITY OUTREACH CENTER DELAWARE VALLEY COLLEGE SENIOR EDUCATION DOYLESTOWN ATHLETIC ASSOCIAT ION DOYLESTOWN BUSINESS & COMMUNITY ALLIANCE DVHC BOARD AND COMMITTEES FAMILY CAREGIVERS O F SENIORS ANN SILVERMAN COMMUNITY HEALTH CLINIC FRIENDS OF PEACE VALLEY NATURE CENTER GILD A'S CLUB GWYNEDD MERCY ADVISORY COMMITTEE HEALTH AND HOUSING TASK FORCE HERITAGE CONSERVAN CY LENAPE VALLEY SHRINER'S CLUB LITERACY ACADEMY OF BC IU MARCH OF DIMES MIDDLE BUCKS INST ITUTE OF TECH ADVISORY PROFESSIONALS WORKING WITH SENIORS SPRINGFIELD TOWNSHIP (SUPERVISO R/PLANNING) TEACHING PROGRAMS ---------- Doylestown Hospital supports medical, nurs ing, allied health, and hospital management programs The following is a list of schools t hat sent students to the hospital for practicums, clinical rotations, and/or preceptorship s ABINGTON HOSPITAL SCHOOL OF RADIOLOGY ARCADIA UNIVERSITY BUCKS COUNTY COMMUNITY COLLEGE DREXEL UNIVERSITY/HAHNEMANN COLLEGE EASTERN UNIVERSITY GWYNEDD MERCY COLLEGE IMMACULATA U NIVERSITY LASALLE UNIVERSITY MONTGOMERY COUNTY COMMUNITY COLLEGE NAZARETH HOSPITAL PHILADE LPHIA COLLEGE OF OSTEOPATHIC MEDICINE SALUS UNIVERSITY SANFORD BROWN INSTITUTE TEMPLE UNIV ERSITY UNIVERSITY OF PENNSYLVANIA UPPER BUCKS TECHNICAL INSTITUTE WEST CHESTER UNIVERSITY Doylestown Hospital served as a clinical rotation site for medicine, physician assistant, entry and advanced nursing levels, pharmacy, radiologic technology, cardiac services and e xercise physiology All patient care areas were utilized in the education of these student s The costs of teaching the 399 students were at least $317,500 PRE-MED VOLUNTEER PROGRA M This program has been developed by the Hospital Medical Staff and Volunteer Department It is a ten-week program starting in late May It is supervised by the Hospital's Director of Volunteer Services and is coordinated with a special seminar program conducted by the Doylestown Hospital's Medical Staff to introduce the students to selected phases of a medi cal career Students participating in the program are expected to give the Hospital a mini mum of 100 hours of volunteer time in various patient related services during the course The aim of the program is to give pre-medical students first-hand hospital experience to a cquaint them with a total community hospital picture This program brings into focus the w ork and responsibility of the physician in a modern hospital complex We had 13 students i n this program Time of six physicians, four nurse educators, volunteer services and mater ials cost the hospital $48,706 |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | OUTSIDE GROUP ROOM USAGE ---------- The hospital provides free space for meetings to the following outside groups with a charitable mission There were 137 individuals benefitted at a cost of $5,000 Ann Silverman Family Health Community Clinic Bucks County Autism Support Coalition Bucks County Intermediate Unit Bucks County Health Improvement Partnership Bucks County Medical Society Lenape Valley Foundation National Alliance for the Mentally Ill HEALTH SCREENINGS & IMMUNIZATIONS ---------- THE HOSPITAL CONDUCTS HEALTH SCREENS AND SUPPORTED IMMUNIZATIONS FOR VARIOUS COMMUNITY MEMBERS HEALTH SCREENINGS During the year, 176 individuals benefited from health screens Staff time donated to this effort is estimated at $6,819 Activity improves the health of the community in general, specific groups of people, helps contain healthcare costs and/or improves the quality of life for all members of our community The following is a list of health screening and immunization activities SKIN CANCER SCREENING This program screened 111 Patients with volunteer medical, nursing and clerical staff totaling $3,191 PROSTATE CANCER SCREENINGS This program screened 36 patients with volunteer medical, nursing and clerical staff totaling $3,628 INFLUENZA IMMUNIZATIONS Doylestown Hospital provided a community flu shot clinic in the fall of 2011 The value of this time to serve 232 individuals was $1,000 Vaccines were provided by the Bucks County Health Department SUPPORT GROUT & SELF-HELP PROGRAMS ---------- Support groups are offered at no charge to the community, and a member of the hospital staff leads many 833 conference room hours and 162 professional hours of support were provided to more than 3,200 community members This amounted to $41,650 donated in space and professional staff time and hospital materials The following is a list of the groups that held regular meetings at the hospital - Alcoholics Anonymous - Alateen - Better Breathers Club - CADUCEUS - EATING DISORDERS ANONYMOUS - FIBROMYALGIA - AUTISM - INSULIN PUMP - LYMPHEDEMA - NURSING MOTHERS - PARKINSON'S DISEASE - PROSTATE CANCER - STROKE - PULMONARY HYPERTENSION - ALZHEIMER'S DISEASE - AUGUSTINE FELLOWSHIP - BREAST CANCER - DOWN'S SYNDROME INTEREST - BUILDING THE FAMILY - LOW VISION - GAMBLERS ANONYMOUS - ICD (IMPLANTABLE DEFIBRILLATOR) - LYME DISEASE - MULTIPLE SCLEROSIS - OVEREATERS ANONYMOUS - PREGNANCY LOSS - SCLERODERMA - BLINDNESS - DIABETES VOLUNTEER PROGRAMS ---------- Doylestown Hospital enjoys the generous contribution of time and talent from community volunteers, starting at the minimum age of 14 Volunteer opportunities benefit the community by providing, for many community members, a place to go or a way to feel needed, thus preventing a variety of social problems The Volunteer program allows some members of the community to help others, not through their dollars but through their donated time In addition, the hospital is a place for community members to reach out to help friends and neighbors or to fulfill court-mandated community service obligations as volunteers Throughout the year, 904 volunteers contributed 125,664 hours of service to their community through opportunities in every hospital department Volunteers significantly enhance patient and family support in the following service categories Addressing, Collating, Book cart, Dietary Menu, Emergency Department, Gift Shop/Cart, Hospitality Cart, Information Desks, Mail or Messenger, PRN/Floaters, Pastoral Care, Animal Assisted Therapy, Snack Bar, Surgery Waiting area, Patient Transport, Service Learning, LDRP (Labor & Delivery) and our "No One Dies Alone" program In total, $121,260 worth of meals was given to our volunteers free of charge Because the hospital wants to provide exceptional opportunities for community members to offer time and talent to support the VIA 's mission to excellent local healthcare, $245,288 in salaries was budgeted for recruitment, orientation, management, retention and recognition of volunteers in patient transport, the gift ship, and throughout the patient services areas CHARITY CARE TO COMMUNITY MEMBERS ========== ========== Doylestown Hospital and The Pine Run Community provides free medical care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Unreimbursed charges from Medical Assistance programs on behalf of patients that meet the hospital's charity care criteria are also considered charity care The Fiscal Year 2012 total for charity care is $7,917,588 SUMMARY OF TOTAL COMMUNITY BENEFIT CONTRIBUTION ---------- COMMUNITY OUTREACH AND BENEFIT ACTIVITIES $ 1,266,108 EDUCATIONAL PROGRAMS $ 705,111 MATERNITY AND PARENTING ACTIVITIES $ 526,279 SCHOOL AGE ACTIVITIES $ 39,090 LEADERSHIP ACTIVITIES $ 126,000 TEACHING PROGRAMS $ 366,206 OUTSIDE GROUP ROOM U |

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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | SAGE $ 5,000 HEALTH SCREENINGS AND IMMUNIZATIONS $ 14,638 SUPPORT AND SELF-HELP PROGRAMS $ 41,650 VOLUNTEER PROGRAMS $ 366,548 CHARITY CARE TO COMMUNITY MEMBERS $ 7,917,588 COMMUNI TY SUPPORT $10,908,042 - PROGRAMS AND SERVICES THAT WERE COORDINATED AND SPONSORED BY EIT HER THE HOSPITAL AND/OR FOUNDATION AND WERE DIRECTLY PAID FOR OR CAME AT A COST TO THE EIT HER HOSPITAL AND/OR FOUNDATION $446,176 - PROGRAMS AND SERVICES THAT WERE COORDINATED AND SPONSORED BY EITHER THE HOSPITAL AND/OR FOUNDATION BUT DID NOT INCUR ADDITIONAL EXPENSES TO THE HOSPITAL AND/OR FOUNDATION TOTAL $11,374,218 |

| Identifier | Return Reference | Explanation |
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| COMMUNITY BENEFIT STATEMENT CONTINUED | CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | ADDENDUM A DOYLESTOWN HOSPITAL STATEMENT OF PROGRAM AND SERVICES FISCAL YEAR 2011-2012 ========== - ASSOCIATE HEALTH SERVICES - BEHAVIORAL HEALTH SERVICES - EAP - CRISIS SERVICES - CARDIAC AND NEUROLOGICAL SERVICES - DIAGNOSTIC CARDIAC CATHETERIZATION - NON-INVASIVE DIAGNOSTIC TESTING SERVICES - INTERVENTIONAL CARDIOLOGY PROCEDURES - EPS STUDIES (PACEMAKERS, DEVICE IMPLANTATION, ABLATION) - CARDIOVASCULAR SURGERY - CABG - VALVE REPLACEMENTS/REPAIRS - CRITICAL CARE UNITS - MED/SURG CRITICAL CARE - CARDIOVASCULAR CRITICAL CARE - DIABETES EDUCATION (INPATIENT AND OUTPATIENT) - NUTRITION EDUCATION AND COUNSELING - EMERGENCY SERVICES - CRISIS INTERVENTION - OBSERVATION/HOLDING UNIT - SANE (SEXUAL ASSAULT NURSE EXAMINER) PROGRAM - DOMESTIC VIOLENCE - ENDOSCOPY - GASTROENTEROLOGY - PULMONOLOGY - ENTEROSTOMAL THERAPY (INPATIENT AND OUTPATIENT) - NURSING HOME CONSULTATION - WOUND MANAGEMENT - CONTINENCE CARE - FOOD AND NUTRITION SERVICES - WEIGHT MANAGEMENT CLASSES (ADULTS AND CHILDREN) - NUTRITIONAL ASSESSMENT AND COUNSELING - PATIENT MEAL SERVICES - GENERAL MEDICINE - ALLERGIC DISEASES - CARDIOLOGY - DERMATOLOGY - ENDOCRINOLOGY - FAMILY MEDICINE - GASTROENTEROLOGY - INFECTIOUS DISEASE - INTERNAL MEDICINE - HEMATOLOGY - OBSTETRICS & GYNECOLOGY - NEPHROLOGY - NEUROLOGY - ONCOLOGY - PATHOLOGY - PEDIATRICS - PHYSICAL MEDICINE/REHABILITATION - PSYCHIATRY - PULMONARY - RHEUMATOLOGY - HEMODIALYSIS - INFECTION CONTROL - IV THERAPY - PICC (PERIPHERALLY INSERTED CENTRAL CATHETER) - LABORATORY SERVICES - AUTODONATION - BLOOD BANK - CHEMISTRY - CYTOLOGY - HEMATOLOGY - HISTOLOGY/PATHOLOGY - MICROBIOLOGY - URINALYSIS - MAGNETIC RESONANCE IMAGING (MRI) - MATERNITY SERVICES - ANTENATAL TESTING - BABY BRACELETS (MATERNAL/INFANT VISITING NURSE) - LABOR AND DELIVERY - MATERNAL/CHILD CARE - NEONATOLOGY - PRENATAL TESTING - POST-PARTUM CARE - PREPARED CHILDBIRTH EDUCATION - SPECIAL CARE NURSERY (LEVEL II) - WELL BABY NURSERY - MEDICAL RESEARCH - CLINICAL TRIALS - ONCOLOGY (INPATIENT AND OUTPATIENT) - OUTPATIENT INFUSION SERVICES - PASTORAL CARE SERVICES - LAY CHAPLAIN - PHARMACY - RADIOLOGY SERVICES - CT SCANNER - PET/CT SCANNER - DIAGNOSTIC RADIOLOGY - INVASIVE AND SPECIAL PROCEDURES - NUCLEAR MEDICINE - ULTRASOUND - REHABILITATION SERVICES (INPATIENT AND OUTPATIENT) - BRAIN INJURY - CARDIAC REHABILITATION - COGNITIVE REMEDIATION - ELECTROMYOGRAPHY - LYMPHEDEMA THERAPY - HAND THERAPY - NERVE CONDUCTION STUDIES - OCCUPATIONAL THERAPY - PHYSICAL THERAPY - PSYCHOLOGY - SPEECH THERAPY - SWALLOWING TEST - RESPIRATORY SERVICES - PULMONARY FUNCTION TESTING - PULMONARY REHAB - CASE MANAGEMENT/SOCIAL SERVICES - PSYCHOSOCIAL ASSESSMENTS - COUNSELING - COMPLEX DISCHARGE PLANNING - CRISIS INTERVENTION - FINANCIAL COUNSELING - ADOPTION OPTIONS COUNSELING - PATIENT AND FAMILY EDUCATION - INFORMATION AND REFERRAL - SURGICAL SERVICES (INPATIENT AND OUTPATIENT) - ACUPUNCTURE - COSMETIC - DENTISTRY - GENERAL - NERVE BLOCKS - SURGICAL SERVICES CONTINUED - OB/GYN - OPHTHALMOLOGY - ORAL/MAXILLOFACIAL - ORTHOPEDICS - OTOLARYNGOLOGY - PEDIATRIC DENTISTRY - PLASTIC SURGERY - POST-ANESTHESIA CARE UNIT - PRE-ADMISSION TESTING - SAME DAY SURGERY (NERVE BLOCKS) - UROLOGY - VASCULAR - TELEMETRY / PROGRESSIVE CARE - VISITING NURSE/ HOME CARE - ADULT AND INFANTS (UP TO 1 YEAR) SKILLED HOME HEALTH SERVICES - NURSING - PHYSICAL THERAPY - OCCUPATIONAL THERAPY - SPEECH THERAPY - SOCIAL SERVICES - HOME HEALTH AIDES - BABY BRACELETS (MATERNAL/INFANT VISITING NURSE) - COMPREHENSIVE HOSPICE PROGRAM - WOMEN'S DIAGNOSTIC CENTER - BONE DENSITOMETRY - MAMMOGRAPHY - STEREOTACTIC BREAST BIOPSY |

