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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

LANCASTER GENERAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

Room/suite

555 North Duke Street

City or town, state or country, and ZIP + 4

Lancaster, PA 17604

F Name and address of principal officer

DENNIS ROEMER EVP & CFO

555 North Duke Street

Lancaster,PA 17604

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.LGHEALTH.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1893

M State of legal domicile

PA

Part I	Summary																																				
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>TO ADVANCE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE</div></div>																																				
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Part II

Signature Block

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

Sign Here

Signature of officer

2013-05-10

DENNIS ROEMER EVP & 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

EIN

Phone no

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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 ADVANCE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE REFER TO FORM 990, SCHEDULE H FOR ADDITIONAL DISCLOSURE REGARDING LANCASTER GENERAL HOSPITAL'S MISSION

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 \$ 110,335,234 including grants of \$ ) (Revenue \$ 174,311,386 )

SURGICAL SERVICES (29,839 ENCOUNTERS)

4b

(Code ) (Expenses \$ 92,763,779 including grants of \$ ) (Revenue \$ 190,268,999 )

NURSING SERVICES (164,541 PATIENT DAYS)

4c

(Code ) (Expenses \$ 36,060,490 including grants of \$ ) (Revenue \$ 93,689,087 )

LABORATORY SERVICES (3,289,503 TRANSACTIONS)

(Code ) (Expenses \$ 368,066,148 including grants of \$ 3,658,668 ) (Revenue \$ 364,395,765 )

ALL OTHER PROGRAM SERVICES, INCLUDING BUT NOT LIMITED TO, PHARMACY, RADIOLOGY, EMERGENCY MEDICINE, EDUCATION, AND PHYSICAL MEDICINE AND REHABILITATION LGH OPERATES AN EMERGENCY ROOM (ER) THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY THE EMERGENCY ROOM HAD A TOTAL OF 108,086 VISITS DURING FISCAL YEAR 2012 MEDICARE MADE UP 28,091 OF THOSE VISITS WHILE MEDICAID PATIENTS VISITED THE ER 32,445 TIMES DURING THE YEAR THE UNINSURED HAD A TOTAL OF 13,257 VISITS TO THE ER DURING 2012 TOTAL PATIENT DAYS FOR THE FISCAL YEAR WERE 167,068 MEDICARE AND MEDICAID PATIENTS CONTRIBUTED 16,390 AND 6,504, RESPECTIVELY, TOWARDS THE 37,166 TOTAL INPATIENT DISCHARGES DURING THE FISCAL YEAR

4d

Other program services (Describe in Schedule O )

(Expenses \$ 368,066,148 including grants of \$ 3,658,668 ) (Revenue \$ 364,395,765 )

4e

Total program service expenses

\$ 607,225,651

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.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	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.		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.	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.		
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.		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.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		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.		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.	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, line 10? If "Yes," complete Schedule D, Part VI.	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.		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.		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	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.	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.		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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.		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.		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.		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.	Yes	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.		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.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements.	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? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	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? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	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? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>						
Check if Schedule O contains a response to any question in this Part V <input checked="" type="checkbox"/>						
		<b>Yes</b>	<b>No</b>			
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	<b>1a</b>	295			
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b>	0			
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes			
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	<b>2a</b>	6,455			
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	Yes			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	Yes			
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	Yes			
<b>4a</b>	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)?	<b>4a</b>	Yes			
<b>b</b>	If "Yes," enter the name of the foreign country: <b>CJ</b> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>				No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>				No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>				
<b>6a</b>	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?	<b>6a</b>				No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>				
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>					
<b>a</b>	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?	<b>7a</b>				No
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>				
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>				No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>				
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>				No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>				No
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>				
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>				
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>				
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>					
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>				
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>				
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter					
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>				
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>				
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter					
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>				
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>				
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>				
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>				
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>					
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> 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.	<b>13a</b>				
<b>b</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.	<b>13b</b>				
<b>c</b>	Enter the aggregate amount of reserves on hand.	<b>13c</b>				
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>				No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>				

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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
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?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?	Yes	
10b	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?		No
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	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		No
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done		
13	Did the organization have a written whistleblower policy?		No
14	Did the organization have a written document retention and destruction policy?		No
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?		
15a	The organization's CEO, Executive Director, or top management official		No
15b	Other officers or key employees of the organization		No
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
16b	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?		No

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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.	Dennis Roemer EVP & CFO 555 North Duke Street Lancaster, PA 17604 (717) 544-4926

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

**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 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

[illegible]



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	<b>▼</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	<b>▼</b>			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	<b>▼</b>	11,433,656	0	1,516,535

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization: 427

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	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? <i>If "Yes," complete Schedule J for such person</i> . . . . .	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)	(B)	(C)
Name and business address	Description of services	Compensation
BENCHMARK CONSTRUCTION PO BOX 806 BROWNSTOWN, PA 17508	CONSTRUCTION	9,070,002
EPIC SYSTEMS CORP PO BOX 88314 MILKWAUKEE, WI 532880314	HEALTHCARE TECHNOLOGY	4,380,178
SIEMENS MEDICAL SOLUTIONS PO BOX 7777 W3580 PHILADELPHIA, PA 19175	MAINTENANCE REPAIRS	4,304,000
CTG HEALTHCARE SOLUTIONS PO BOX 711778 CINCINNATI, OH 452711778	CONSULTING	3,625,692
MCKESSON TECHNOLOGIES PO BOX 98347 CHICAGO, IL 606938347	HEALTHCARE TECHNOLOGY	2,289,078

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 ►176

Part VIII Statement of Revenue

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a 821,874	4,464,192			
	b	Membership dues . . . . .	1b 0				
	c	Fundraising events . . . . .	1c 840				
	d	Related organizations . . . . .	1d 171,055				
	e	Government grants (contributions)	1e 598,840				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 2,871,583				
	g	Noncash contributions included in lines 1a-1f \$ 2,825					
	h	Total. Add lines 1a-1f . . . . .					
Program Service Revenue			Business Code				
	2a	OTHER NET PATIENT REVENUE	900099	506,936,605	503,335,943	3,600,662	
	b	MEDICARE/MEDICAID NET PATIENT REVENUE	900099	305,224,459	305,224,459		
	c	RENT REVENUE FROM AFFILIATES	900099	1,984,580	1,984,580		
	d	EQUITY IN EARNINGS	900099	865,218	865,218		
	e						
	f	All other program service revenue		0	0	0	0
	g	Total. Add lines 2a-2f . . . . .			815,010,862		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .			1,692,840		1,692,840
	4	Income from investment of tax-exempt bond proceeds . . .		0			
	5	Royalties . . . . .		0			
	6a	(i) Real		0			
		(ii) Personal					
	b	Less rental expenses					
	c	Rental income or (loss) 0		0			
	d	Net rental income or (loss) . . . . .					
	7a	(i) Securities		542,469			
		(ii) Other					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss) 542,469		0			
	d	Net gain or (loss) . . . . .					
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 . . . . .		4,628			
		a	7,387				
		b	2,759				
	c	Net income or (loss) from fundraising events . . .					
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .		0			
		a					
		b					
	c	Net income or (loss) from gaming activities . . .					
	10a	Gross sales of inventory, less returns and allowances . . . . .		0			
a							
b							
c	Net income or (loss) from sales of inventory . . .						
Miscellaneous Revenue		Business Code					
11a	SALE OF SERVICES		541900	8,287,262	5,841,540	2,445,722	
b	MEDICAL SERVICES REVENUE		900099	8,333,213	8,333,213		
c	RENTAL REVENUE		531190	5,012,096		16,439	4,995,657
d	All other revenue . . . . .			13,967,991	9,025,574	266,203	4,676,214
e	Total. Add lines 11a-11d . . . . .			35,600,562			
12	Total revenue. See Instructions . . . . .			857,315,553	834,610,527	6,329,026	11,911,808

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	3,639,322	3,639,322		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	19,346	19,346		
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	9,778,705		9,778,705	
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	292,218,765	226,432,120	65,175,301	611,344
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	43,456,890	32,583,173	10,785,746	87,971
9	Other employee benefits	50,766,457	38,063,751	12,599,938	102,768
10	Payroll taxes	20,781,081	15,602,388	5,144,065	34,628
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	1,494,455		1,494,455	
c	Accounting	146,849		146,849	
d	Lobbying	162,256		162,256	
e	Professional fundraising See Part IV, line 17	64,350			64,350
f	Investment management fees	1,664,144		1,664,144	
g	Other	30,272,744	7,045,867	23,225,225	1,652
12	Advertising and promotion	1,103,929	1,103,745	184	
13	Office expenses	30,071,929	9,847,857	20,181,557	42,515
14	Information technology	15,528,582	1,008,153	14,500,492	19,937
15	Royalties	0			
16	Occupancy	17,434,713	15,184,475	2,237,532	12,706
17	Travel	1,304,744	478,776	808,211	17,757
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	6,542,430	6,542,430		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	50,284,051	22,060,963	28,216,866	6,222
23	Insurance	3,791,385	61,692	3,729,693	
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	PURCHASED SERVICES	34,463,604	21,832,721	12,580,145	50,738
b	BAD DEBT	34,827,136	34,827,136		
c	MGMT FEE	980,770		980,770	
d	MED/SURG SUPPLY	146,190,258	141,054,052	5,130,817	5,389
e					
f	All other expenses	26,930	29,837,684	-29,892,316	81,562
25	Total functional expenses. Add lines 1 through 24f	797,015,825	607,225,651	188,650,635	1,139,539
26	Joint costs. Check here <input type="checkbox"/> 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	0			