| Identifier | Return Reference | Explanation |
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| DISCLOSURE INFORMATION | CORE FORM, PART VI, SECTION A, QUESTIONS 6 & 7 | VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN (''VIAD'') IS THE SOLE MEMBER OF THIS ORGANIZATION VIAD HAS THE RIGHT TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF DIRECTORS AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS |

| Identifier | Return Reference | Explanation |
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| DISCLOSURE INFORMATION | CORE FORM, PART VI, SECTION A, QUESTION 11B | THE ORGANIZATION IS AN AFFILIATE IN THE VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN AND CONTROLLED ENTITIES, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM") THE ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF ITS'S GOVERNING BODY, ITS BOARD OF DIRECTORS, FOR REVIEW PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE THE ORGANIZATION'S FINANCE COMMITTEE HAS THE RESPONSIBILITY TO OVERSEE, REVIEW AND APPROVE OF THE FEDERAL FORM 990, INCLUDING THE PREPARATION, REVIEW AND FILING PROCESS AS PART OF THE TAX RETURN PREPARATION PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990 THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S FINANCE PERSONNEL AND VARIOUS OTHER INDIVIDUALS OF THE ORGANIZATION AND THE SYSTEM TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S FINANCE PERSONNEL AND OTHER INDIVIDUALS FOR THEIR REVIEW THE ORGANIZATION'S FINANCE PERSONNEL AND OTHER INDIVIDUALS REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S FINANCE PERSONNEL AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND APPROVAL PRIOR TO PROVIDING A COPY TO EACH MEMBER OF DOYLESTOWN HOSPITAL'S GOVERNING BODY, ITS BOARD OF DIRECTORS |

| Identifier | Return Reference | Explanation |
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| DISCLOSURE INFORMATION | CORE FORM, PART VI, SECTION B, QUESTION 12 | THE ORGANIZATION REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY ANNUALLY, ALL MEMBERS OF THE BOARD OF DIRECTORS, OFFICERS AND SENIOR MANAGEMENT PERSONNEL ARE REQUIRED TO REVIEW THE EXISTING CONFLICT OF INTEREST POLICY AND COMPLETE A QUESTIONNAIRE. THE COMPLETED QUESTIONNAIRES ARE RETURNED TO THE EXECUTIVE ASSISTANT TO THE CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION, WHO GATHERS, INVENTORIES AND FILES THE COMPLETED QUESTIONNAIRES THEREAFTER A SUMMARY OF THE COMPLETED QUESTIONNAIRES WHICH CONTAINS INFORMATION DISCLOSED ON AN INDIVIDUAL BY INDIVIDUAL BASIS IS PREPARED AND REVIEWED BY THE ORGANIZATION'S CHIEF ACCOUNTING OFFICER AND CHIEF EXECUTIVE OFFICER THIS SUMMARY IS THEN PRESENTED TO THE ORGANIZATION'S BOARD OF DIRECTORS WHO REVIEWS AND MAKES DECISIONS ON HOW TO HANDLE CONFLICTS OF INTEREST AND ASSOCIATED MITIGATING BEHAVIOR TO BE TAKEN BY THE ORGANIZATION IF NECESSARY |

| Identifier | Return Reference | Explanation |
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| DISCLOSURE INFORMATION | CORE FORM, PART VI, SECTION B, QUESTION 15 | THE ORGANIZATION'S BOARD OF DIRECTORS HAS AN EXECUTIVE COMPENSATION COMMITTEE ("COMMITTEE") THE COMMITTEE HAS ADOPTED A WRITTEN EXECUTIVE COMPENSATION PHILOSOPHY WHICH IT FOLLOWS WHEN IT REVIEWS AND APPROVES OF THE COMPENSATION AND BENEFITS OF THE ORGANIZATION'S SENIOR MANAGEMENT, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER THE COMMITTEE REVIEWS THE "TOTAL COMPENSATION" OF THE INDIVIDUALS WHICH IS INTENDED TO INCLUDE BOTH CURRENT AND DEFERRED COMPENSATION AND ALL EMPLOYEE BENEFITS, BOTH QUALIFIED AND NON-QUALIFIED THE COMMITTEE'S REVIEW IS DONE ON AT LEAST AN ANNUAL BASIS AND ENSURES THAT THE "TOTAL COMPENSATION" OF SENIOR MANAGEMENT OF THE ORGANIZATION IS REASONABLE THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING 1 THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT, 2 THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION, AND 3 THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS EACH OF WHO ARE INDEPENDENT AND ARE FREE FROM ANY CONFLICTS OF INTEREST THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA, SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILAR SIZED HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS ONLY APPLIES TO CERTAIN SENIOR MANAGEMENT PERSONNEL, INCLUDING BUT NOT LIMITED TO THE PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY THE PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS |

| Identifier | Return Reference | Explanation |
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| DISCLOSURE INFORMATION | CORE FORM, PART VI, SECTION B, QUESTION 16 | THE ORGANIZATION HAS A JOINT VENTURE POLICY THAT IS IN FULL COMPLIANCE WITH INTERNAL REVENUE SERVICE RULES AND REGULATIONS ON JOINT VENTURE POLICIES AND DISCLOSURES WITH RESPECT TO FEDERAL FORM 990 IN ADDITION, THE ORGANIZATION'S BOARD OF DIRECTORS IS INVOLVED IN EVERY DECISION WITH RESPECT TO JOINT VENTURES IN WHICH IT PARTICIPATES FOR WHICH IT DRAFTS SPECIFIC BOARD RESOLUTIONS FOR THESE MATTERS |

| Identifier | Return Reference | Explanation |
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| DISCLOSURE INFORMATION | CORE FORM, PART VI, SECTION C, QUESTION 19 | THE ORGANIZATION HAS ISSUED TAX-EXEMPT BONDS TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE ORGANIZATION'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE COMMONWEALTH OF PENNSYLVANIA |

| Identifier | Return Reference | Explanation |
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| COMPENSATION INFORMATION DISCLOSURE | CORE FORM, PART VII AND SCHEDULE J | PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME EMPLOYEES OF THE ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF DIRECTORS |

| Identifier | Return Reference | Explanation |
|---|---|---|
| RELATED HOURS DISCLOSURE | CORE FORM, PART VII, SECTION A, COLUMN B | THE ORGANIZATION IS AN AFFILIATE IN THE VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN AND CONTROLLED ENTITIES, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM") THE SYSTEM INCLUDES BOTH FOR-PROFIT AND NOT FOR-PROFIT ORGANIZATIONS CERTAIN BOARD OF DIRECTOR MEMBERS, OFFICERS AND/OR DIRECTORS LISTED ON CORE FORM, PART VII AND SCHEDULE J OF THIS FORM 990 MAY HOLD SIMILAR POSITIONS WITH BOTH THIS ORGANIZATION AND OTHER AFFILIATES WITHIN THE SYSTEM THE HOURS SHOWN ON THIS FORM, 990 FOR BOARD MEMBERS WHO RECEIVE NO COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, REPRESENT THE ESTIMATED HOURS DEVOTED PER WEEK FOR THIS ORGANIZATION TO THE EXTENT THESE INDIVIDUALS SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF OTHER RELATED ORGANIZATIONS IN THE SYSTEM, THEIR RESPECTIVE HOURS PER WEEK PER ORGANIZATION ARE APPROXIMATELY THE SAME AS REFLECTED ON THIs FORM 990 THE HOURS REFLECTED ON PART VII OF THIS FORM 990, FOR BOARD MEMBERS WHO RECEIVE COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, PAID OFFICERS AND KEY EMPLOYEES, REFLECT TOTAL HOURS WORKED PER WEEK ON BEHALF OF THE VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN AND CONTROLLED ENTITIES, NOT SOLELY THIS ORGANIZATION |

| Identifier | Return Reference | Explanation |
|---|---|---|
| OTHER CHANGES IN NET ASSETS | CORE FORM, PART XI, QUESTION 5 | OTHER CHANGES IN NET ASSETS INCLUDE - CHANGE IN NET UNREALIZED GAINS AND LOSSES ON TRADING SECURITIES, ($1,039,536) - CHANGE IN NET ASSETS UNREALIZED GAINS ON OTHER-THAN-TRADING SECURITIES, $13,929, - EQUITY DISTRIBUTION, ($135,000), - NET ASSETS RELEASED FROM RESTRICTIONS, $956,999, - OTHER CHANGES IN ACCRUED PENSION, ($18,388,510), - NET ASSETS RELEASED FROM TEMPORARY RESTRICTIONS, ($962,167), - INCREASE INTEREST IN NET ASSETS OF DOYLESTOWN HEALTH FOUNDATION, TEMPORARILY RESTRICTED, $946,181 AND - DECREASE IN INTEREST IN NET ASSETS OF DOYLESTOWN HEALTH FOUNDATION, PERMANENTLY RESTRICTED, ($643,597) |

| Identifier | Return Reference | Explanation |
|---|---|---|
| AUDITED FINANCIAL STATEMENTS | CORE FORM, PART XII, QUESTION 2 | THE ORGANIZATION IS AN AFFILIATE WITHIN THE VILLAGE IMPROVEMENT ASSOCIATION OF DOYLESTOWN AND CONTROLLED ENTITIES (''SYSTEM'') AN INDEPENDENT CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TAXPAYER AND ALL AFFILIATES FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011, RESPECTIVELY, AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CONSOLIDATING SCHEDULES BY ENTITY AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM IN ADDITION, AN INDEPENDENT CPA FIRM AUDITED THE FINANCIAL STATEMENTS OF DOYLESTOWN HOSPITAL FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011, RESPECTIVELY AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM WITH RESPECT TO THE AUDITED FINANCIAL STATEMENTS OF THIS ORGANIZATION THE DOYLESTOWN HOSPITAL FINANCE COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR |

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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

**2011**

**Open to Public Inspection**

**Name of the organization**
DOYLESTOWN HOSPITAL

**Employer identification number**
23-1352174

**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 |
|---|---|---|---|---|---|
| | | | | | |
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**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)** DOYLESTOWN HEALTH FOUNDATION<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901<br>23-2368196 | FUNDRAISING | PA | 501(c)(3) | 509(A)(1) | VIAD | | No |
| **(2)** VILLAGE IMPROVEMENT ASSN OF DOYLESTOWN<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901<br>23-2368200 | HEALTHCARE | PA | 501(c)(3) | 509(A)(1) | N/A | | No |
| **(3)** VIA AFFILIATES<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901<br>23-2368197 | HEALTHCARE | PA | 501(c)(3) | 509(A)(3) | DHF | | No |
| | | | | | | | |
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**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)** DOYLESTOWN SURGICAL CTR LLC<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901<br>23-1352174 | MEDICAL SVCS | PA | DH | RELATED | 2,722,357 | 596,114 | | No | 0 | | No | 60 000 % |
| **(2)** DOYLESTOWN RADIOLOGY GROUP LP<br>1240 OLD YORK ROAD<br>WARMINSTER, PA 18974<br>23-1352174 | MEDICAL SVCS | PA | DH | RELATED | 647,916 | 313,964 | | No | 0 | | No | 51 000 % |
| | | | | | | | | | | | | |
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**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)** DOYLESTOWN HOSPITAL HLTH & WELLNESS CTR<br>595 WEST STATE STREET<br>DOYLESTOWN, PA 18901<br>23-3022645 | FITNESS CNTR | PA | | C CORP | | | |
| | | | | | | | |
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## 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 related organization(s) | 1b | Yes | |
| **c** Gift, grant, or capital contribution from related organization(s) | 1c | Yes | |
| **d** Loans or loan guarantees to or for related organization(s) | 1d | Yes | |
| **e** Loans or loan guarantees by related organization(s) | 1e | Yes | |
| **f** Sale of assets to related organization(s) | 1f | | No |
| **g** Purchase of assets from related organization(s) | 1g | | No |
| **h** Exchange of assets with related organization(s) | 1h | | No |
| **i** Lease of facilities, equipment, or other assets to related organization(s) | 1i | | No |
| **j** Lease of facilities, equipment, or other assets from related organization(s) | 1j | | No |
| **k** Performance of services or membership or fundraising solicitations for related organization(s) | 1k | Yes | |
| **l** Performance of services or membership or fundraising solicitations by related organization(s) | 1l | | No |
| **m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1m | | No |
| **n** Sharing of paid employees with related organization(s) | 1n | Yes | |
| **o** Reimbursement paid to related organization(s) for expenses | 1o | Yes | |
| **p** Reimbursement paid by related organization(s) for expenses | 1p | Yes | |
| **q** Other transfer of cash or property to related organization(s) | 1q | Yes | |
| **r** Other transfer of cash or property from related 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) | | | | |
| (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) Predominant income(related, unrelated, excluded from tax under sections 512-514) | (e) Are all partners section 501(c)(3) organizations? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproprtionate allocations? | | (i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Yes | No | | | Yes | No | | Yes | No | |
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Schedule R (Form 990) 2011

## Part VII Supplemental Information

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

| Identifier | Return Reference | Explanation | |
|---|---|---|---|

Consolidated Financial Statements, Supplementary Information and Report of Independent Certified Public Accountants

# Doylestown Hospital

June 30, 2012 and 2011

# Contents

Grant Thornton

Audit • Tax • Advisory

Grant Thornton LLP
2001 Market Street, Suite 3100
Philadelphia, PA 19103-7080

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www.GrantThornton.com

## Report of Independent Certified Public Accountants

Board of Directors
Doylestown Hospital

We have audited the accompanying consolidated balance sheets of Doylestown Hospital (the "Corporation") as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Doylestown Hospital as of June 30, 2012 and 2011, and the consolidated results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note B21 to the accompanying consolidated financial statements, in 2012 the Corporation changed its method of reporting estimated insurance claims receivable and estimated insurance claims liabilities and the presentation of the provision for bad debts on the consolidated statements of operations and changes in net assets, each in accordance with the amendments to accounting standards.

Grant Thornton LLP

Philadelphia, Pennsylvania

September 24, 2012

Doylestown Hospital

## CONSOLIDATED BALANCE SHEETS

June 30,

| ASSETS | 2012 | 2011 |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 27,421,172 | $ 32,529,543 |
| Assets limited as to use | 256,162 | 519,544 |
| Patient accounts receivable, net of allowance for doubtful accounts of approximately $3,305,000 and $3,121,000 at June 30, 2012 and 2011, respectively | 24,989,174 | 24,238,082 |
| Supplies | 5,269,354 | 5,521,227 |
| Due from affiliated entities | 3,288,897 | 2,582,382 |
| Other current assets | 3,602,701 | 5,259,690 |
| Total current assets | 64,827,460 | 70,650,468 |
| Assets limited as to use | | |
| Internally designated - by Board of Directors | 48,499,555 | 45,330,132 |
| Externally designated | 7,506,763 | 7,506,762 |
| | 56,006,318 | 52,836,894 |
| Interest in net assets of Doylestown Health Foundation | 13,736,230 | 13,433,646 |
| Property, plant and equipment, net | 170,187,356 | 172,849,608 |
| Deferred financing costs, net | 2,857,426 | 3,072,061 |
| Due from affiliated entities | 2,239,215 | 2,646,602 |
| Other assets | 5,951,176 | 6,142,265 |
| Total assets | $315,805,181 | $321,631,544 |

*Continued on next page*

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

## CONSOLIDATED BALANCE SHEETS (continued)

June 30,

| LIABILITIES AND NET ASSETS | 2012 | 2011 |
|---|---|---|
| Current liabilities | | |
| Current portion of long-term debt | $ 4,069,918 | $ 3,981,718 |
| Current portion of insurance claims liabilities | 3,806,271 | 4,116,806 |
| Accrued interest payable | 294,576 | 453,256 |
| Accounts payable | 16,681,185 | 13,629,904 |
| Accrued salaries and payroll taxes | 3,089,835 | 4,731,634 |
| Accrued vacation | 6,299,925 | 5,913,577 |
| Other liabilities | 868,058 | 2,294,035 |
| Estimated settlements with third-party payors | 79,223 | 29,123 |
| Deposit of deferred entry fees | 117,250 | 94,500 |
| Due to affiliated entities | 97,216 | 8,390,195 |
| Total current liabilities | 35,403,457 | 43,634,748 |
| Long-term debt, net of current portion | 139,759,654 | 143,996,269 |
| Interest rate swaps | 15,253,151 | 4,868,261 |
| Insurance claims liability, net of current portion | 6,691,622 | 4,817,112 |
| Accrued pension | 24,809,413 | 9,915,602 |
| Deferred entry fees | 5,892,937 | 6,020,778 |
| Other liabilities | 1,007,635 | 443,635 |
| Total liabilities | 228,817,869 | 213,696,405 |
| Net assets | | |
| Unrestricted | | |
| Corporation | 72,280,382 | 92,561,724 |
| Non-controlling interest | 181,285 | 212,909 |
| Total unrestricted | 72,461,667 | 92,774,633 |
| Temporarily restricted | 789,415 | 1,726,860 |
| Temporarily restricted, held by Foundation | 3,512,835 | 2,566,654 |
| Total temporarily restricted | 4,302,250 | 4,293,514 |
| Permanently restricted, held by Foundation | 10,223,395 | 10,866,992 |
| Total net assets | 86,987,312 | 107,935,139 |
| Total liabilities and net assets | $315,805,181 | $321,631,544 |

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

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years ended June 30,

| | 2012 | 2011 |
|---|---|---|
| Unrestricted net assets | | |
| Revenue | | |
| Net patient service revenue | $220,907,473 | $218,906,776 |
| Provision for bad debts | (3,674,766) | (3,752,790) |
| Net patient service revenue less provision for bad debts | 217,232,707 | 215,153,986 |
| Amortization of deferred entry fees | 336,341 | 286,973 |
| Other revenue | 20,157,187 | 18,810,777 |
| Bequests | 497,407 | 698,395 |
| Total revenue | 238,223,642 | 234,950,131 |
| Expenses | | |
| Salaries and wages | 93,679,682 | 91,743,986 |
| Employee benefits | 22,137,264 | 22,977,850 |
| Professional fees | 4,789,074 | 4,375,461 |
| Supplies and other expenses | 88,952,539 | 87,909,349 |
| Depreciation and amortization | 15,715,203 | 17,481,998 |
| Interest | 6,107,271 | 6,259,317 |
| Total expenses | 231,381,033 | 230,747,961 |
| Operating income | 6,842,609 | 4,202,170 |
| Other income and losses | | |
| Investment income | 1,361,090 | 1,618,356 |
| Net realized gains on sale of investments | 630,192 | 505,151 |
| Change in net unrealized gains and losses on trading securities | (1,039,536) | 5,780,615 |
| Change in fair value of interest rate swaps | (10,384,890) | 634,402 |
| (Deficiency in) excess of other revenue and other income over expenses and other losses | (2,590,535) | 12,740,694 |
| Excess of revenue attributable to non-controlling interest | (34,526) | (20,418) |
| (Deficiency in) excess of revenue and other income over expenses and other losses attributable to the Corporation | (2,625,061) | 12,720,276 |

*Continued on Next Page*

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

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (continued)

Years ended June 30,

| | 2012 | 2011 |
|---|---|---|
| Unrestricted net assets (continued) | | |
| (Deficiency in) excess of revenue and other income over expenses and other losses attributable to the Corporation *(from previous page)* | $ (2,625,061) | $ 12,720,276 |
| Other changes in unrestricted net assets | | |
| Change in net unrealized gains on other-than-trading securities | 13,929 | 26,673 |
| Change in non-controlling interest | 34,526 | 20,418 |
| Equity distribution | (135,000) | - |
| Net assets released from restrictions | 956,999 | 1,212,795 |
| Net transfers (to) from Doylestown Health Foundation | (169,848) | 217,288 |
| Other changes in accrued pension | (18,388,510) | 8,015,154 |
| (Decrease) increase in unrestricted net assets | (20,312,965) | 22,212,604 |
| Temporarily restricted net assets | | |
| Restricted contributions | 24,721 | 26,324 |
| Net assets released from restrictions | (962,167) | (1,237,287) |
| Increase in interest in net assets of Doylestown Health Foundation | 946,181 | 119,183 |
| Increase (decrease) in temporarily restricted net assets | 8,735 | (1,091,780) |
| Permanently restricted net assets | | |
| (Decrease) increase in interest in net assets of Doylestown Health Foundation | (643,597) | 1,456,975 |
| (Decrease) increase in net assets | (20,947,827) | 22,577,799 |
| Net assets, beginning of year | 107,935,139 | 85,357,340 |
| Net assets, end of year | $ 86,987,312 | $107,935,139 |

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

Doylestown Hospital

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

| | 2012 | 2011 |
|---|---|---|
| Operating activities | | |
| (Decrease) increase in net assets | $ (20,947,827) | $ 22,577,799 |
| Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 15,715,203 | 17,481,998 |
| Amortization of deferred entry fees | (336,341) | (286,973) |
| Provision for bad debts | 3,674,766 | 3,752,790 |
| Change in accrued pension | 18,388,510 | (8,015,154) |
| Losses (gains) on joint ventures | 1,368,256 | (413,551) |
| Net realized and unrealized losses (gains) on investments | 395,415 | (6,312,439) |
| Change in fair value of interest rate swaps | 10,384,890 | (634,402) |
| Restricted contributions | (24,721) | (26,324) |
| Doylestown Hospital Foundation transfers, net | (946,181) | (119,183) |
| Net change in restricted assets held by Doylestown Health Foundation | (302,584) | (1,576,158) |
| Net change in non-controlling interest | (34,526) | (20,418) |
| Changes in certain assets and liabilities | | |
| Patient accounts receivable | (4,425,858) | (3,186,030) |
| Supplies | 251,873 | (446,449) |
| Other assets | 406,125 | 475,954 |
| Accrued interest payable | (158,680) | 165,999 |
| Accounts payable | 3,051,281 | (3,241,471) |
| Accrued salaries, payroll taxes, and vacation | (1,255,451) | 404,174 |
| Other accrued liabilities | (2,792,701) | (3,567,053) |
| Due to/from affiliated entities, net | (8,592,107) | 1,280,589 |
| Estimated third-party payor settlements | 50,100 | (1,218,199) |
| Net cash provided by operating activities before net change in trading securities | 13,869,442 | 17,075,499 |
| Net change in trading securities | (3,564,838) | 4,045,487 |
| Net cash provided by operating activities | 10,304,604 | 21,120,986 |
| Investing activities | | |
| Purchases of property, plant and equipment, net | (13,013,557) | (10,115,311) |
| Decrease in assets limited as to use - other than trading securities | 263,381 | 700,091 |
| Distributions received/investments in joint ventures, net | 108,223 | 80,381 |
| Net cash used in investing activities | (12,641,953) | (9,334,839) |
| Financing activities | | |
| Repayment of long-term debt | (3,973,174) | (3,700,422) |
| Proceeds from deferred entry fee deposits | 231,250 | 983,749 |
| Doylestown Health Foundation transfers, net | 946,181 | 119,183 |
| Restricted contributions | 24,721 | 26,324 |
| Net cash used in financing activities | (2,771,022) | (2,571,166) |
| Net (decrease) increase in cash and cash equivalents | (5,108,371) | 9,214,981 |
| Cash and cash equivalents, beginning of year | 32,529,543 | 23,314,562 |
| Cash and cash equivalents, end of year | $ 27,421,172 | $ 32,529,543 |
| Supplemental disclosure of cash flow information | | |
| Interest paid | $ 6,265,951 | $ 6,093,318 |

The accompanying notes are an integral part of these consolidated financial statements

## NOTE A - ORGANIZATION

The mission of Doylestown Hospital is to provide a responsive, healing environment for its patients and their families, and to improve the quality of life for all members of its community. Doylestown Hospital includes the operations of two divisions: Doylestown Hospital (the "Hospital") and Pine Run Retirement Community ("Pine Run" or the "Community"), as well as the operations of the Doylestown Radiology Group, LP (collectively, the "Corporation"). The two divisions operate within a single 501(c)(3) tax-exempt organization. The Hospital is a 238-bed acute care facility, located in Doylestown, Pennsylvania, and provides health care services to the surrounding community. Pine Run consists of a 127-bed skilled nursing facility and 40-bed personal care facility (the "Health Center") and 296 independent living units (the "Village") on 42 acres of land in Doylestown, Bucks County; and a 107-bed personal care facility ("Lakeview") located on a separate, 7.5 acre campus in Doylestown. Doylestown Radiology Group, LP is a Pennsylvania limited partnership that operates a freestanding MRI facility in Hartsville, Pennsylvania. The Hospital owns 51% of Doylestown Radiology Group, LP d/b/a Advanced Open MRI ("AOM"). The Corporation is a controlled entity of The Village Improvement Association of Doylestown (the "Association"). The Association also controls The Doylestown Health Foundation (the "Foundation"). The Foundation owns or controls VIA Affiliates and Doylestown Health and Wellness Center, Inc.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. Principles of Consolidation

The consolidated financial statements of Doylestown Hospital include the accounts of the Hospital, Pine Run, and AOM, including AOM's non-controlling interest reported as a component of net assets. All significant intercompany or divisional balances and transactions have been eliminated.