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			23,015	1	23,904
	2	Savings and temporary cash investments . . . . .			74,086,586	2	119,806,687
	3	Pledges and grants receivable, net . . . . .			5,846,873	3	5,414,468
	4	Accounts receivable, net . . . . .			107,491,465	4	100,596,228
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .			1,833,791	7	1,581,456
	8	Inventories for sale or use . . . . .			4,518,615	8	4,270,772
	9	Prepaid expenses and deferred charges . . . . .			10,946,094	9	9,905,975
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	939,228,981			
	b	Less accumulated depreciation . . . . .	10b	491,496,277	449,924,036	10c	447,732,704
	11	Investments—publicly traded securities . . . . .			39,981,517	11	43,093,687
	12	Investments—other securities See Part IV, line 11 . . . . .			0	12	0
	13	Investments—program-related See Part IV, line 11 . . . . .			0	13	0
	14	Intangible assets . . . . .				14	
	15	Other assets See Part IV, line 11 . . . . .			48,669,326	15	52,202,397
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			743,321,318	16	784,628,278
Liabilities	17	Accounts payable and accrued expenses . . . . .			65,152,912	17	69,148,794
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .			1,373,450	19	2,001,633
	20	Tax-exempt bond liabilities . . . . .			229,197,221	20	226,888,855
	21	Escrow or custodial account liability Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	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 . . . . .			32,941,565	25	40,312,672
	26	Total liabilities. Add lines 17 through 25 . . . . .			328,665,148	26	338,351,954
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			390,761,481	27	420,746,753
	28	Temporarily restricted net assets . . . . .			16,792,950	28	18,473,946
	29	Permanently restricted net assets . . . . .			7,101,739	29	7,055,625
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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 . . . . .			414,656,170	33	446,276,324
	34	Total liabilities and net assets/fund balances . . . . .			743,321,318	34	784,628,278

Part XI Reconciliation 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	857,315,553
2	Total expenses (must equal Part IX, column (A), line 25)	2	797,015,825
3	Revenue less expenses Subtract line 2 from line 1	3	60,299,728
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	414,656,170
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-28,679,574
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	446,276,324

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		No
b	Were the organization's financial statements audited by an independent accountant?	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	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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

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 LANCASTER GENERAL HOSPITAL	Employer identification number  23-1365353
--	--

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?  

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
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	<b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	<b>33 1/3% support test—2010.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization	<input type="checkbox"/>
17a	<b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	<b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
18	<b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	<input type="checkbox"/>

Part IIIPart 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

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.**

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2011

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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 LANCASTER GENERAL HOSPITAL	Employer identification number 23-1365353
--	--

**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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> 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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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)		(b)
		Yes	No	Amount
<b>1</b>	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			
	<b>a</b> Volunteers?		No	
	<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	<b>c</b> Media advertisements?		No	
	<b>d</b> Mailings to members, legislators, or the public?	Yes		13,100
	<b>e</b> Publications, or published or broadcast statements?	Yes		5,787
	<b>f</b> Grants to other organizations for lobbying purposes?	Yes		42,249
	<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		95,611
	<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		100,464
	<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		40,000
<b>j</b>	Total lines 1c through 1i			297,210
<b>2a</b>	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b>	If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b>	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b>	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

**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".**

<b>1</b>	Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b>	Section 162(e) non-deductible lobbying and political expenditures ( <b>do not include amounts of political expenses for which the section 527(f) tax was paid</b> ).		
<b>a</b>	Current year	<b>2a</b>	
<b>b</b>	Carryover from last year	<b>2b</b>	
<b>c</b>	Total	<b>2c</b>	
<b>3</b>	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b>	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?	<b>4</b>	
<b>5</b>	Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**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
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	LANCASTER GENERAL HOSPITAL ATTEMPTED 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 MAILINGS, PUBLICATIONS, GRANTS, DIRECT CONTACT, AND RALLIES, DEMONSTRATIONS, SEMINARS, CONVENTIONS, SPEECHES, LECTURES, OR OTHER SIMILAR MEANS

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ 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.

Name of the organization  
LANCASTER GENERAL HOSPITAL

Employer identification number  
23-1365353

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?	
	<input type="checkbox"/> Yes <input type="checkbox"/> 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	
	<input type="checkbox"/> Yes <input type="checkbox"/> 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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
1c	
1d	
1e	
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 . . . . .	6,712,971	5,136,601	4,590,848	5,209,323
b	Contributions . . . . .	141,048	750,733	5,720	62,387
c	Investment earnings or losses . . . . .	216,509	929,316	555,097	-679,295
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .	486,960	105,106	11,892	
f	Administrative expenses . . . . .	36	-1,427	3,172	1,567
g	End of year balance . . . . .	6,583,532	6,712,971	5,136,601	4,590,848

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 65 000 %

c

Term endowment ▶ 35 000 %

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

3a(i)

Yes

No

3a(ii)

Yes

No

b

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

3b

4

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

Part VI

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 . . . . .		33,697,156		33,697,156
b Buildings . . . . .		382,782,349	144,715,087	238,067,262
c Leasehold improvements . . . . .		14,395,048	9,340,950	5,054,098
d Equipment . . . . .		402,844,280	275,003,510	127,840,770
e Other . . . . .		105,510,148	62,436,730	43,073,418
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				447,732,704



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)	1857,315,553
2	Total expenses (Form 990, Part IX, column (A), line 25)	2797,015,826
3	Excess or (deficit) for the year Subtract line 2 from line 1	360,299,727
4	Net unrealized gains (losses) on investments	4-4,732,602
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-23,946,972
9	Total adjustments (net) Add lines 4 - 8	9-28,679,574
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1031,620,153

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements . . . . .	1828,635,983
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments . . . . .2a-4,732,602	
b	Donated services and use of facilities . . . . .2b	
c	Recoveries of prior year grants . . . . .2c	
d	Other (Describe in Part XIV) . . . . .2d-23,946,968	
e	Add lines 2a through 2d . . . . .2e-28,679,570	3857,315,553
3	Subtract line 2e from line 1 . . . . .3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .4a	
b	Other (Describe in Part XIV) . . . . .4b0	
c	Add lines 4a and 4b . . . . .4c0	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .5857,315,553	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements . . . . .	1797,015,825
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) . . . . .2d0	
e	Add lines 2a through 2d . . . . .2e0	3797,015,825
3	Subtract line 2e from line 1 . . . . .3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .4a	
b	Other (Describe in Part XIV) . . . . .4b0	
c	Add lines 4a and 4b . . . . .4c0	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .5797,015,825	

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.		
Intended uses of endowment funds	Schedule D, Part V, Line 4	LANCASTER GENERAL HOSPITAL UTILIZES THE ENDOWMENT FUNDS IN ACCORDANCE WITH THEIR TAX-EXEMPT PURPOSE AND AS SPECIFIED BY DONOR
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	LANCASTER GENERAL HOSPITAL FOLLOWS THE ACCOUNTING GUIDANCE FOR UNCERTAINTIES IN INCOME TAX POSITIONS WHICH REQUIRES THAT A TAX POSITION BE RECOGNIZED OR DERECOGNIZED BASED ON A "MORE LIKELY THAN NOT" THRESHOLD. THIS APPLIES TO POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. LANCASTER GENERAL HOSPITAL DOES NOT BELIEVE ITS CONSOLIDATED FINANCIAL STATEMENTS INCLUDE ANY MATERIAL UNCERTAIN TAX POSITIONS.
Other changes in net assets	Schedule D, Part XI, Line 8	CHANGE IN INTEREST IN NET ASSETS OF LANCASTER GENERAL HEALTH - 363785, OTHER NON-OPERATING INCOME - 11253990, TRANSFER OF NET ASSETS - 10187, RELATED PARTY TRANSFERS - -35659358, PERPETUAL TRUST DISTRIBUTIONS - 84424,
Other revenues in audited financial statements not in form 990	Schedule D, Part XII, Line 2d	RELATED PARTY TRANSFERS - -35659358, PERPETUAL TRUST DISTRIBUTIONS - 84424, CHANGE IN INTEREST IN NET ASSETS OF LANCASTER GENERAL HEALTH-TRNA - 373972, OTHER NON-OPERATING INCOME - 11253994,