### 2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions related to the determination of allowance for doubtful accounts and contractual allowances for patient accounts receivable, useful lives of property, plant and equipment, actuarial estimates for the postretirement benefit plan, self-insured reserves, fair value of interest rate swap agreements and the reported fair values of certain assets and liabilities. Actual results could differ from those estimates.

### 3. Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, patient accounts receivable, assets limited as to use, accounts payable, estimated settlements with third-party payors, interest rate swaps and long-term debt. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, patient accounts receivable, assets limited as to use, accounts payable, estimated settlements with third-party payors and interest rate swaps approximate fair value. Management's estimates of the fair value of other financial instruments are described elsewhere in the notes of the consolidated financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments purchased with original maturities of three months or less at the date of purchase. The Corporation places its temporary cash investments with financial institutions. At times, such investments may be in excess of the Federal Depository Insurance Corporation limits.

5. Allowance for Doubtful Accounts

The Corporation provides an allowance for estimated losses resulting from uncollectible accounts. The allowance is determined by analyzing historical data and trends. Accounts receivable are charged off against the reserve for doubtful accounts when management determines that recovery is unlikely and the Corporation ceases collection efforts.

In evaluating the collectability of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of the amounts due unlikely). For receivables associated with self-pay patients, the Corporation records a significant provision for bad debts on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The Corporation has not experienced significant changes in write-off trends and has not changed its charity care policy for the year ended June 30, 2012.

6. Supplies

Supplies are stated at the lower of cost (first-in, first-out method) or market value.

7. Assets Limited as to Use and Investment Income

Assets limited as to use include assets set aside by the Board of Directors (the "Board") and assets held by trustees under bond indenture agreements. Amounts set aside by the Board are designated for property, plant and equipment replacement and expansion. The Board retains control over designated assets and may, at its discretion, subsequently use the assets for other purposes. Assets limited as to use also include assets held in escrow under forfeited employer contributions to the 403(b) Tax Sheltered Annuity Plan for non-vested employees who have left the employment of Pine Run, and whose contributions were forfeited but retained by the plan to offset future considerations, and a Statutory Liquid Reserve Requirement for Continuing Care Retirement Communities, required by the Pennsylvania Insurance Department for Pine Run. Assets limited as to use that are required for current obligations are reported as current assets.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments in debt and equity securities are measured at fair value based on quoted market prices. The Corporation's investments are designated as trading securities, except for assets limited as to use under bond indenture agreements or for retirement plans, which are considered other than trading. Investment income, realized gains and losses, and changes in net unrealized gains and losses on trading securities are recorded as other income and losses or restricted investment income, if the donor or legislation restricts such income. Unrealized gains and losses on other than trading securities are recorded as other changes in unrestricted net assets.

8. Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Donated assets are recorded at their fair value at the date of donation. Depreciation is provided over the estimated useful lives of each depreciable asset and is computed using the straight-line method. Interest costs incurred on borrowed funds during the period of construction on capital assets are capitalized as a component of the costs of acquiring those assets. No interest costs were capitalized for the years ended June 30, 2012 and 2011. Upon sale or retirement of depreciable property, the cost and related accumulated depreciation are removed from the related accounts and resulting gains or losses are reflected in other income and losses.

Useful lives are based on the following ranges for each type of asset:

| | |
|---|---|
| Land improvements | 5 - 20 years |
| Buildings | 20 - 35 years |
| Fixed equipment | 5 - 25 years |
| Movable equipment | 5 - 20 years |

9. Long-Lived Assets

The Corporation continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Corporation uses an estimate of the related undiscounted operating income over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. The impairment loss on these assets is measured as the excess of the carrying amount of the asset over its fair value. Fair value is based on market prices where available, or discounted cash flows. At June 30, 2012, management believes that no revisions to the remaining useful lives or write-down of long-lived assets are required.

10. Deferred Financing Fees

Deferred financing fees are being amortized over the period the related debt is outstanding using the effective interest method.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Unreimbursed charges from medical assistance programs on behalf of patients that meet the Corporation's charity care criteria are also considered charity care. The Corporation does not pursue collection of amounts determined to qualify as charity care, and establishes reserves for these amounts. Accordingly, such amounts are not reported as revenue in the accompanying consolidated statements of operations and changes in net assets.

The amount of estimated cost, based on the Corporation's cost to charge ratio for services and supplies furnished under the Corporation's charity care policy, is summarized in the following table:

| | Year ended June 30, | |
|---|---|---|
| | 2012 | 2011 |
| Unreimbursed charges from Medical Assistance Programs | $ 5,208,201 | $ 4,881,395 |
| Free care and financial assistance | 2,705,387 | 1,838,491 |
| | $ 7,913,588 | $ 6,719,886 |

12. Net Patient Service Revenue

The Corporation has agreements with third-party payors, including commercial insurance carriers and health maintenance organizations, which provide payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, capitated payments, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews and investigations. Retroactive adjustments are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as final settlements are determined or as years are no longer subject to such audits, reviews, and investigations.

13. Other Revenue

The American Recovery and Reinvestment Act of 2009 provides for Medicare incentive payments for eligible hospitals and professionals that implement and achieve meaningful use of certified electronic health record ("EHR") technology. For Medicare EHR incentive payments, the Corporation utilizes a grant accounting model to recognize these revenues. Under this accounting policy, EHR incentive payments were recognized as revenues when attestation that the EHR meaningful use criteria for the required period of time was demonstrated. Accordingly, the Corporation recognized $2,548,000 of EHR revenues for the year ended June 30, 2012. These amounts are included in other revenue in the consolidated statements of operations and changes in net assets. The Corporation's attestation of compliance with the meaningful use criteria is subject to audit by the federal government or its designee. Additionally, Medicare EHR incentive payments received are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pine Run charges residents a monthly service fee which varies according to the size of the living space occupied and the type of agreement. The agreement includes living space, utilities, some meals, housekeeping, and transportation services. Monthly service fees are recognized as income when due.

Revenue is earned through a monthly service fee contract with no entry fee component, as defined in the Resident Agreement. For an additional monthly fee, certain residents had the option to purchase 90 cumulative days of room and board during the resident's lifetime in the Health Center or Lakeview without paying any additional amount over the monthly Village fee. As of June 30, 2012, there were 248 residents residing in 208 cottages with resident agreements, 2 of whom also hold the optional 90-day Health Center contract.

Pine Run also offers a 90% refundable entrance fee contract for certain units. Ten percent of the original entry fee is amortized into operating revenue prorated over the actuarially determined lives of each resident or couple, adjusted annually. The remaining 90% is deferred and amortized into operating revenue on the straight-line method over the remaining useful life of the facility, which was estimated to be 30 years at the original occupancy date. Any gains on the reoccupancy of the units are realized by Pine Run, and are deferred and amortized into operating revenue over the estimated remaining useful life of the facility. As of June 30, 2012 there were 35 residents residing in 22 apartments with the 90% refundable from entrance fee contract.

At June 30, 2012 and 2011, the portion of deferred entry fee revenue subject to such refund provisions under these contracts amounted to $5,391,215 and $5,448,201, respectively.

14. Deposits

Deposits from prospective residents are required for apartment units as part of a Wait List Program. At June 30, 2012 and 2011, cash balances of $67,256 and $50,756, respectively, related to refundable deposits and are included in other liabilities. Deposits for the Wait List Program may be refundable or nonrefundable based on the prospective resident's desired priority on the Wait List.

15. Reserve for Insurance Claims

The Corporation currently maintains claims-made malpractice insurance coverage through a commercial insurance carrier and participates in a group trust for workers' compensation coverage. Estimated liabilities relating to asserted and unasserted claims are recorded by the Corporation as reserve for insurance claims in the accompanying consolidated balance sheets. The estimate for unreported incidents and losses is actuarially determined based on Corporation specific and industry experience data. Receivables for expected insurance recoveries are included in other assets in the accompanying consolidated balance sheets.

16. Derivatives

The Corporation recognizes all derivative financial instruments in the consolidated balance sheets at fair value. Management has determined that interest rate swap agreements do not qualify as hedges for financial reporting purposes. Consequently, the changes in the fair value of interest rate swap agreements are included as a component of (deficiency in) excess of revenue and other income over expenses and other losses in the consolidated statements of operations and changes in net assets.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

17. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets represent those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity with income to support services in accordance with donor stipulations. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless restricted by donor stipulations or law. As the donors' intentions are met, the net assets are reclassified to unrestricted and reported in the consolidated statements of operations and changes in net assets as other revenue for operating purposes and as other changes in unrestricted net assets for acquisitions of property, plant and equipment.

18. Advertising Costs

The Corporation expenses advertising costs as incurred. In 2012 and 2011, the Corporation incurred advertising costs of $610,194 and $446,260, respectively, which are included in supplies and other expenses in the accompanying consolidated statements of operations and changes in net assets.

19. (Deficiency in) Excess of Revenue and Other Income over Expenses and Other Losses

The consolidated statements of operations and changes in net assets include the (deficiency in) excess of revenue and other income over expenses and other losses. Changes in unrestricted net assets which are excluded from the (deficiency in) excess of revenue and other income over expenses and other losses, consistent with industry practice, include permanent transfers to and from affiliates, net assets released from restriction for property, plant and equipment, unrealized gains and losses on other than trading securities, change in non-controlling interest, and other changes in accrued pension.

20. Income Tax

A tax position is recognized or derecognized by the Corporation based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Corporation does not believe its consolidated financial statements include material uncertain tax positions.

21. Recently Adopted Accounting Standards

In August 2010, the Financial Accounting Standards Board ("FASB") issued amended authoritative guidance to reduce the diversity in practice regarding the measurement basis used in the identification and disclosure of charity care by health care entities. The guidance requires that the cost of charity care services be used as the measurement for charity care disclosure purposes in financial statements issued for fiscal years beginning after December 15, 2010. Application of this guidance is to be retrospectively applied to all prior fiscal years presented. The adoption of this guidance did not have an impact on the Corporation's consolidated results of operations, cash flows, or financial position. This guidance only requires additional footnote disclosures; see Note B11.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In August 2010, the FASB issued amended authoritative guidance to reduce the diversity in practice related to the accounting by health care entities for medical malpractice claims and similar liabilities, and their related expected insurance recoveries. The amendments in this guidance state that insurance claims liabilities should be determined without consideration of any expected insurance recoveries, consistent with practice in other industries, and clarifies that health care entities should no longer net expected insurance recoveries against the related claims liabilities, thus recognizing their gross exposure in the financial statements. This authoritative guidance is effective for fiscal years, and interim periods with those years, beginning after December 15, 2010. A cumulative-effect adjustment should be recognized in opening equity in the period of adoption if a difference exists between any liabilities and insurance receivables recorded as a result of applying the amendments in this guidance. The Corporation has adopted this guidance in the earliest period presented, resulting in an additional liability and corresponding asset of $2,853,000 at June 30, 2011. There was no cumulative effect on this adoption.

In July 2011, the FASB issued authoritative guidance to provide amendments to the presentation of the statement of operations for certain health care entities and enhanced disclosure about net patient service revenue and the related allowance for doubtful accounts. These amendments require certain health care entities to present their provision for bad debts associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts). These amendments also require disclosure of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. Additional health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The Corporation early adopted the provisions of this guidance as of and for the year ended June 30, 2012 and retrospectively applied the presentation requirements to all periods presented. The change in presentation and additional disclosures are reflected in the Corporation's consolidated statement of operations and changes in net assets and in Note C.

22. Reclassifications

Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

NOTE C - NET PATIENT SERVICE REVENUE

The Corporation has agreements with third-party payors that provide for payments at amounts different from established charges. The Corporation's inpatient acute care services and outpatient services for Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per inpatient discharge or outpatient visit. These payments vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Certain services for Medicare beneficiaries are paid based on a cost reimbursement methodology, subject to certain limitations. These services are reimbursed for cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the program's fiscal intermediary. Provisions for estimated adjustments resulting from audit and final settlements have been recorded. Differences between the estimated adjustments and the amounts settled are recorded in the year of settlement. Fiscal intermediaries have not audited the cost reports for the years ended June 30, 2012 and 2011.

NOTE C - NET PATIENT SERVICE REVENUE - Continued

In December 2010, the Department of Public Welfare ("DPW") received approval from the Centers for Medicare and Medicaid Services ("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 ("MA") managed care program and secured additional matching Medicaid funds through the establishment of the Quality Care Assessment. 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 Health Care Association of Pennsylvania issued hospital-specific impacts of the MA payment modernization for the years ended June 30, 2012 and 2011. The Corporation recorded net patient service revenue of $1,877,244 and $2,064,732, other operating revenue of $1,297,015 and $843,362 and other expense of $3,178,758 and $2,912,572, for an operating income impact of $(4,499) and $(4,478), in its consolidated statements of operations and changes in net assets for the years ended June 30, 2012 and 2011, respectively.

The Corporation has also entered into payment agreements with certain commercial third-party payors and administrators. The basis for payments under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Certain agreements have retrospective audit clauses allowing the payor to review and adjust claims subsequent to initial payment.

In the opinion of management, adequate provision has been made for any reimbursement changes that may result from third-party adjustments or cost report settlements. Net patient service revenue includes unfavorable adjustments of $50,000 for the year ended June 30, 2012, identified through internal compliance reviews or as anticipated adjustments.

Revenues from the Medicare and Medicaid programs, collectively, accounted for approximately 30% and 29% of net patient service revenues for the years ended June 30, 2012 and 2011, respectively. Laws and regulations governing the Medicare and Medicaid 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. Management 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 interpretations as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Patient service revenue for the year ended June 30, 2012, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources based on primary insurance designation, is as follows:

| | Third-Party Payors | Self-Pay | Total All Payors |
|---|---|---|---|
| Patient service revenue (net of contractual allowances and discounts) | $ 209,813,060 | $ 11,094,413 | $ 220,907,473 |

NOTE C - NET PATIENT SERVICE REVENUE - Continued

Deductibles and copayments under third-party payment programs within the third-party payor amount above are patients' responsibility and the Corporation considers these amounts in its determination of the provision for bad debts based on collection experience.

NOTE D - ASSETS LIMITED AS TO USE

Assets limited as to use consist of the following:

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Internally designated by Board of Directors: | | |
| Cash | $ 62,163 | $ 51,194 |
| Equity mutual funds | 48,437,392 | 45,278,938 |
| | $ 48,499,555 | $ 45,330,132 |
| Externally designated under bond indenture, 403(b) and statutory agreements: | | |
| Cash | $ 1,731,675 | $ 1,995,056 |
| Government securities | 6,031,250 | 6,031,250 |
| | 7,762,925 | 8,026,306 |
| Less assets limited as to use that are required for current liabilities | (256,162) | (519,544) |
| | $ 7,506,763 | $ 7,506,762 |

Assets limited as to use externally designated are maintained for the following purpose:

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Benefit plan 403(b) | $ 67,274 | $ 84,066 |
| Statutory reserve requirement | 10,827 | 10,739 |
| Debt service fund | 123,061 | 184,677 |
| Construction fund | 55,000 | 240,062 |
| Debt service reserve fund | 7,506,763 | 7,506,762 |
| | $ 7,762,925 | $ 8,026,306 |

NOTE E - PROPERTY, PLANT AND EQUIPMENT

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Land | $ 15,276,375 | $ 15,276,375 |
| Land improvements | 3,520,626 | 3,323,647 |
| Building and fixed equipment | 240,298,320 | 234,746,846 |
| Movable equipment | 138,887,265 | 132,699,663 |
| | 397,982,586 | 386,046,531 |
| Less accumulated depreciation | (230,369,035) | (214,863,471) |
| | 167,613,551 | 171,183,060 |
| Construction-in-progress | 2,573,805 | 1,666,548 |
| | $ 170,187,356 | $ 172,849,608 |

Depreciation expense was $15,500,567 and $17,261,756 for the years ended June 30, 2012 and 2011, respectively.

NOTE F - LONG-TERM DEBT

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Hospital | | |
| Revenue Bonds 2008 Series A | $ 45,960,000 | $ 49,610,000 |
| Revenue Bonds 2008 Series B | 75,000,000 | 75,000,000 |
| Bond Premium 2008 Series A and B | 926,114 | 1,087,529 |
| Mortgage Payable Parking Garage | 7,399,343 | 7,676,295 |
| Pine Run | | |
| Pine Run Series 1998A | 14,755,000 | 14,755,000 |
| Bond Discount Pine Run Series 1998A | (210,885) | (225,837) |
| Doylestown Radiology Equipment Loan | - | 75,000 |
| | 143,829,572 | 147,977,987 |
| Less current portion | (4,069,918) | (3,981,718) |
| | $ 139,759,654 | $ 143,996,269 |

The Corporation uses current quoted market prices in estimating the fair value of its Revenue Bonds, and the carrying value of the other long-term debt approximates fair value. The fair value of the Corporation's long-term debt at June 30, 2012 and 2011 is $145,674,431 and $147,997,353, respectively.

The Doylestown Hospital Authority (the "Authority") has issued Revenue Bonds on behalf of the Hospital and Pine Run.

NOTE F - LONG-TERM DEBT - Continued

1. Doylestown Hospital

The Series 2008A Bonds were issued to fund construction projects and include $53,140,000 of serial bonds which mature in varying annual amounts ranging from $3,800,000 to $5,530,000 through 2023, with interest rates ranging from 3.70% to 5.00%. The 2008A Bonds are subject to optional redemption prior to maturity by the Authority, at the direction of the Hospital, as a whole or in part at any time on or after July 1, 2018, at a price equal to 100% of the principal amount of the 2008A Bonds to be redeemed, plus accrued interest to the date of redemption. The 2008A Bonds were issued to finance certain capital expenditures.

The 2008A Bonds are insured by Assured Guarantee and collateralized by Hospital property. Additionally, the agreement contained certain restrictive covenants that require the Hospital to maintain certain thresholds for a debt service coverage ratio, a day's cash on hand ratio, and a debt to capitalization ratio.

The Series 2008B Bonds were used to refund certain old debt and include $75,000,000 of serial bonds which mature in varying annual amounts ranging from $1,370,000 to $6,205,000 beginning in 2022 through 2037, which bear interest at a variable interest rate subject to conversion to a fixed rate at the option of the Hospital. The variable interest rates, due monthly, are determined on a Weekly Mode, Term Rate Mode, or Fixed Rate Mode. At June 30, 2012 and 2011, the Authority was using the Weekly Mode interest rate, and this rate was 0.15% and 0.08%, respectively. The 2008B Bonds are subject to optional redemption on any interest payment date by the Authority, at the direction of the Hospital, at a redemption price equal to the outstanding principal amount. The 2008B Bonds are collateralized by certain Hospital property and secured by an irrevocable letter of credit with a bank, which expires on September 7, 2013. There are no amounts outstanding on the letter of credit at June 30, 2012.

In November 2009, the Hospital entered a mortgage agreement in the amount of approximately $8,000,000 for the construction of a parking garage. The ten-year mortgage is at a fixed rate of 4.99% for ten years, with a balloon payment due of $4,942,800 in February 2020. The mortgage is collateralized by the parking garage and parking garage land. Annual principal payments on the mortgage range from $269,825 to $598,555.

2. Pine Run

The 1998 Series A Bonds consist of $14,755,000 5.0% term bonds, which mature in varying annual amounts from 2024 through 2028. The 1998 Bonds are subject to mandatory redemption in part prior to maturity beginning on July 1, 2024 and on each July 1 thereafter through and including maturity ranging from $2,670,000 to $3,245,000. The redemption price equals the principal amount plus accrued interest. The 1998 Series A Bonds are also subject to an optional redemption prior to maturity by the Authority, at the direction of the Hospital, in whole or in part at any time on or after January 1, 2008 at redemption prices ranging from 100% to 102%. The 1998 Series A Bonds are collateralized by a priority mortgage lien on certain facilities and assets used in operations.

NOTE F - LONG-TERM DEBT - Continued

A summary of principal payments for all the long-term debt for the next five years and thereafter is as follows:

| | |
|---|---|
| 2013 | $ 4,069,918 |
| 2014 | 4,278,601 |
| 2015 | 4,473,081 |
| 2016 | 4,673,301 |
| 2017 | 4,889,297 |
| Thereafter | 120,730,145 |
| | $ 143,114,343 |

NOTE G - DERIVATIVE FINANCIAL INSTRUMENTS

In connection with the issuance of the Series 2008B Bonds, an interest rate swap agreement was entered into in the aggregate notional amount of $45,000,000 (maturity 2037). The swap provides for payments by the Hospital of fixed rates of 3.94% in exchange for variable interest payments by the counterparty which are intended to approximate the interest payments on the Series 2008B Bonds.

An additional interest rate swap agreement was entered into in the aggregate notional amount of $15,000,000 (maturity 2019). The swap provides for payments by the Hospital at fixed rates of 2.95% in exchange for variable interest payments by the counterparty which are intended to approximate the interest payments on the Series 2008B Bonds.

The change in the fair value of the Corporation's interest rate swap agreements for the year ended June 30, 2012 was an increase in the interest rate swap liability of $10,384,890 and a decrease of $634,402 for the year ended June 30, 2011. The change is included in other income (losses) as a component of (deficiency in) excess of revenues and other income over expenses and losses in the consolidated statements of operations and changes in net assets. At June 30, 2012 and 2011, the fair value of the interest rate swaps represented a liability of $15,253,151 and $4,868,261, respectively.

The Corporation has established policies and procedures to limit the potential for counterparty credit risk, including establishing limits for credit exposure and continually assessing the creditworthiness of counterparties. As a matter of practice, the Corporation will enter into transactions only with counterparties whose obligations are rated "A-" or above as rated by Standard & Poor's, or "A3" or above as rated by Moody's.

The Corporation's exposure to credit risk, associated with its derivative financial instruments, is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes. As of the date the consolidated financial statements were issued, the Corporation was not exposed to any risk of loss.

## NOTE H - PENSION PLANS

The Hospital has a defined benefit noncontributory pension plan covering all full-time and certain part-time employees. Plan benefits are generally based on years of service and the employees' compensation during the last five years of employment. The Hospital's policy is to fund annually at least the minimum amount required by the Employee Retirement Income Security Act of 1974. The Hospital has frozen the defined benefit plan as of December 31, 2010.

The Hospital uses a June 30 measurement date for the plan. The following table summarizes information about the pension benefit plan.

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Changes in benefit obligation | | |
| Projected benefit obligation, beginning of year | $ 65,623,838 | $ 67,523,233 |
| Service cost | - | 1,782,317 |
| Interest cost | 3,769,886 | 3,748,388 |
| Change due to curtailment | - | (3,000,000) |
| Actuarial loss | 15,335,642 | 475,478 |
| Benefits paid | (3,516,476) | (4,905,578) |
| Projected benefit obligation, end of year | $ 81,212,890 | $ 65,623,838 |
| Accumulated benefit obligation | $ 81,212,890 | $ 65,623,838 |
| Changes in plan assets | | |
| Fair value of plan assets, beginning of year | $ 55,708,236 | $ 45,991,535 |
| Actual return on plan assets, net of expenses | 1,137,103 | 9,496,220 |
| Employer contribution | 3,074,614 | 5,126,059 |
| Benefits paid | (3,516,476) | (4,905,578) |
| Fair value of plan assets, end of year | $ 56,403,477 | $ 55,708,236 |
| Funded status - accrued pension | $ (24,809,413) | $ (9,915,602) |

NOTE H - PENSION PLANS - Continued

Amounts recognized in accumulated unrestricted net assets consist of:

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Unrecognized net loss | $ 33,481,820 | $ 15,093,310 |
| Net periodic (income) benefit cost consists of: | | |
| Components of net periodic benefit cost | | |
| Service cost | $ - | $ 1,782,317 |
| Interest cost | 3,769,886 | 3,748,388 |
| Expected return on assets | (5,022,228) | (4,184,238) |
| Amortization of | | |
| Unrecognized net actuarial loss | 832,257 | 1,171,337 |
| Unrecognized prior service cost | - | (73,149) |
| | (420,085) | 2,444,655 |
| Curtailment gain | - | (943,070) |
| Net periodic (income) benefit cost | $ (420,085) | $ 1,501,585 |
| Amounts recognized in other changes in unrestricted net assets consist of: | | |
| Net loss (gain) | $ 19,220,767 | $ (7,860,036) |
| Amortization of loss | (832,257) | (1,171,337) |
| Amortization of prior service cost | - | 73,149 |
| Curtailment effect on prior service cost | - | 943,070 |
| Net amount recognized | $ 18,388,510 | $ (8,015,154) |
| Total recognized in other changes in unrestricted net assets and net periodic benefit cost | $ 17,968,425 | $ (6,513,569) |

The estimated net loss for the pension plan that will be amortized from accumulated other changes in unrestricted net assets to net periodic benefit cost in the next fiscal year is $1,850,000.

| | 2012 | 2011 |
|---|---|---|
| Assumptions | | |
| Weighted-average assumptions used to determine benefit obligations at June 30 | | |
| Discount rate | 4.50% | 5.75% |
| Rate of compensation increase | N/A | N/A |

NOTE H - PENSION PLANS - Continued

| | 2012 | 2011 |
|---|---|---|
| Weighted-average assumptions used to determine net periodic benefit cost for years ended June 30 | | |
| Discount rate | 4.50% | 5.75% |
| Rate of compensation increase | N/A | N/A |
| Expected long-term return on plan assets | 9.00% | 9.00% |

To develop the expected long-term rate of return on plan assets assumption, the Hospital considered the historical returns and the future expectations for returns for each asset class, as well as the target allocation of the pension portfolio as shown below. This resulted in the selection of the 9.00% expected long-term return on plan assets.