Additional Data

Software ID: 11000230  
Software Version: v2011.1.0  
EIN: 23-1365353  
Name: LANCASTER GENERAL HOSPITAL

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

4d. Other program services					
(Code	) (Expenses \$	368,066,148	including grants of \$	3,658,668 ) (Revenue \$	364,395,765 )
ALL OTHER PROGRAM SERVICES, INCLUDING BUT NOT LIMITED TO, PHARMACY, RADIOLOGY, EMERGENCY MEDICINE, EDUCATION, AND PHYSICAL MEDICINE AND REHABILITATION LGH OPERATES AN EMERGENCY ROOM (ER) THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY THE EMERGENCY ROOM HAD A TOTAL OF 108,086 VISITS DURING FISCAL YEAR 2012 MEDICARE MADE UP 28,091 OF THOSE VISITS WHILE MEDICAID PATIENTS VISITED THE ER 32,445 TIMES DURING THE YEAR THE UNINSURED HAD A TOTAL OF 13,257 VISITS TO THE ER DURING 2012 TOTAL PATIENT DAYS FOR THE FISCAL YEAR WERE 167,068 MEDICARE AND MEDICAID PATIENTS CONTRIBUTED 16,390 AND 6,504, RESPECTIVELY, TOWARDS THE 37,166 TOTAL INPATIENT DISCHARGES DURING THE FISCAL YEAR					

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			
ALEXANDER HENDERSON ESQ Chairperson	2 00	X		X				0	0	0
C CLAIR MCCORMICK Vice Chairperson	2 00	X		X				0	0	0
THOMAS E BEEMAN PHD President and CEO , Lancaster General Health	60 00	X		X				701,983	0	264,962
ANTONIO SUAREZ Trustee	2 00	X						0	0	0
BRUCE R LIMPERT Trustee	2 00	X						0	0	0
DANA CHRYST Trustee	2 00	X						0	0	0
DANIEL R PORTERFIELD PHD Trustee	2 00	X						0	0	0
DEBORAH K RILEY MD Trustee	16 00	X						13,106	0	524
DENNIS A GETZ Trustee	2 00	X						0	0	0
GIBSON ARMSTRONG Trustee	2 00	X						0	0	0
JAMES E HIPOLIT ESQ Trustee	2 00	X						0	0	0
JOANNE B LADLEY Trustee	2 00	X						0	0	0
JOHN ROSE Trustee	2 00	X						0	0	0
MICHAEL W VAN BELLE Trustee	2 00	X						0	0	0
PATRICK D WHALEN Trustee	2 00	X						0	0	0
PHILIP R WENGER Trustee	2 00	X						0	0	0
REBECCA S BUMSTEAD Trustee	2 00	X						0	0	0
ROBERT LATSHAW MD Trustee	2 00	X						0	0	0
T RAYMOND FOLEY MD Trustee	4 00	X						89,161	0	2,859
BETH HILLS VP, Risk Management & Corporate Compliance	55 00			X				145,696	0	13,640
DENISE A KENNEDY VP, Financial Services	55 00			X				197,152	0	16,449
DENNIS R ROEMER EVP & CFO	55 00			X				0	0	0
DOUGLAS W RINEHART VP, Controller	55 00			X				194,250	0	27,747
F JOSEPH BYORICK III CFO Emeritus & Treasurer	55 00			X				574,438	0	30,801
GARY DAVIDSON SVP and CIO	55 00			X				454,503	0	66,219

**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			
GEOFFREY W EDDOWES SVP WBH and Post Acute Care	55 00			X				324,956	0	61,114
JAN L BERGEN EVP, Lancaster General Health and President, Lancaster General Health Network	55 00			X				731,561	0	140,604
JOSEPH A PUSKAR SVP, Customer Support Services	55 00			X				299,068	0	30,419
JUDI L BRENDLE VP, Nursing	55 00			X				225,195	0	29,185
KAY BRADY VP, Human Resources	55 00			X				168,807	0	21,246
KEITH A ORRIS SVP, Community and Government Affairs	55 00			X				111,636	0	6,988
KENNETH J COLLINS VP, Materials Management	55 00			X				175,195	0	26,820
LEE M DUKE II MD SVP and Chief Physician Executive	55 00			X				573,310	0	130,839
LISA R HESS VP, Marketing and Relationship Management	55 00			X				180,728	0	26,834
MARGARET F COSTELLA ESQ VP, Legal Services and Assistant Secretary	55 00			X				242,076	0	11,859
MARION A MCGOWAN RN President of Lancaster General Hospital and President of LG Health Innovation, Inc	55 00			X				777,129	0	30,875
MARY B MISKEY VP, Human Resources Operations	55 00			X				194,091	0	16,547
NORMA J FERDINAND SVP, Chief Quality Officer	55 00			X				411,263	0	85,225
REGINA M MINGLE SVP and Chief Leadership Officer	55 00			X				384,839	0	83,472
RICHARD D PAOLETTI VP, Operations	55 00			X				235,677	0	29,616
ROBERT P MACINA ESQ SVP, Chief Administrative/Legal Officer and Corporate Secretary	55 00			X				446,296	0	101,731
STACEY G YOUCIS VP, Operations-Musculoskeletal and Perioperative Services	55 00			X				228,985	0	29,069
SUSAN WYNNE SVP, Business Development-Ambulatory Services	55 00			X				340,669	0	58,956
TIMOTHY C ZELLERS VP, Cardiovascular Services Lines & Pulmonary Service	55 00			X				210,017	0	28,477
ALAN BRADER Bariatric Surgeon	50 00					X		607,143	0	26,604
FREDERICK ROGERS Medical Director Trauma	50 00					X		666,768	0	30,190
JOHN LEE Assoc Medical Director Trauma	50 00					X		497,424	0	29,959
PHILIP BAYLISS Medical Director	50 00					X		534,171	0	30,942
RANDALL OYER Program Director Oncology	50 00					X		496,363	0	25,763

Additional Data

Software ID: 11000230  
Software Version: v2011.1.0  
EIN: 23-1365353  
Name: LANCASTER GENERAL HOSPITAL

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

(a) Description	(b) Book value
MISCELLANEOUS RECEIVABLE	4,708,461
ASSETS WHOSE USE IS LIMITED	27,411,852
OTHER CURRENT ASSETS	176,048
PERPETUAL TRUST FUNDS SHOWN AT YEAR END MARKET VALUE	6,661,502
FUNDS HELD BY AN AFFILIATE SHOWN AT YEAR END MARKET VALUE	927,181
OTHER LONG-TERM ASSETS	7,450,536
INVESTMENT IN NON-CONSOLIDATING AFFILIATES	3,713,080
DUE FROM AFFILIATES	1,153,737

## Open to Public Inspection

23-1365353

Part II Fundraising Events.

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

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

Part III Gaming.

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

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

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

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

b If "No," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

b If "Yes," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 11

Does the organization operate gaming activities with nonmembers?

Yes

No
- 12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

Yes

No

13

Indicate the percentage of gaming activity operated in

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

14

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

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

Yes

No

b

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

c

If "Yes," enter name and address

Name

Address

16

Gaming manager information

Name

Gaming manager compensation

\$

Description of services provided

Director/officer

Employee

Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

Yes

No

b

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

Part IV

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

Identifier	ReturnReference	Explanation
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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**  
LANCASTER GENERAL HOSPITAL

**Employer identification number**  
23-1365353

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 <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
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 <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____%</div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input checked="" type="checkbox"/> 400%<input type="checkbox"/> Other _____%</div> 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"? . . . . .	3a	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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c		
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	6a	Yes	
6b	If "Yes," did the organization make it available to the public? . . . . .	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

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) . . . . .			9,291,559	0	9,291,559	1 220 %
b Medicaid (from Worksheet 3, column a) . . . . .			72,706,640	0	72,706,640	9 540 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .			0	0	0	0 %
d Total Charity Care and Means-Tested Government Programs . . . . .	0	0	81,998,199	0	81,998,199	10 760 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			6,198,597	4,048,825	2,149,772	0 280 %
f Health professions education (from Worksheet 5) . . . . .			9,529,597	1,843,579	7,686,018	1 010 %
g Subsidized health services (from Worksheet 6) . . . . .			201,664	83,593	118,071	0 020 %
h Research (from Worksheet 7) . . . . .			0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			918,645	0	918,645	0 120 %
j Total Other Benefits . . . . .	0	0	16,848,503	5,975,997	10,872,506	1 430 %
k Total. Add lines 7d and 7j . . . . .	0	0	98,846,702	5,975,997	92,870,705	12 190 %



Part IICommunity 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
1Physical improvements and housing					0	0 %
2Economic development					0	0 %
3Community support					0	0 %
4Environmental improvements					0	0 %
5Leadership development and training for community members					0	0 %
6Coalition building					0	0 %
7Community health improvement advocacy			218,032	0	218,032	0 030 %
8Workforce development					0	0 %
9Other			1,500,000	0	1,500,000	0 200 %
10Total	0	0	1,718,032	0	1,718,032	0 230 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		
2Enter the amount of the organization's bad debt expense	234,827,136		
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	30		
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5255,705,687		
6Enter Medicare allowable costs of care relating to payments on line 5	6350,155,083		
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7-94,449,396		
8Describe 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: <input checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?	9aYes		
9bIf "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		No

Part IVManagement 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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

## 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? 2

## Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: \_\_\_\_\_

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

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for 2011)		
<b>1</b> 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 . . . . . If "Yes," indicate what the Needs Assessment describes (check all that apply)	<b>1</b>	
<b>a</b> <input type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input type="checkbox"/> Demographics of the community		
<b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input type="checkbox"/> How data was obtained		
<b>e</b> <input type="checkbox"/> The health needs of the community		
<b>f</b> <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
<b>h</b> <input type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
<b>3</b> 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	<b>3</b>	
<b>4</b> 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 . . . . .	<b>4</b>	
<b>5</b> Did the hospital facility make its Needs Assessment widely available to the public? . . . . . If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	<b>5</b>	
<b>a</b> <input type="checkbox"/> Hospital facility's website		
<b>b</b> <input type="checkbox"/> Available upon request from the hospital facility		
<b>c</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
<b>a</b> <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
<b>b</b> <input type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
<b>d</b> <input type="checkbox"/> Participation in community-wide community benefit plan		
<b>e</b> <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input type="checkbox"/> Prioritization of health needs in the community		
<b>h</b> <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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	<b>7</b>	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
<b>8</b> Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>8</b>	
<b>9</b> Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	<b>9</b>	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing discounted care? . . . . . 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	10	
11	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance? . . . . .	12	
13	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	
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	
15	Check all of the following 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 <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16	DDid 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? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> 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? . . . . . If "No," indicate why	18	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input type="checkbox"/> 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? . . . . . If "Yes," explain in Part VI	20	
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? . . . . . If "Yes," explain in Part VI	21	

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? 9

Name and address		Type of Facility (Describe)
1	SUBURBAN OUTPATIENT PAVILION 2100 HARRISBURG PIKE PO BOX 3200 LANCASTER, PA 17604	OUTPATIENT SERVICES
2	WILLOW LAKES OUTPATIENT CENTER 212 WILLOW VALLEY LAKES DRIVE WILLOW STREET, PA 17584	OUTPATIENT SERVICES
3	KISSEL HILL OUTPATIENT CENTER 51 PETERS ROAD LITITZ, PA 17543	OUTPATIENT SERVICES
4	DOWNTOWN OUTPATIENT PAVILION 540 NORTH DUKE STREET LANCASTER, PA 17604	OUTPATIENT SERVICES
5	COLUMBIA OUTPATIENT CENTER 306 NORTH SEVENTH STREET PO BOX 926 COLUMBIA, PA 17512	OUTPATIENT SERVICES
6	NORLANCO OUTPATIENT CENTER 424 CLOVERLEAF ROAD ELIZABETHTOWN, PA 17022	OUTPATIENT SERVICES
7	WALTER LAUMENT FAMILY HEALTH CENTER 317 SOUTH CHESTNUT STREET QUARRYVILLE, PA 17566	OUTPATIENT SERVICES
8	CROOKED OAK OUTPATIENT CENTER 1671 CROOKED OAK DRIVE LANCASTER, PA 17601	OUTPATIENT SERVICES
9	EDEN PHYSICAL THERAPY 730 EDEN ROAD LANCASTER, PA 17601	OUTPATIENT SERVICES
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, 6l, 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
FEDERAL POVERTY GUIDELINES	SCHEDULE H, PART I, LINE 3C	LANCASTER GENERAL HOSPITAL FOLLOWS THE FEDERAL POVERTY GUIDELINES FOR FREE CARE AND DISCOUNTED CARE

Identifier	ReturnReference	Explanation
FREE OR DISCOUNTED CARE BUDGET	SCHEDULE H, PART I, LINE 5B	LANCASTER GENERAL HOSPITAL'S BUDGETED AMOUNT OF \$27,875,913 FOR FREE OR DISCOUNTED CARE PROVIDED UNDER ITS CHARITY CARE POLICY EXCEEDED ITS EXPENSES OF \$23,060,052 BY \$4,815,861 THE PRIOR YEAR EXPENSES WERE \$27,252,953



Identifier	ReturnReference	Explanation
Community benefit report prepared by related organization	Schedule H, Part I, Line 6a	LANCASTER GENERAL HEALTH

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT REPORT	SCHEDULE H, PART I, LINE 6A	LANCASTER GENERAL HOSPITAL'S COMMUNITY BENEFIT REPORT IS A REPORT DISTINCT FOR THIS ORGANIZATION

Identifier	ReturnReference	Explanation
Costing Methodology used to calculate financial assistance	Schedule H, Part I, Line 7	A COST ACCOUNTING SYSTEM WAS USED TO CALCULATE THE COST TO CHARGE RATIO BY CALCULATING TOTAL PATIENT CHARGES AND THE COSTS RELATED TO THESE CHARGES THIS SYSTEM ADDRESSES ALL PATIENT SEGMENTS PART I, LINE 7A, COLUMN C - FINANCIAL ASSISTANCE AT COST WAS CALCULATED USING THE COST ACCOUNTING SYSTEM COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
Bad Debt Expense excluded from financial assistance calculation	Schedule H, Part I, Line 7, column(f)	34,827,136

Identifier	ReturnReference	Explanation
SUBSIDIZED HEALTH SERVICES	SCHEDULE H, PART I, LINE 7G	SUBSIDIZED HEALTH SERVICES REPORTED INCLUDES PSYCHIATRIC SERVICES

Identifier	ReturnReference	Explanation
Community Building Activities	Schedule H, Part II	PART II, LINE 7, COMMUNITY HEALTH IMPROVEMENT ADVOCACY INCLUDES SALARIES FOR FINANCIAL COUNSELORS WHO DISCUSS ELIGIBILITY AND REGISTER PATIENTS FOR ALL GOVERNMENTAL AND FINANCIAL ASSISTANCE PROGRAMS PART II, LINE 9, OTHER - INCLUDES PAYMENTS TO THE SCHOOL DISTRICT OF LANCASTER (EIN# 23-1726414) WHICH PROVIDES FUNDING FOR SCHOOL BASED HEALTH CLINICS AS WELL AS NURSING STAFFING TO PROMOTE THE HEALTH AND WELL-BEING OF SCHOOL AGED CHILDREN

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES	SCHEDULE H, PART III, LINE 3	LANCASTER GENERAL HOSPITAL'S CURRENT COLLECTION POLICY DOES NOT CONTAIN PROVISIONS ON THE COLLECTION PRACTICES TO FOLLOW FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	BAD DEBT IS NOT INCLUDED AS A FOOTNOTE TO THE FINANCIAL STATEMENTS THE FINANCIAL STATEMENTS INCLUDE BAD DEBT AS AN OPERATING EXPENSE NOT AS A REDUCTION OF PATIENT SERVICE REVENUE PART III, LINE 2 - FOR THE PRIOR YEAR OF FISCAL YEAR 2011, BAD DEBT WAS REPORTED AT COST PER IRS REPORTING REQUIREMENTS A COST ACCOUNTING SYSTEM WAS USED TO CALCULATE A COST TO CHARGE RATIO AND APPLIED TO THE BAD DEBT ACCOUNTS THAT WERE WRITTEN OFF PER IRS INSTRUCTION, THE CURRENT YEAR OF FISCAL YEAR 2012 IS REPORTED AS ACTUAL BAD DEBT EXPENSE FOR COMPARATIVE PURPOSES, THE FISCAL YEAR 2011 AMOUNT OF BAD DEBT EXPENSE WAS \$33,497,175 PART III, LINE 3 - AMOUNT IS ZERO BECAUSE THESE ACCOUNTS WOULD NOT BE INCLUDED AS BAD DEBT BUT WOULD BE INCLUDED AS CHARITY CARE