The pension plan's actual weighted-average asset allocations and target asset allocations, by asset category, are as follows:

| Asset category | Target asset allocation | June 30, 2012 | June 30, 2011 |
|---|---|---|---|
| Equity securities | 57% | 43% | 60% |
| Fixed income securities | 28 | 35 | 28 |
| Other | 15 | 22 | 12 |
| | 100% | 100% | 100% |

The policy, as established by the Hospital with input from the investment manager, is to provide for growth of capital with a moderate level of volatility by investing assets per the target allocations stated above. The investment policy is reviewed on a regular basis under the advisement of the investment manager. An Investment Advisory Group of the Board of Directors reviewed the asset allocation and recommendations of the investment manager.

*Fair Values of Plan Assets*

The following table presents the Hospital's categorization of the assets of the pension plan within the fair value hierarchy as of June 30:

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| 2012 | | | | |
| Equity securities (a) | $ 31,223,875 | $ 31,223,875 | $ - | $ - |
| Fixed income securities (b) | 16,747,360 | 16,747,360 | - | - |
| Other (c) | 8,432,242 | - | 5,632,242 | 2,800,000 |
| | $ 56,403,477 | $ 47,971,235 | $ 5,632,242 | $ 2,800,000 |

NOTE H - PENSION PLANS - Continued

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| 2011 | | | | |
| Cash | $ 1,000 | $ 1,000 | $ - | $ - |
| Equity securities (a) | 33,675,122 | 33,675,122 | - | - |
| Fixed income securities (b) | 15,637,955 | 15,637,955 | - | - |
| Other (c) | 6,394,159 | - | 6,394,159 | - |
| | $ 55,708,236 | $ 49,314,077 | $ 6,394,159 | $ - |

(a) Comprised of various equity securities which include U.S. large, mid-cap and small-cap equities.
(b) Comprised of high yield debt and investment grade bonds.
(c) Other investments are comprised of a Level 2 opportunity investment, made up of various strategy funds, including relative value investments, discretionary global macrofunds, managed futures, structured products and direct lending; and a Level 3 core property real estate investment fund, purchased during 2012.

The Corporation measures fair value of investments using the market value approach for all investments except for alternative investments. Fair value of the Corporation's alternative investment is determined based upon the net asset value of the fund per share provided by the fund manager. The fair value of the underlying securities and other financial information of the alternative investment may involve estimates that require a degree of judgment. Because the net asset value reported by the fund is used as a practical expedient to estimate the fair value of the Corporation's interest therein, its classification as Level 3 is based on the Corporation's ability to redeem its interest at or near the date of the balance sheet.

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended June 30:

| | 2012 | 2011 |
|---|---|---|
| Balance at beginning of year | $ - | $ 6,023,340 |
| Purchases | 2,800,000 | - |
| Change in unrealized gains and losses | - | 370,819 |
| Transfer to Level 2 | - | (6,394,159) |
| Balance at end of year | $ 2,800,000 | $ - |

Cash Flows

*Contributions*

The Hospital expects to contribute approximately $2,700,000 in pension contributions during fiscal year 2013.

NOTE H - PENSION PLANS - Continued

*Estimated Future Benefit Payments*

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

| | |
|---|---|
| 2013 | $ 3,700,000 |
| 2014 | 3,500,000 |
| 2015 | 4,200,000 |
| 2016 | 4,100,000 |
| 2017 | 3,900,000 |
| 2018-2022 | 17,000,000 |

Defined Contribution Plans

The Hospital has a defined contribution plan covering substantially all employees of Doylestown Hospital (the "Hospital" and "Plan Sponsor"). The plan is designed to provide eligible employees with long-term savings and investment opportunities. Participation in this plan is voluntary. Employees are eligible to participate upon hire, and Associates meeting eligibility requirements are eligible for employer contributions effective the first of the month following the date of hire or the first of the month following attainment of age 21, if later. For the years ended June 30, 2012 and 2011, the Hospital made matching contributions of $580,178 and $280,299, respectively. The Hospital suspended its matching contributions to the defined contribution plan, beginning July 1, 2010, and reinstated the match effective January 1, 2011. In addition, the Hospital began making base employer defined contributions for each eligible employee effective January 1, 2011. For the years ended June 30, 2012 and 2011, these base contributions totaled $1,570,290 and $678,541, respectively.

Pine Run has a defined contribution retirement plan for all employees. Participants may make voluntary contributions to the plan limited to 20% of their compensation. Employer contributions to the plan are discretionary as determined by the Board of Directors and are distributed to certain eligible salaried and hourly employees. The employer contribution for the years ended June 30, 2012 and 2011 was $102,246 and $100,196, respectively.

NOTE I - INSURANCE COVERAGE AND SELF-INSURED RESERVES

Medical Professional and General Liability Insurance

The Hospital insures its primary layer of medical professional and general liabilities through an insurance company under a commercial claims-made insurance policy. This policy provides limits of $1,000,000 per claim and $3,000,000 per annual aggregate, subject to a self-insured retention amount of $100,000 per claim and $800,000 per annual aggregate.

The Hospital has current liabilities of $664,000 and $1,088,000 at June 30, 2012 and 2011, respectively, and long-term liabilities of $6,692,000 and $4,817,000 at June 30, 2012 and 2011, respectively (discounted at 3% and 4% at June 30, 2012 and 2011, respectively), in the consolidated balance sheets, representing estimates of known and incurred but not reported claims. Additionally, the Hospital has an insurance coverage receivable, estimated at $4,328,000 and $2,853,000 at June 30, 2012 and 2011, respectively, in other assets on the consolidated balance sheets.

NOTE I - INSURANCE COVERAGE AND SELF-INSURED RESERVES - Continued

The Medical Care Availability and Reduction of Error ("MCARE") Act was enacted by the legislature of the Commonwealth of Pennsylvania ("Commonwealth") in 2002. This Act created the MCARE Fund, which replaced The Pennsylvania Medical Professional Liability Catastrophe Loss Fund (the "Medical CAT Fund"), as the agency for the Commonwealth to facilitate the payment of medical malpractice claims exceeding the primary layer of professional liability insurance carried by Pine Run and other health care providers practicing in the Commonwealth.

The MCARE Fund is funded on a "pay as you go basis" and assesses health care providers, based on a percentage of the rates established by the Joint Underwriting Association (also a Commonwealth agency) for basic coverage. The MCARE Act of 2002 provides for a further reduction to the current MCARE coverage of $500 per occurrence to $250 per occurrence and the eventual phase-out of the MCARE Fund, subject to the approval of the PA Insurance Commissioner. To date, the PA Insurance Commissioner has deferred the change in coverage and eventual phase-out of the MCARE Fund to future years.

The Hospital's annual premiums paid for participation in MCARE were $331,393 and $343,102 for the years ended June 30, 2012 and 2011, respectively. No provision has been made for any future MCare Fund assessments in the accompanying consolidated financial statements as the Hospital's portion of the MCare Fund unfunded liability cannot be reasonably estimated. The Hospital also maintains $15,000,000 of excess insurance coverage above the MCare Fund limits.

Workers' Compensation Insurance

The Corporation has a self-insured workers' compensation program subject to a self-insured retention of $500,000 per claim for both the years ended June 30, 2012 and 2011. Claims exceeding the self-insured retention are covered under an excess insurance policy, the maximum limit of indemnity is statutory and the employers' liability maximum limit of indemnity per occurrence and aggregate is $1,000,000 for both 2012 and 2011.

The liability for workers' compensation claims (discounted at 3% and 4% at June 30, 2012 and 2011, respectively) of $2,542,258 and $2,428,396 at June 30, 2012 and 2011, respectively, is included in self-insured liabilities in the consolidated balance sheets. The Hospital maintains continuous surety bond coverage of $2,400,000 and $3,600,000 at June 30, 2012 and 2011, respectively, and has an irrevocable letter of credit with automatic renewal of $1,200,000 and $2,550,000 at June 30, 2012 and 2011, respectively, as collateral for payment of claims. No amounts were outstanding on the bond or letter of credit at June 30, 2012 and 2011.

Employee Medical Benefits

The Corporation is self-insured for employee medical benefits. The liabilities for medical claims of $600,000 at June 30, 2012 and 2011 are included in the current portion of self-insured liabilities in the consolidated balance sheets, and represent the estimated costs of medical services provided by other hospitals, physicians and other medical care providers, which will be paid out in future periods. The stop-loss insurance limit is $100,000, for both 2012 and 2011, for all claims in any one year by any one individual.

## NOTE J - FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| 2012 | | | | |
| Cash and cash equivalents | $ 29,215,024 | $ 29,215,024 | $ - | $ - |
| Domestic equities | 19,330,576 | 19,330,576 | - | - |
| Domestic fixed income | 23,019,899 | 23,019,899 | - | - |
| International equities | 6,086,903 | 6,086,903 | - | - |
| International fixed income | 6,031,250 | - | 6,031,250 | - |
| Total assets | $ 83,683,652 | $ 77,652,402 | $ 6,031,250 | $ - |
| Liabilities | | | | |
| Interest rate swaps | $ 15,253,151 | $ - | $ 15,253,151 | $ - |
| Total liabilities | $ 15,253,151 | $ - | $ 15,253,151 | $ - |
| 2011 | | | | |
| Cash and cash equivalents | $ 34,688,583 | $ 34,688,583 | $ - | $ - |
| Domestic equities | 21,255,735 | 21,255,735 | - | - |
| Domestic fixed income | 16,975,586 | 16,975,586 | - | - |
| International equities | 6,934,827 | 6,934,827 | - | - |
| International fixed income | 6,031,250 | - | 6,031,250 | - |
| Total assets | $ 85,885,981 | $ 79,854,731 | $ 6,031,250 | $ - |

NOTE J - FAIR VALUE MEASUREMENTS - Continued

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Liabilities | | | | |
| Interest rate swaps | $ 4,868,261 | $ - | $ 4,868,261 | $ - |
| Total liabilities | $ 4,868,261 | $ - | $ 4,868,261 | $ - |

The Corporation determines the estimated fair value for its Level 1 securities using the market approach. The Corporation determines the estimated fair value for its Level 2 securities and interest rate swap using transactions and inputs that are derived principally from or corroborated by other observable market data.

NOTE K - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

The Corporation has recorded temporarily restricted net assets which are available for the following purposes:

| | June 30, | |
|---|---|---|
| | 2012 | 2011 |
| Various health care services | $ 24,930 | $ 5,377 |
| Investment in property, plant and equipment | 764,485 | 1,721,483 |
| | $ 789,415 | $ 1,726,860 |

The Corporation has recorded an interest in temporarily restricted net assets held by the Foundation for the benefit of the Corporation whose use has been limited to a specified time period or purpose. These temporarily restricted net assets are available for the following purposes:

| | June 30, | |
|---|---|---|
| | 2012 | 2011 |
| Various health care services | $ 3,392,563 | $ 2,372,949 |
| Investment in property, plant and equipment | 120,272 | 193,705 |
| | $ 3,512,835 | $ 2,566,654 |

The Corporation has also recorded as permanently restricted an interest in the net assets held by the Foundation for funds held in trust for the benefit of the Corporation, the principal of which is held in perpetuity by donor stipulation. The income from these funds is available for the current operations of the Corporation and for the years ended June 30, 2012 and 2011 totaled $278,396 and $255,924, respectively. At June 30, 2012 and 2011, these amounts totaled $10,223,395 and $10,866,992, respectively.

## NOTE L - RELATED PARTY TRANSACTIONS

The Corporation has various transactions with related parties. The following table summarizes these transactions:

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Fees paid by Foundation for management and other support | $ 670,572 | $ 645,536 |
| Transfers to Foundation | | |
| Funds received from legacies | 497,407 | 698,395 |
| Transfers from Foundation (restricted and unrestricted) | | |
| To finance property, plant and equipment | 787,151 | 1,429,702 |
| To other operating revenue | 17,951 | 7,106 |

Due from (to) affiliated entities related to the following:

| | June 30, 2012 | June 30, 2011 |
|---|---|---|
| Due from Doylestown Health Foundation | $ 3,265,999 | $ 3,143,708 |
| Due from Health and Wellness Center | 1,848,641 | 1,823,692 |
| Other | 413,472 | 261,584 |
| | 5,528,112 | 5,228,984 |
| Less current portion | 3,288,897 | 2,582,382 |
| | $ 2,239,215 | $ 2,646,602 |
| Due to VIA Affiliates | $ (97,216) | $ (8,390,195) |

The amounts included in due from Doylestown Health Foundation represent the Hospital's right to assets held by Doylestown Health Foundation for which the Hospital is the beneficiary. These funds will be transferred to the Hospital as pledge payments are received. The amounts due to VIA Affiliates represent expenses recognized in hospital operations to support/reimburse the practices for development of clinical programs. During FY 2012, the Hospital made payment to VIA Affiliates to reduce the amount due. The amounts due from the Health and Wellness Center represent expenditures processed through the Hospital's systems and will be recovered as the Health and Wellness Center receives rental payments from an unrelated party.