Identifier	ReturnReference	Explanation
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	A HIGHLY DEVELOPED COST ACCOUNTING SYSTEM WAS USED IN ORDER TO ATTAIN MORE PRECISE AMOUNTS REPORTED ON FORM 990, SCHEDULE H, PART III, SECTION B, LINES 5 AND 6 RATHER THAN AMOUNTS FROM LANCASTER GENERAL HOSPITAL'S MEDICARE COST REPORT FOR FISCAL YEAR 2012 THE \$94,449,396 REPORTED AS A SHORTFALL ON LINE 7 SHOULD BE TREATED AS COMMUNITY BENEFIT AS IT REPRESENTS COSTS NOT RECOVERED AS A RESULT OF SERVING THE MEDICARE POPULATION IF LANCASTER GENERAL HOSPITAL WOULD NOT SERVE THIS POPULATION, THE SHORTFALL WOULD BE ALLOCATED WITHIN THE COMMUNITY IN AREAS DEEMED A PRIORITY BY THE MISSION & COMMUNITY BENEFIT COMMITTEE THE TOTAL REVENUE REPORTED ON THE MEDICARE COST REPORT WAS \$163,947,377 AND INCLUDES BAD DEBT, INDIRECT MEDICAL EDUCATION (IME) PAYMENTS, COINSURANCES, AND DEDUCTIBLES DIRECT GRADUATE MEDICAL EDUCATION (GME) REVENUE OF \$1,295,863 IS REPORTED ON SCHEDULE H, PART I, LINE 7F, HEALTH PROFESSIONS EDUCATION AND THEREFORE IS EXCLUDED FROM THIS AMOUNT THE TOTAL EXPENSE REPORTED ON THE MEDICARE COST REPORT WAS \$133,584,675 PHYSICIAN, CRNA, AND LABORATORY SERVICES REVENUE AND EXPENSE RELATED TO THESE SERVICES ARE REMOVED FROM THE MEDICARE COST REPORT PHYSICIAN, CRNA, AND LABORATORY SERVICES REVENUE AND EXPENSE ARE INCLUDED IN THE AMOUNT REPORTED ON SCHEDULE H, PART III, SECTION B, LINE 7 DERIVED FROM THE COST ACCOUNTING SYSTEM

Identifier	ReturnReference	Explanation
Other ways hospital publicized Financial Assistance Policy	Schedule H, Part V Section B, Line 13g	(1) LANCASTER GENERAL HOSPITAL - THE HOSPITAL FACILITY DOES NOT ATTACH THE FINANCIAL ASSISTANCE POLICY TO BILLING INVOICES HOWEVER, THE INVOICES NOTE THAT FINANCIAL ASSISTANCE IS AVAILABLE AND TO CONTACT THE FACILITY FOR ASSISTANCE ,(2) WOMEN AND BABIES HOSPITAL - THE HOSPITAL FACILITY DOES NOT ATTACH THE FINANCIAL ASSISTANCE POLICY TO BILLING INVOICES HOWEVER, THE INVOICES NOTE THAT FINANCIAL ASSISTANCE IS AVAILABLE AND TO CONTACT THE FACILITY FOR ASSISTANCE ,

Identifier	ReturnReference	Explanation
Means used to determine amounts billed	Schedule H, Part V Section B, Line 19d	(1) LANCASTER GENERAL HOSPITAL - THE HOSPITAL FACILITY USED A BILLING RATE BETWEEN THE AVERAGE NEGOTIATED COMMERCIAL INSURANCE RATE AND THE MEDICARE RATE ,(2) WOMEN AND BABIES HOSPITAL - THE HOSPITAL FACILITY USED A BILLING RATE BETWEEN THE AVERAGE NEGOTIATED COMMERCIAL INSURANCE RATE AND THE MEDICARE RATE ,

Identifier	ReturnReference	Explanation
ADDITIONAL EXPLANATION	SCHEDULE H, PART VI	LANCASTER GENERAL HOSPITAL PROVIDED FINANCIAL SUPPORT TO THE CITY OF LANCASTER (EIN 23-6001904) IN THE AMOUNT OF \$1,380,000 THESE FUNDS PROVIDED ASSISTANCE TO THE CITY FOR SPECIAL EVENTS AND ITS POLICE, FIRE, AND PUBLIC WORKS SERVICES

Identifier	ReturnReference	Explanation
Needs assessment	Schedule H, Part VI, Line 2	LANCASTER GENERAL HOSPITAL ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES IN A STRATEGIC AND COLLABORATIVE FASHION OUR PRIMARY SERVICE AREA IS LANCASTER COUNTY WE ASSESS OUR COMMUNITIES AS IT RELATES TO MINORITY AND DISPARATE POPULATIONS LANCASTER GENERAL HOSPITAL WORKS COLLABORATIVELY WITH THE LANCASTER HEALTH IMPROVEMENT PARTNERSHIP (LHIP) TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT LANCASTER GENERAL HOSPITAL HAS BEEN ACTIVELY INVOLVED IN THE LHIP SINCE 1996 THIS COMMUNITY COLLABORATIVE CONSISTS OF HEALTH AND HUMAN SERVICE PROVIDERS AS WELL AS COUNTY GOVERNMENT DEPARTMENTS LANCASTER GENERAL HOSPITAL ALONG WITH LHIP UTILIZES A VARIETY OF DATA ELEMENTS TO ANALYZE GAPS AND DEVELOP INITIATIVES FOR PROGRAMS TO MEET THE NEEDS OF THE POPULATION IT SERVES MORBIDITY & MORTALITY DATA IS REVIEWED ANNUALLY BEHAVIORAL RISKS ARE REVIEWED EVERY THREE YEARS FOCUS GROUP REPORTS ARE CONDUCTED PERIODICALLY TO ASSESS SPECIAL POPULATION NEEDS SUCH AS LATINO, AFRICAN AMERICAN, AND AMISH LANCASTER GENERAL HOSPITAL, THROUGH THE MISSION AND COMMUNITY BENEFIT COMMITTEE OF THE BOARD OF DIRECTORS AND TRUSTEES, ANALYZES THE DATA AND IDENTIFIES PRIMARY FOCUS AREAS OUR CURRENT FOCUS AREAS ARE ACCESS TO CARE, HEALTHY WEIGHT MANAGEMENT, AND TOBACCO USE A BUSINESS PLAN IS ESTABLISHED FOR EACH OF THE PRIORITY AREAS WORKING CLOSELY WITH COMMUNITY COLLABORATIVES SUCH AS THE TOBACCO FREE COALITION OF LANCASTER COUNTY, LIGHTEN UP LANCASTER (ADDRESSING THE OBESITY EPIDEMIC) AND LHIP (ACCESS TO CARE FOCUS) LANCASTER GENERAL HOSPITAL WORKS WITH THE COMMUNITY COLLABORATIVES TO IDENTIFY BROAD COMMUNITY INDICATORS IN ADDITION TO ESTABLISHING A LANCASTER GENERAL HOSPITAL SPECIFIC SCORECARD THE COMMUNITY INDICATORS AS WELL AS THE PROGRAMMATIC SCORECARD SERVE AS OUR EVALUATION MECHANISM MUCH OF OUR COMMUNITY NEEDS ARE MULTIFACETED AND THE SOLUTIONS ARE COMPLEX LANCASTER GENERAL HOSPITAL CONSISTENTLY WORKS WITH AND IDENTIFIES PARTNERS TO CREATE SYNERGIES IN OUR EFFORTS TO AFFECT THE OVERALL HEALTH AND WELL BEING OF LANCASTER COUNTY

Identifier	ReturnReference	Explanation
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	NOTICES OF AVAILABILITY OF CHARITY CARE AND FINANCIAL ASSISTANCE ARE POSTED AT PATIENT REGISTRATION POINTS THROUGHOUT THE ORGANIZATION AND PRESENTED TO CUSTOMERS UPON REQUEST AS WELL AS LISTED ON THEIR BILL SUMMARY INFORMATION IS ALSO AVAILABLE ON THE LANCASTER GENERAL HEALTH WEBSITE A FINANCIAL COUNSELOR WILL ATTEMPT TO VISIT ALL INPATIENTS WHO PRESENT AS UNINSURED TO DISCUSS ELIGIBILITY FOR ALL GOVERNMENTAL PROGRAMS AND FINANCIAL ASSISTANCE PROGRAMS

Identifier	ReturnReference	Explanation
Community information	Schedule H, Part VI, Line 4	LANCASTER GENERAL HOSPITAL'S PRIMARY AND SECONDARY SERVICE AREAS COMPRISE ALL OF LANCASTER COUNTY, PENNSYLVANIA LGH ALSO SERVES PATIENTS IN BERKS, CHESTER, DAUPHIN, LEBANON, AND YORK COUNTIES LOCATED IN SOUTH CENTRAL PENNSYLVANIA, LANCASTER COUNTY IS 950 SQUARE MILES IN SIZE AND IS HOME TO 528,329 PEOPLE ABOUT 16% OF THE POPULATION IS OVER THE AGE OF 64, 51% OF THE POPULATION IS FEMALE THE MEDIAN INCOME IS \$51,022, AND 9 4% OF THE POPULATION LIVES BELOW THE FEDERAL POVERTY LEVEL LANCASTER GENERAL HOSPITAL'S MARKET SHARE IN LANCASTER COUNTY IS APPROXIMATELY 56%

Identifier	ReturnReference	Explanation
Promotion of community health	Schedule H, Part VI, Line 5	LANCASTER GENERAL HOSPITAL IS GOVERNED BY A 16-MEMBER BOARD OF TRUSTEES, INCLUDING 14 COMMUNITY MEMBERS AND TWO PHYSICIANS WHO ALL RESIDE IN OUR PRIMARY SERVICE AREA. THEY VOLUNTEER THEIR PROFESSIONAL TIME AND EXPERTISE TO GUIDE THE HOSPITAL. ALL TRUSTEES ANNUALLY COMPLETE A CONFLICT OF INTEREST STATEMENT TO ENSURE THEIR OBJECTIVITY. THE BOARD OF TRUSTEES OPERATES 11 COMMITTEES COMPRISED OF AN ADDITIONAL 30+ COMMUNITY MEMBERS. THE COMMITTEES INCLUDE QUALITY, MISSION & COMMUNITY BENEFIT, PROFESSIONAL AFFAIRS, STRATEGIC DEVELOPMENT, FINANCE/CAPITAL ALLOCATIONS, AUDIT & COMPLIANCE, EXECUTIVE, INFORMATION MANAGEMENT, INVESTMENT, MANAGEMENT DEVELOPMENT AND COMPENSATION AND HEALTH SERVICES. LANCASTER GENERAL HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS AND DENTISTS IN OUR COMMUNITY FOR MOST OF ITS DEPARTMENTS. AN EXCEPTION EXISTS FOR THOSE DEPARTMENTS WHERE THE HOSPITAL HAS CONTRACTED WITH A PHYSICIAN PRACTICE TO SERVE AS AN EXCLUSIVE PROVIDER. SPECIALTIES INCLUDE EMERGENCY MEDICINE, RADIOLOGY, PATHOLOGY AND CARDIOTHORACIC SURGERY. THE HOSPITAL APPLIES ITS ANNUAL SURPLUS TOWARD IMPROVING PATIENT CARE, MEDICAL EDUCATION AND RESEARCH. IN FISCAL YEAR 2012, THE HOSPITAL COMMITTED \$55.6 MILLION TO SPENDING FOR PROPERTY, PLANT AND EQUIPMENT. THE PURCHASES HAVE INCLUDED BUILDING RENOVATIONS AND EXPANSIONS, NEW FACILITIES, AND NEW AND REPLACEMENT HEALTHCARE TECHNOLOGY. THE HOSPITAL'S SURPLUS HELPS FUND, AND SERVES AS A CLINICAL EDUCATION SITE FOR, THE LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES AND THE LANCASTER GENERAL FAMILY MEDICINE RESIDENCY PROGRAM. THE COLLEGE IS A PRIVATE, CO-EDUCATIONAL, MIDDLE STATES-ACCREDITED, FOUR-YEAR INSTITUTION OFFERING A VARIETY OF ASSOCIATE AND BACCALAUREATE DEGREE PROGRAMS AS WELL AS CERTIFICATE PROGRAMS IN HEALTHCARE. ENROLLMENT IS MORE THAN 1,365 STUDENTS. THE HOSPITAL OPERATES THE LANCASTER GENERAL RESEARCH INSTITUTE, WHICH PROVIDES RESEARCH SUPPORT TO LGH PHYSICIANS AND STAFF, FOCUSING ON TREATMENT, DIAGNOSTIC AND PROCEDURAL EFFICACY IN THE GENERAL HOSPITAL AND AFFILIATED SPECIALTY AREAS. THE INSTITUTE ALSO WORKS IN CONJUNCTION WITH THE FAMILY MEDICINE RESIDENCY PROGRAM TO PROVIDE RESEARCH OPPORTUNITIES FOR THE ADVANCEMENT OF MEDICAL EDUCATION. THE HOSPITAL ALSO OPERATES RESIDENCY PROGRAMS IN FAMILY MEDICINE AND PHARMACY PRACTICE, AS WELL AS FELLOWSHIP PROGRAMS IN GERIATRIC MEDICINE AND PALLIATIVE CARE. LANCASTER GENERAL HOSPITAL BEGAN AN ORGANIZATION WIDE VALUE MANAGEMENT INITIATIVE IN THE THIRD QUARTER OF CALENDAR YEAR 2011, AN EFFORT TO ACHIEVE UP TO \$100 MILLION IN INCREASED REVENUE AND REDUCED EXPENSES BY JULY 2013. THE INITIATIVE, UNDER THE AUSPICES OF OUR BOARD OF TRUSTEES AND LED BY EXECUTIVE LEADERSHIP, SEEKS TO INCREASE THE VALUE AND EFFICIENCY OF LANCASTER GENERAL HOSPITAL'S SERVICES AND STRENGTHEN THE HOSPITAL'S FINANCIAL PERFORMANCE IN PREPARATION FOR HEALTHCARE REFORM AND EVOLVING MARKET PRESSURES. ASSISTING THE EFFORT IS A TEAM FROM DELOITTE CONSULTING LLP.



Identifier	ReturnReference	Explanation
Affiliated health care system	Schedule H, Part VI, Line 6	LANCASTER GENERAL HOSPITAL IS UNDER THE CONTROL OF ITS PARENT ORGANIZATION LANCASTER GENERAL HEALTH LANCASTER GENERAL HEALTH (EIN# 23-2250941) IS A NOT-FOR-PROFIT ORGANIZATION, WHICH PROVIDES MANAGERIAL AND FINANCIAL SUPPORT TO ITS CONTROLLED ORGANIZATION AND IS ALSO RESPONSIBLE FOR UNDERTAKING ACTIVITIES TO IMPROVE THE HEALTH OF THE COMMUNITY THE MULTIPLE AFFILIATES UNDER THE CONTROL OF LANCASTER GENERAL HEALTH IN ADDITION TO LANCASTER GENERAL HOSPITAL ARE LANCASTER GENERAL HEALTH-COLUMBIA CENTER (EIN# 23-0485650) WHICH IS A HEALTH CARE CLINIC THAT PROVIDES PRIMARY AND SPECIALTY MEDICAL SERVICES WHERE SERVICES ARE PROVIDED BY LICENSED PHYSICIANS AND OFFICE SPACE IS LEASED TO HEALTH CARE PROVIDERS AND OTHERS IN ADDITION, LANCASTER GENERAL HEALTH-COLUMBIA CENTER OFFERS PREVENTIVE, DIAGNOSTIC, AND THERAPEUTIC MEDICAL SERVICES TO PATIENTS ON AN OUTPATIENT BASIS LANCASTER GENERAL HEALTH FOUNDATION (EIN# 20-5767147) EXISTS TO ADVANCE THE CULTURE OF PHILANTHROPY WITHIN THE LANCASTER GENERAL HEALTH SYSTEM LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES (EIN# 06-1645496) EDUCATES COMPETENT, CARING AND SOCIALLY RESPONSIBLE INDIVIDUALS WHO CONTRIBUTE TO THE HEALTH OF THE COMMUNITY LANCASTER GENERAL IMAGING CORPORATION'S (EIN# 23-3102789) EXEMPT PURPOSES ARE CONDUCTED THROUGH ITS CONTROL OF TWO PARTNERSHIPS, MRI GROUP, LLP (EIN# 33-1011386) WHICH PROVIDES MEDICAL SERVICES RELATING TO MAGNETIC RESONANCE IMAGING AND COMPUTER TOMOGRAPHY AND LANCASTER PET PARTNERSHIP, LLP (EIN# 23-3102793) WHICH PROVIDES MEDICAL SERVICES RELATING TO POSITRON EMISSION TOMOGRAPHY LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC 'S (EIN# 20-4943239) EXEMPT PURPOSES ARE TO PROVIDE SURGICAL SERVICES TO PATIENTS LANCASTER GENERAL MEDICAL GROUP (EIN# 23-2777286) WAS ORGANIZED TO DEVELOP, OWN, AND OPERATE OUTPATIENT HEALTHCARE PRACTICES WHERE PRIMARY AND SPECIALTY MEDICAL SERVICES ARE PROVIDED BY LICENSED PHYSICIANS LANCASTER CLEFT PALATE CLINIC (EIN# 23-1306888) PROVIDES TREATMENT FOR ORAL-FACIAL DEFORMITIES IN INFANTS, CHILDREN AND ADULTS AND TO ENHANCE THE QUALITY OF CARE THROUGH RESEARCH, PUBLICATION, AND EDUCATION COMPREHENSIVE SERVICES INCLUDED PROSTHETICS, ORTHODONTICS, SPEECH THERAPY, AUDIOLOGY, AND GENERAL DENTISTRY THE HEART GROUP OF LANCASTER GENERAL HEALTH (EIN# 30-0634510) PROVIDES SPECIALTY CARDIOLOGY HEALTHCARE SERVICES LANCASTER GENERAL HEALTH INNOVATIVE SOLUTIONS, INC (EIN# 46-05898543) CONCEIVES AND LAUNCHES NOVEL HEALTHCARE SERVICES AND PRODUCTS OTHER AFFILIATES OF LANCASTER GENERAL HEALTH INCLUDE LANCASTER GENERAL INSURANCE COMPANY, LTD AND LANCASTER GENERAL BUSINESS TRUST AND ITS SUBSIDIARIES