## NOTE M - FUNCTIONAL EXPENSES

The Corporation provides general health care services to residents within their geographic location including acute care, home care, pediatric care, outpatient surgery, long-term care, and hospice care, as well as operates an independent living facility. Expenses related to providing these services are as follows:

| | June 30, | |
|---|---|---|
| | 2012 | 2011 |
| Health care | $ 208,242,930 | $ 207,810,891 |
| Retirement facility | 9,255,241 | 8,385,617 |
| Administrative | 13,882,862 | 14,551,453 |
| | $ 231,381,033 | $ 230,747,961 |

## NOTE N - INVESTMENTS IN JOINT VENTURES

The Hospital owns 50% of the Bucks County Physicians Hospital Alliance ("BCPHA"), a physician hospital organization. The Hospital accounts for its investment in BCPHA using the equity method of accounting.

From March 2007 to June 2012, the Hospital owned 60% of the Doylestown Surgical Center, LLC, a for-profit business. The Hospital participated as a limited partner and did not have voting control of the Doylestown Surgical Center, LLC. Accordingly, the Hospital recorded its investment in Doylestown Surgical Center, LLC using the equity method of accounting. In July 2012, the Corporation purchased the assets of the Doylestown Surgical Center, LLC for $2,500,000. Going forward, the Doylestown Surgical Center, LLC will be operated as a department of the Hospital.

The Hospital owns 23.3% of Pavilion I and 25.5% of Pavilion II, which are considered the Medical Office Building ("MOB"). The Hospital accounts for its investment in MOB using the equity method of accounting.

The Hospital owns 49% of the Doylestown PET Associates, LLC, a for-profit business corporation. The Hospital accounts for its investment in Doylestown PET Associates, LLC using the equity method of accounting.

Other revenue includes $(1,368,256) and $413,551 related to joint ventures for the years ended June 30, 2012 and 2011, respectively. For the year ended June 30, 2012, this includes a $(1,019,000) valuation adjustment to the investment in Doylestown Surgical Center, LLC. Additionally, cash distributions were received of $108,223 and $80,381 for the years ended June 30, 2012 and 2011, respectively.

## NOTE O - CONTINGENCIES

Lease obligations

The following is a five-year schedule of minimum lease commitments under noncancellable operating leases for the Corporation in effect as of June 30, 2012:

| Year ending June 30: | |
|---|---|
| 2013 | $ 3,508,732 |
| 2014 | 3,256,917 |
| 2015 | 2,862,910 |
| 2016 | 2,203,735 |
| 2017 | 1,539,132 |

Rental expense amounted to $3,608,949 and $2,976,495 for the years ended June 30, 2012 and 2011, respectively.

Litigation

The Corporation is a defendant in several matters of litigation all in the ordinary course of conducting business. In the opinion of management, the ultimate outcome of these matters will not have a material effect on the Corporation's financial position, results of operations, or cash flows.

## NOTE P - CONCENTRATIONS OF CREDIT RISK

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

| | June 30, | |
|---|---|---|
| | 2012 | 2011 |
| Blue Cross | 15% | 15% |
| Medicare | 31 | 29 |
| Self-pay | 15 | 17 |
| Keystone Health Plan | 12 | 12 |
| Commercial | 10 | 9 |
| Aetna | 7 | 8 |
| Medical Assistance | 6 | 6 |
| Other | 4 | 4 |
| | 100% | 100% |

## NOTE Q - SUBSEQUENT EVENTS

The Corporation evaluated its June 30, 2012 consolidated financial statements for subsequent events through September 24, 2012, the date the financial statements were issued. The Corporation is not aware of any subsequent events other than those previously disclosed in the consolidated financial statements which would require recognition or disclosure in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

Grant Thornton

Audit • Tax • Advisory

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## Report of Independent Certified Public Accountants on Supplementary Information

Board of Directors
Doylestown Hospital

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets as of June 30, 2012 and 2011 and consolidating statements of operations and changes in net assets for the years then ended, are presented for purposes of additional analysis, rather than to present the financial position, results of operations and cash flows of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the consolidating information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Philadelphia, Pennsylvania

September 24, 2012

Doylestown Hospital

## CONSOLIDATING BALANCE SHEET

June 30, 2012

| ASSETS | Doylestown Hospital Division | Pine Run Division | Doylestown Radiology Group, LP | Eliminations | Consolidated Doylestown Hospital |
|---|---|---|---|---|---|
| Current assets | | | | | |
| Cash and cash equivalents | $ 23,199,989 | $ 4,068,983 | $ 152,200 | $ - | $ 27,421,172 |
| Assets limited as to use | 178,061 | 78,101 | - | - | 256,162 |
| Patient accounts receivable, net | 23,217,423 | 1,639,326 | 132,425 | - | 24,989,174 |
| Supplies | 5,196,639 | 72,715 | - | - | 5,269,354 |
| Due from affiliated entities | 3,287,910 | 987 | - | - | 3,288,897 |
| Other current assets | 3,300,533 | 277,233 | 24,935 | - | 3,602,701 |
| Total current assets | 58,380,555 | 6,137,345 | 309,560 | - | 64,827,460 |
| Assets limited as to use | | | | | |
| Internally designated - by Board of Directors | 48,499,555 | - | - | - | 48,499,555 |
| Externally designated | 6,031,250 | 1,475,513 | - | - | 7,506,763 |
| | 54,530,805 | 1,475,513 | - | - | 56,006,318 |
| Interest in net assets of Doylestown Health Foundation | 13,736,230 | - | - | - | 13,736,230 |
| Property, plant and equipment, net | 139,552,034 | 30,492,614 | 142,708 | - | 170,187,356 |
| Deferred financing costs, net | 2,606,287 | 251,139 | - | - | 2,857,426 |
| Due from affiliated entities | 13,419,774 | - | - | (11,180,559) | 2,239,215 |
| Other assets | 6,217,762 | - | 9,998 | (276,584) | 5,951,176 |
| Total assets | $ 288,443,447 | $ 38,356,611 | $ 462,266 | $ (11,457,143) | $ 315,805,181 |
| LIABILITIES AND NET ASSETS | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term debt | $ 4,069,918 | $ - | $ - | $ - | $ 4,069,918 |
| Current portion of insurance claims liabilities | 2,596,397 | 1,209,874 | - | - | 3,806,271 |
| Accrued interest payable | 294,576 | - | - | - | 294,576 |
| Accounts payable | 14,859,739 | 1,729,150 | 92,296 | - | 16,681,185 |
| Accrued salaries and payroll taxes | 2,882,798 | 207,037 | - | - | 3,089,835 |
| Accrued vacation | 5,759,183 | 540,742 | - | - | 6,299,925 |
| Other liabilities | 508,227 | 359,831 | - | - | 868,058 |
| Estimated settlement with third-party payors | 79,223 | - | - | - | 79,223 |
| Deposit of deferred entry fees | - | 117,250 | - | - | 117,250 |
| Due to affiliated entities | 97,216 | - | - | - | 97,216 |
| Total current liabilities | 31,147,277 | 4,163,884 | 92,296 | - | 35,403,457 |
| Long-term debt, net of current portion | 125,215,539 | 14,544,115 | - | - | 139,759,654 |
| Interest rate swaps | 15,253,151 | - | - | - | 15,253,151 |
| Due to affiliated entities | - | 11,180,559 | - | (11,180,559) | - |
| Insurance claims liability, net of current portion | 6,591,622 | 100,000 | - | - | 6,691,622 |
| Accrued pension | 24,809,413 | - | - | - | 24,809,413 |
| Deferred entry fees | - | 5,892,937 | - | - | 5,892,937 |
| Other liabilities | 1,007,635 | - | - | - | 1,007,635 |
| Total liabilities | 204,024,637 | 35,881,495 | 92,296 | (11,180,559) | 228,817,869 |
| Net assets | | | | | |
| Unrestricted | | | | | |
| Corporation | 69,918,095 | 2,450,186 | 369,970 | (457,869) | 72,280,382 |
| Non-controlling interest | - | - | - | 181,285 | 181,285 |
| Total unrestricted | 69,918,095 | 2,450,186 | 369,970 | (276,584) | 72,461,667 |
| Temporarily restricted | 764,485 | 24,930 | - | - | 789,415 |
| Temporarily restricted, held by Foundation | 3,512,835 | - | - | - | 3,512,835 |
| Total temporarily restricted | 4,277,320 | 24,930 | - | - | 4,302,250 |
| Permanently restricted, held by Foundation | 10,223,395 | - | - | - | 10,223,395 |
| Total net assets | 84,418,810 | 2,475,116 | 369,970 | (276,584) | 86,987,312 |
| Total liabilities and net assets | $ 288,443,447 | $ 38,356,611 | $ 462,266 | $ (11,457,143) | $ 315,805,181 |

Doylestown Hospital

## CONSOLIDATING BALANCE SHEET

June 30, 2011

| ASSETS | Doylestown Hospital Division | Pine Run Division | Doylestown Radiology Group, LP | Eliminations | Consolidated Doylestown Hospital |
|---|---|---|---|---|---|
| Current assets | | | | | |
| Cash and cash equivalents | $ 29,240,210 | $ 3,071,779 | $ 217,554 | $ - | $ 32,529,543 |
| Assets limited as to use | 424,739 | 94,805 | - | - | 519,544 |
| Patient accounts receivable, net | 22,439,154 | 1,675,623 | 123,305 | - | 24,238,082 |
| Supplies | 5,447,778 | 73,449 | - | - | 5,521,227 |
| Due from affiliated entities | 2,582,382 | - | - | - | 2,582,382 |
| Other current assets | 4,966,238 | 268,752 | 24,700 | - | 5,259,690 |
| Total current assets | 65,100,501 | 5,184,408 | 365,559 | - | 70,650,468 |
| Assets limited as to use | | | | | |
| Internally designated - by Board of Directors | 45,330,132 | - | - | - | 45,330,132 |
| Externally designated | 6,031,250 | 1,475,512 | - | - | 7,506,762 |
| | 51,361,382 | 1,475,512 | - | - | 52,836,894 |
| Interest in net assets of Doylestown Health Foundation | 13,433,646 | - | - | - | 13,433,646 |
| Property, plant and equipment, net | 143,066,405 | 29,543,145 | 240,058 | - | 172,849,608 |
| Deferred financing costs, net | 2,804,758 | 267,303 | - | - | 3,072,061 |
| Due from affiliated entities | 13,827,161 | - | - | (11,180,559) | 2,646,602 |
| Other assets | 6,353,864 | - | 9,998 | (221,597) | 6,142,265 |
| Total assets | $ 295,947,717 | $ 36,470,368 | $ 615,615 | $ (11,402,156) | $ 321,631,544 |
| LIABILITIES AND NET ASSETS | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term debt | $ 3,906,718 | $ - | $ 75,000 | $ - | $ 3,981,718 |
| Current portion of insurance claims liabilities | 3,057,983 | 1,058,823 | - | - | 4,116,806 |
| Accrued interest payable | 453,256 | - | - | - | 453,256 |
| Accounts payable | 12,388,766 | 1,135,029 | 106,109 | - | 13,629,904 |
| Accrued salaries and payroll taxes | 4,147,520 | 584,114 | - | - | 4,731,634 |
| Accrued vacation | 5,424,365 | 489,212 | - | - | 5,913,577 |
| Other liabilities | 1,759,054 | 534,981 | - | - | 2,294,035 |
| Estimated settlement with third-party payors | 29,123 | - | - | - | 29,123 |
| Deposit of deferred entry fees | - | 94,500 | - | - | 94,500 |
| Due to affiliated entities | 8,343,590 | 46,605 | - | - | 8,390,195 |
| Total current liabilities | 39,510,375 | 3,943,264 | 181,109 | - | 43,634,748 |
| Long-term debt, net of current portion | 129,467,106 | 14,529,163 | - | - | 143,996,269 |
| Interest rate swaps | 4,868,261 | - | - | - | 4,868,261 |
| Due to affiliated entities, net | - | 11,180,559 | - | (11,180,559) | - |
| Insurance claims liability, net of current portion | 4,743,779 | 73,333 | - | - | 4,817,112 |
| Accrued pension | 9,915,602 | - | - | - | 9,915,602 |
| Deferred entry fees | - | 6,020,778 | - | - | 6,020,778 |
| Other liabilities | 443,635 | - | - | - | 443,635 |
| Total liabilities | 188,948,758 | 35,747,097 | 181,109 | (11,180,559) | 213,696,405 |
| Net assets | | | | | |
| Unrestricted | | | | | |
| Corporation | 91,843,830 | 717,894 | 434,506 | (434,506) | 92,561,724 |
| Non-controlling interest | - | - | - | 212,909 | 212,909 |
| Total unrestricted | 91,843,830 | 717,894 | 434,506 | (221,597) | 92,774,633 |
| Temporarily restricted | 1,721,483 | 5,377 | - | - | 1,726,860 |
| Temporarily restricted, held by Foundation | 2,566,654 | - | - | - | 2,566,654 |
| Total temporarily restricted | 4,288,137 | 5,377 | - | - | 4,293,514 |
| Permanently restricted, held by Foundation | 10,866,992 | - | - | - | 10,866,992 |
| Total net assets | 106,998,959 | 723,271 | 434,506 | (221,597) | 107,935,139 |
| Total liabilities and net assets | $ 295,947,717 | $ 36,470,368 | $ 615,615 | $ (11,402,156) | $ 321,631,544 |

## CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended June 30, 2012

| | Doylestown Hospital Division | Pine Run Division | Doylestown Radiology Group, LP | Eliminations | Consolidated Doylestown Hospital |
|---|---|---|---|---|---|
| Unrestricted net assets | | | | | |
| Revenue | | | | | |
| Net patient service revenue | $201,407,174 | $ 18,203,187 | $ 1,297,112 | $ - | $220,907,473 |
| Provision for bad debts | (3,466,666) | (181,411) | (26,689) | - | (3,674,766) |
| Net patient service revenue less provision for bad debts | 197,940,508 | 18,021,776 | 1,270,423 | - | 217,232,707 |
| Amortization of deferred entry fees | - | 336,341 | - | - | 336,341 |
| Other revenue | 9,468,781 | 10,724,342 | - | (35,936) | 20,157,187 |
| Bequests | 497,407 | - | - | - | 497,407 |
| Total revenue | 207,906,696 | 29,082,459 | 1,270,423 | (35,936) | 238,223,642 |
| Expenses | | | | | |
| Salaries and wages | 83,135,185 | 10,276,134 | 268,363 | - | 93,679,682 |
| Employee benefits | 20,019,534 | 2,070,648 | 47,082 | - | 22,137,264 |
| Professional fees | 4,751,802 | 37,272 | - | - | 4,789,074 |
| Supplies and other expenses | 77,087,621 | 11,069,706 | 776,163 | 19,049 | 88,952,539 |
| Depreciation and amortization | 12,828,589 | 2,780,173 | 106,441 | - | 15,715,203 |
| Interest | 4,989,125 | 1,116,234 | 1,912 | - | 6,107,271 |
| Total expenses | 202,811,856 | 27,350,167 | 1,199,961 | 19,049 | 231,381,033 |
| Operating income | 5,094,840 | 1,732,292 | 70,462 | (54,985) | 6,842,609 |
| Other income and losses | | | | | |
| Investment income | 1,361,090 | - | - | - | 1,361,090 |
| Net realized gains on sale of investments | 630,192 | - | - | - | 630,192 |
| Change in net unrealized gains and losses on trading securities | (1,039,536) | - | - | - | (1,039,536) |
| Change in fair value of interest rate swaps | (10,384,890) | - | - | - | (10,384,890) |
| (Deficiency in) excess of other revenue and other income over expenses and other losses | (4,338,304) | 1,732,292 | 70,462 | (54,985) | (2,590,535) |
| Excess of revenue attributable to non-controlling interest | - | - | - | (34,526) | (34,526) |
| (Deficiency in) excess of revenue and other income over expenses and other losses attributable to the Corporation | (4,338,304) | 1,732,292 | 70,462 | (89,511) | (2,625,061) |
| Other changes in unrestricted net assets | | | | | |
| Change in net unrealized gains on other-than-trading securities | 13,929 | - | - | - | 13,929 |
| Change in non-controlling interest | - | - | - | 34,526 | 34,526 |
| Equity distribution | - | - | (135,000) | - | (135,000) |
| Net assets released from restrictions | 956,999 | - | - | - | 956,999 |
| Net transfers to Doylestown Health Foundation | (169,848) | - | - | - | (169,848) |
| Other changes in accrued pension | (18,388,510) | - | - | - | (18,388,510) |
| (Decrease) increase in unrestricted net assets | (21,925,734) | 1,732,292 | (64,538) | (54,985) | (20,312,965) |
| Temporarily restricted net assets | | | | | |
| Restricted contributions | - | 24,721 | - | - | 24,721 |
| Net assets released from restrictions | (956,999) | (5,168) | - | - | (962,167) |
| Increase in interest in net assets of Doylestown Health Foundation | 946,181 | - | - | - | 946,181 |
| (Decrease) increase in temporarily restricted net assets | (10,818) | 19,553 | - | - | 8,735 |
| Permanently restricted net assets | | | | | |
| Decrease in interest in net assets of Doylestown Health Foundation | (643,597) | - | - | - | (643,597) |
| (Decrease) increase in net assets | (22,580,149) | 1,751,845 | (64,538) | (54,985) | (20,947,827) |
| Net assets, beginning of year | 106,998,959 | 723,271 | 434,508 | (221,599) | 107,935,139 |
| Net assets, end of year | $ 84,418,810 | $ 2,475,116 | $ 369,970 | $ 1276,584 | $ 86,987,312 |

Doylestown Hospital

## CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended June 30, 2011

| | Doylestown Hospital Division | Pine Run Division | Doylestown Radiology Group, LP | Eliminations | Consolidated Doylestown Hospital |
|---|---|---|---|---|---|
| Unrestricted net assets | | | | | |
| Revenue | | | | | |
| Net patient service revenue | $199,729,282 | $ 17,841,939 | $ 1,335,555 | $ - | $218,906,776 |
| Provision for bad debts | (3,652,723) | (75,693) | (24,374) | - | (3,752,790) |
| Net patient service revenue less provision for bad debts | 196,076,559 | 17,766,246 | 1,311,181 | - | 215,153,986 |
| Amortization of deferred entry fees | - | 286,973 | - | - | 286,973 |
| Other revenue | 8,200,226 | 10,631,803 | - | (21,252) | 18,810,777 |
| Bequests | 698,395 | - | - | - | 698,395 |
| Total revenue | 204,975,180 | 28,685,022 | 1,311,181 | (21,252) | 234,950,131 |
| Expenses | | | | | |
| Salaries and wages | 81,601,868 | 9,893,611 | 248,507 | - | 91,743,986 |
| Employee benefits | 20,016,593 | 2,915,402 | 45,855 | - | 22,977,850 |
| Professional fees | 4,338,189 | 37,272 | - | - | 4,375,461 |
| Supplies and other expenses | 75,682,367 | 11,423,481 | 803,501 | - | 87,909,349 |
| Depreciation and amortization | 14,793,025 | 2,579,406 | 109,567 | - | 17,481,998 |
| Interest | 5,170,043 | 1,027,193 | 62,081 | - | 6,259,317 |
| Total expenses | 201,602,085 | 27,876,365 | 1,269,511 | - | 230,747,961 |
| Operating income | 3,373,095 | 808,657 | 41,670 | (21,252) | 4,202,170 |
| Other income and losses | | | | | |
| Investment income | 1,618,356 | - | - | - | 1,618,356 |
| Net realized gains on sale of investments | 505,151 | - | - | - | 505,151 |
| Change in net unrealized gains and losses on trading securities | 5,780,615 | - | - | - | 5,780,615 |
| Change in fair value of interest rate swaps | 634,402 | - | - | - | 634,402 |
| Excess of other revenue and other income over expenses and other losses | 11,911,619 | 808,657 | 41,670 | (21,252) | 12,740,694 |
| Excess of revenue attributable to non-controlling interest | - | - | - | (20,418) | (20,418) |
| Excess of revenue and other income over expenses and other losses attributable to the Corporation | 11,911,619 | 808,657 | 41,670 | (41,670) | 12,720,276 |
| Other changes in unrestricted net assets | | | | | |
| Change in net unrealized gains on other-than-trading securities | 26,673 | - | - | - | 26,673 |
| Change in non-controlling interest | - | - | - | 20,418 | 20,418 |
| Net assets released from restrictions | 1,212,795 | - | - | - | 1,212,795 |
| Net transfers from Doylestown Health Foundation | 217,288 | - | - | - | 217,288 |
| Other changes in accrued pension | 8,015,154 | - | - | - | 8,015,154 |
| Increase in unrestricted net assets | 21,383,529 | 808,657 | 41,670 | (21,252) | 22,212,604 |
| Temporarily restricted net assets | | | | | |
| Restricted contributions | - | 26,324 | - | - | 26,324 |
| Net assets released from restrictions | (1,212,795) | (24,492) | - | - | (1,237,287) |
| Increase in interest in net assets of Doylestown Health Foundation | 119,183 | - | - | - | 119,183 |
| (Decrease) increase in temporarily restricted net assets | (1,093,612) | 1,832 | - | - | (1,091,780) |
| Permanently restricted net assets | | | | | |
| Increase in interest in net assets of Doylestown Health Foundation | 1,456,975 | - | - | - | 1,456,975 |
| Increase in net assets | 21,746,892 | 810,489 | 41,670 | (21,252) | 22,577,799 |
| Net assets, beginning of year | 85,252,067 | (87,218) | 392,838 | (200,347) | 85,357,340 |
| Net assets, end of year | $106,998,959 | $ 723,271 | $ 434,508 | $ (221,599) | $107,935,139 |

## Additional Data

**Software ID:**
**Software Version:**
**EIN:** 23-1352174
**Name:** DOYLESTOWN HOSPITAL

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

| (A) Name and Title | (B) Average hours per week | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| CAROLYN DELLA RODOLFA<br>CHAIR - DIRECTOR | 20 0 | X | | X | | | | 0 | 0 | 0 |
| JOAN PARLEE<br>VICE CHAIR - DIRECTOR | 6 0 | X | | X | | | | 0 | 0 | 0 |
| SARA MOYER<br>SECRETARY - DIRECTOR | 3 0 | X | | X | | | | 0 | 0 | 0 |
| BARBARA KIEFFER CPA<br>TREASURER - DIRECTOR | 6 0 | X | | X | | | | 0 | 0 | 0 |
| BEVERLY COLLER CAMPBELL<br>ASST SEC/ASST TREASURER - DIR | 3 0 | X | | X | | | | 0 | 0 | 0 |
| WILLIAM E BOGER CPA<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| MARIANNE E CHABOT<br>DIRECTOR | 20 0 | X | | | | | | 0 | 0 | 0 |
| STEPHEN CHADWICK<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| BETTY DIEM<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| BRUCE DERRICK MD<br>DIRECTOR | 3 0 | X | | | | | | 0 | 361,715 | 14,165 |
| GREGORY GALLANT MD<br>DIRECTOR | 3 0 | X | | | | | | 7,500 | 0 | 0 |
| PATRICIA GORSKY<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| CAROLYN KOZAKOWSKI<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| SCOTT S LEVY MD<br>DIRECTOR - VP CMO | 55 0 | X | | X | | | | 379,912 | 0 | 141,908 |
| LINDA MCILHINNEY<br>DIRECTOR | 10 0 | X | | | | | | 0 | 0 | 0 |
| BRIAN MCLEOD<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| RICHARD A REIF<br>DIRECTOR - PRESIDENT/CEO | 55 0 | X | | X | | | | 458,135 | 169,285 | 22,629 |
| DENNIS WALSH<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| DAVID WERRETT<br>DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| ELEANOR WILSON RN MSN MHA<br>DIRECTOR - VP/COO | 55 0 | X | | X | | | | 321,185 | 0 | 24,553 |
| DANIEL L UPTON<br>CHIEF FINANCIAL OFFICER | 55 0 | | | X | | | | 311,870 | 0 | 194,103 |
| BARBARA HEBEL<br>VP HUMAN RESOURCES | 55 0 | | | X | | | | 330,834 | 0 | 70,226 |
| RICHARD LANG<br>VP INFORMATION MANAGEMENT | 55 0 | | | X | | | | 212,627 | 0 | 90,244 |
| LINDA PLANK<br>VP DEVELOPMENT | 55 0 | | | X | | | | 184,193 | 0 | 13,184 |
| LOUIS IOBBI<br>DIRECTOR PHARMACY | 55 0 | | | | X | | | 155,570 | 0 | 16,316 |

**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 | | | |
| CATHLEEN Q STEWART<br>EXECUTIVE DIRECTOR PINE RUN | 55 0 | | | | X | | | 210,888 | 0 | 38,403 |
| JOHN MITCHELL<br>DIRECTOR HEART CENTER | 55 0 | | | | | X | | 199,133 | 0 | 23,923 |
| STEVEN DAY JR<br>DIRECTOR OF RISK SERVICES | 55 0 | | | | | X | | 193,227 | 0 | 16,316 |
| ELIZABETH SEEBER<br>CHIEF ACCOUNTING OFFICER | 55 0 | | | | | X | | 147,540 | 0 | 20,804 |
| PATRICIA STOVER<br>EXECUTIVE DIRECTOR - NURSING | 55 0 | | | | | X | | 146,348 | 0 | 21,728 |
| SHERI M PUTNAM<br>EXECUTIVE DIRECTOR - BCPHA | 55 0 | | | | | X | | 139,658 | 0 | 11,560 |