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, LINE 7	LANCASTER GENERAL HOSPITAL DOES NOT FILE ITS COMMUNITY BENEFIT REPORT WITH THE STATE OF PENNSYLVANIA

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
LANCASTER GENERAL HOSPITAL

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

Employer identification number  
23-1365353

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
See Additional Data Table							

2

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

19

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
(1) CASH		19,346			

Part IV

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

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	CONTRIBUTIONS MADE BY LANCASTER GENERAL HOSPITAL MUST MEET THE FOLLOWING CRITERIA SET FORTH BY THE MISSION & COMMUNITY BENEFIT COMMITTEE 1) GAPS IN HEALTH CARE SERVICES WILL BE REDUCED, 2) RESOURCES WILL BE DIRECTED TO DESIGNATED PRIMARY AND SECONDARY HEALTH PRIORITIES, HEALTH PROMOTION, AND PREVENTION INITIATIVES, 3) INITIATIVES WILL DRIVE COST-EFFECTIVE, COMMUNITY CARE/INTERVENTIONS THAT PROMOTE HEALTH AND WELL-BEING OF OUR COMMUNITY, 4) INITIATIVES WILL BE RESPONSIVE TO THE NEEDS OF SPECIAL/DISPARATE POPULATIONS, 5) ENDOWMENT OR CAPITAL CAMPAIGN REQUESTS WILL NOT BE FINANCIALLY SUPPORTED, 6) ONLY TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL INITIATIVES AT THE LOCAL LEVEL THAT RELATE TO LANCASTER GENERAL HOSPITAL'S MISSION WILL BE SUPPORTED, AND 7) ONGOING DEFICIT FUNDING WILL NOT BE PROVIDED UNLESS FUNDAMENTAL TO A LANCASTER GENERAL HOSPITAL HEALTH PRIORITY AND/OR THE CARE OF THE MEDICALLY UNDERSERVED SCHOLARSHIPS AND LOANS ARE AWARDED TO STUDENTS AT THE LANCASTER GENERAL COLLEGE OF NURSING AND HEALTH SCIENCES ON A NON-DISCRIMINATORY BASIS THE SCHOLARSHIPS AND LOANS ARE BASED ON FINANCIAL NEED, ACADEMIC PROGRESS, AND CLINICAL PERFORMANCE

**Software ID:** 11000230  
**Software Version:** v2011.1.0  
**EIN:** 23-1365353  
**Name:** LANCASTER GENERAL HOSPITAL

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CLINIC FOR SPECIAL CHILDREN535 BUNKER HILL ROAD PO BOX 128 STRASBURG, PA 17579	23-2555373	501(C)(3)	60,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
COMMUNITY LIFE NETWORK510 WALNUT STREET COLUMBIA, PA 17512	20-2161018	501(C)(3)	16,800		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
DOMESTIC VIOLENCE SERVICESPO BOX 359 LANCASTER, PA 17608	23-1667311	501(C)(3)		7,000	FMV	RENT FOR CLASSROOM USE	CONTRIBUTION TO SUPPORT PROGRAM SERVICE
EDWARD HAND MEDICAL HERITAGE FOUNDATIONPO BOX 10302 LANCASTER, PA 17603	20-8119480	501(C)(3)	12,500		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
EPHRATA COMMUNITY HOSPITAL169 MARTIN DRIVE PO BOX 1002 EPHRATA, PA 17522	23- 1370484	501(C)(3)	7,832		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
FRANKLIN & MARSHALL COLLEGEPO BOX 3003 LANCASTER, PA 17604	23- 1352635	501(C)(3)	15,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
JAMES STREET IMPROVEMENT DISTRICT206 WEST JAMES STREET LANCASTER,PA 17603	71-0927742	501(C)(3)	160,500		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
LANCASTER COUNTY MEDICAL FOUNDATION137 E WALNUT ST LANCASTER,PA 17602	26-0499498	501(C)(3)	75,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
LANCASTER HEART & STROKE FOUNDATION354 NORTH PRINCE STREET SUITE 200 LANCASTER, PA 17603	23-2714718	501(C)(3)		14,364	FMV	RENT, UTILITIES, & TAXES	CONTRIBUTION TO SUPPORT PROGRAM SERVICE
LANCASTER MEDICAL SOCIETY FOUNDATION137 E WALNUT STREET LANCASTER, PA 17602	23-2633979	501(C)(3)	10,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MILAGRO HOUSE 669 WEST CHESTNUT STREET LANCASTER,PA 17603	23-2954000	501(C)(3)	18,115		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
MILLERSVILLE UNIVERSITYPO BOX 1002 MILLERSVILLE,PA 17551	23-2397926	501(C)(3)	6,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
ROHRERSTOWN FIRE COMPANY500 ELIZABETH STREET LANCASTER, PA 17603	23- 7197558	501(C)(3)	12,500		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
SAN JUAN BAUTISTA425 SOUTH DUKE STREET LANCASTER, PA 17602	23- 1983654	501(C)(3)	11,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SOUTH EAST LANCASTER HEALTH SERVICES625 SOUTH DUKE STREET LANCASTER, PA 17608	23-2160896	501(C)(3)	299,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
UNITED AUXILIARIES TO THE LANCASTER GENERAL HOSPITALPO BOX 3555 LANCASTER, PA 17604	23-1976868	501(C)(3)	13,020	15,399	FMV	CASH REGISTER SOFTWARE & HARDWARE (CATAPULT)	CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNITED WAY OF LANCASTER COUNTY630 JANET AVENUE LANCASTER, PA 17601	23-1352093	501(C)(3)	68,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE
CITY OF LANCASTER39 WEST CHESTNUT STREET LANCASTER, PA 17608	23-6001904	GOVERNMENT ENTITY	1,380,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SCHOOL DISTRICT OF LANCASTER1020 LEHIGH AVENUE LANCASTER, PA 17602	23-1726414	501(C)(3)	1,340,677		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
LANCASTER GENERAL HOSPITAL

Employer identification number  
23-1365353

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate 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</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain</div></div>		No
<div><div>2</div><div>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?</div></div>	Yes	
<div><div>3</div><div>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</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>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</div></div>	Yes	
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued 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</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>		

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.

[illegible]



**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
Travel for companions	Schedule J, Part I, Line 1a	THE AMOUNT PROVIDED FOR TRAVEL FOR COMPANIONS WAS LESS THAN \$1,000
Tax indemnification and gross-up payments	Schedule J, Part I, Line 1a	LANCASTER GENERAL HOSPITAL PROVIDED GROSS-UP PAYMENTS TO EMPLOYEES. LANCASTER GENERAL HOSPITAL PROVIDES GROSS-UP PAYMENTS TO EMPLOYEES WHEN THEY RECEIVE HOLIDAY GIFT CARDS SO AS TO PROVIDE TAX ASSISTANCE IN THAT NO TAX BURDENS ARE CREATED WITH THE INTENDED GIFT. HOLIDAY GIFT CARDS IN THE AMOUNT OF \$20 PER EMPLOYEE WERE GIVEN DURING THE 2011 TAX YEAR.
Written policy regarding payment or reimbursement of expenses	Schedule J, Part I, Line 1b	THERE IS CURRENTLY NO WRITTEN POLICIES IN PLACE FOR GROSS UP PAYMENTS.
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	TOTAL DISTRIBUTIONS AND/OR CONTRIBUTIONS TO A NON-QUALIFIED SUPPLEMENTAL RETIREMENT PLAN AMOUNTED TO \$760,636. THOSE RECEIVING DISTRIBUTIONS AND/OR CONTRIBUTIONS TO THIS NON-QUALIFIED PLAN ARE AS FOLLOWS: THOMAS E. BEEMAN, JAN L. BERGEN, GARY R. DAVIDSON, LEE M. DUKE II, MD, GEOFFREY W. EDDOWES, NORMA J. FERDINAND, ROBERT P. MACINA, ESQ., REGINA M. MINGLE, SUSAN WYNNE.
Non-fixed payments	Schedule J, Part I, Line 7	THE PURPOSE OF THE LANCASTER GENERAL HEALTH (LG) ANNUAL INCENTIVE PLAN (THE PLAN) IS TO REINFORCE STRATEGIC PERFORMANCE PRIORITIES FOR SENIOR MANAGEMENT AND MANAGEMENT EMPLOYEES AND TO ENCOURAGE THE HIGHEST LEVEL OF PERFORMANCE IN THE DELIVERY OF HEALTH CARE SERVICES. AS A REWARD FOR EMPLOYEES' CONTRIBUTIONS TO LANCASTER GENERAL HEALTH'S SUCCESS, THE PLAN PROVIDES THE OPPORTUNITY TO EARN MEANINGFUL INCENTIVE COMPENSATION BASED ON THE PERFORMANCE OF LANCASTER GENERAL HEALTH AND THE INDIVIDUAL PARTICIPANTS. SPECIFICALLY, THE PLAN IS DESIGNED TO: *FOCUS PARTICIPANTS ON THE ACHIEVEMENT OF ORGANIZATION GOALS RELATED TO PEOPLE, SERVICE, QUALITY/SAFETY, FINANCIAL AND GROWTH, *PROMOTE AND FOSTER A TEAM-ORIENTED CULTURE, *STRENGTHEN LANCASTER GENERAL HEALTH'S ABILITY TO ATTRACT AND RETAIN SUPERIOR TALENT, RECOGNIZE AND REWARD ACCOMPLISHMENTS THAT CLEARLY ADVANCE THE ORGANIZATION'S MISSION, AND DRIVE STRATEGIES, *PROVIDE INCENTIVE AWARDS THAT CAN BE ADJUSTED ANNUALLY FOR DIFFERENT BUSINESS CONDITIONS AND BUSINESS PLAN PRIORITIES WITHOUT CHANGING BASIC DESIGN FEATURES OF THE PLAN, AND *PROVIDE ANNUAL INCENTIVE OPPORTUNITIES WITH DUE CONSIDERATION TO THE REQUIREMENTS OF THE INTERMEDIATE SANCTIONS LAW AND THE REGULATIONS THEREUNDER.

**Software ID:** 11000230  
**Software Version:** v2011.1.0  
**EIN:** 23-1365353  
**Name:** LANCASTER GENERAL HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ALAN BRADER	(i) (ii)	512,530 0	0 0	94,613 0	7,510 0	19,094 0	633,747 0	0 0
BETH HILLS	(i) (ii)	134,786 0	10,614 0	296 0	5,294 0	8,346 0	159,336 0	0 0
DENISE A KENNEDY	(i) (ii)	158,446 0	37,914 0	792 0	7,886 0	8,563 0	213,601 0	0 0
DOUGLAS W RINEHART	(i) (ii)	162,556 0	30,370 0	1,324 0	7,770 0	19,977 0	221,997 0	0 0
F JOSEPH BYORICK III	(i) (ii)	412,054 0	133,826 0	28,558 0	10,000 0	20,801 0	605,239 0	0 0
FREDERICK ROGERS	(i) (ii)	494,208 0	146,072 0	26,488 0	9,225 0	20,965 0	696,958 0	0 0
GARY DAVIDSON	(i) (ii)	320,993 0	131,559 0	1,951 0	45,170 0	21,049 0	520,722 0	0 0
GEOFFREY W EDDOWES	(i) (ii)	249,100 0	73,569 0	2,287 0	40,249 0	20,865 0	386,070 0	0 0
JAN L BERGEN	(i) (ii)	473,895 0	240,741 0	16,925 0	130,659 0	9,945 0	872,165 0	0 0
JOHN LEE	(i) (ii)	422,406 0	41,617 0	33,401 0	9,225 0	20,734 0	527,383 0	0 0
JOSEPH A PUSKAR	(i) (ii)	243,800 0	48,107 0	7,161 0	10,000 0	20,419 0	329,487 0	0 0
JUDI L BRENDLE	(i) (ii)	196,926 0	27,476 0	793 0	9,008 0	20,177 0	254,380 0	0 0
KAY BRADY	(i) (ii)	138,250 0	28,429 0	2,128 0	6,752 0	14,494 0	190,053 0	0 0
KENNETH J COLLINS	(i) (ii)	146,232 0	27,678 0	1,285 0	7,008 0	19,812 0	202,015 0	0 0
LEE M DUKE II MD	(i) (ii)	417,234 0	139,151 0	16,925 0	110,242 0	20,597 0	704,149 0	0 0
LISA R HESS	(i) (ii)	147,407 0	28,678 0	4,643 0	6,743 0	20,091 0	207,562 0	0 0
MARGARET F COSTELLA ESQ	(i) (ii)	201,241 0	39,078 0	1,757 0	9,683 0	2,176 0	253,935 0	0 0
MARION A MCGOWAN RN	(i) (ii)	489,895 0	255,352 0	31,882 0	10,000 0	20,875 0	808,004 0	0 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MARY B MISKEY	(i) (ii)	153,215 0	31,505 0	9,371 0	7,764 0	8,783 0	210,638 0	0 0
NORMA J FERDINAND	(i) (ii)	271,579 0	83,031 0	56,653 0	75,441 0	9,784 0	496,488 0	0 0
PHILIP BAYLISS	(i) (ii)	510,155 0	0 0	24,016 0	10,000 0	20,942 0	565,113 0	0 0
RANDALL OYER	(i) (ii)	448,042 0	43,750 0	4,571 0	10,000 0	15,763 0	522,126 0	0 0
REGINA M MINGLE	(i) (ii)	279,803 0	88,670 0	16,366 0	73,768 0	9,704 0	468,311 0	0 0
RICHARD D PAOLETTI	(i) (ii)	194,630 0	38,886 0	2,161 0	9,427 0	20,189 0	265,293 0	0 0
ROBERT P MACINA ESQ	(i) (ii)	316,189 0	106,095 0	24,012 0	85,952 0	15,779 0	548,027 0	0 0
STACEY G YOUCIS	(i) (ii)	190,139 0	33,163 0	5,683 0	9,159 0	19,910 0	258,054 0	0 0
SUSAN WYNNE	(i) (ii)	246,769 0	87,998 0	5,902 0	37,803 0	21,153 0	399,625 0	0 0
THOMAS E BEEMAN PHD	(i) (ii)	589,757 0	98,650 0	13,576 0	249,027 0	15,935 0	966,945 0	0 0
TIMOTHY C ZELLERS	(i) (ii)	170,102 0	31,723 0	8,192 0	8,401 0	20,076 0	238,494 0	0 0

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  
LANCASTER GENERAL HOSPITAL

Employer identification number  
23-1365353

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	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	XXXXXXXXXX	07-01-2005	15,945,000	PURCHASE OF EQUIPMENT		X		X		X
B	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	514045YB3	01-24-2007	33,450,000	CONSTRUCTION OF EMPLOYEE PARKING GARAGE		X		X		X
C	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	514045YK3	01-24-2007	63,375,000	REFUNDING OF SERIES 2003 BOND (ISSUE DATE OF 9/15/2003)		X		X		X
D	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	XXXXXXXXXX	06-01-2012	25,250,000	REFUNDING A PORTION OF SERIES 2008 BOND (ISSUE DATE OF 8/15/2008)		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0		0	
2	Amount of bonds defeased	0		0		0		0	
3	Total proceeds of issue	181,624		33,450,000		63,375,000		25,250,000	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrow	0		0		63,375,000		25,250,000	
7	Issuance costs from proceeds	0		201,473		381,715		194,497	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	13,994,144		37,017,542		0		0	
11	Other spent proceeds	0		0		0		0	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	2007		2008		2007		2012	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X	X			X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X		X		X		X

Part III

Private Business Use (Continued)

3a	Are there any management or service contracts that may result in private business use?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
			X		X		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		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?								
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	1 60 %		0 %		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	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	1 60 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IV

Arbitrage

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?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X			X
2	Is the bond issue a variable rate issue?		X		X		X	X	
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X	X	
b	Name of provider								
c	Term of hedge			0 0				3 5 0	
d	Was the hedge superintegrated?								X
e	Was a hedge terminated?								X
4a	Were gross proceeds invested in a GIC?		X		X		X		X
b	Name of provider								
c	Term of GIC			0 0					
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		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
DEFEASED	PART I, COLUMN (F)	BOND SERIES 2003 WAS ISSUED ON SEPTEMBER 15, 2003 BY THE LANCASTER COUNTY HOSPITAL AUTHORITY (CUSIP# 514045) IN JANUARY 2007, THE SERIES 2003 WAS LEGALLY DEFEASED WITH THE SERIES 2007B BOND ISSUANCE CONCURRENT WITH THE DEFEASANCE, AN IRREVOCABLE ESCROW WAS ESTABLISHED FOR THE AGGREGATE AMOUNT OF THE DEFEASED SERIES 2003 REVENUE BONDS WITH THAT SAID, THERE IS NO LIABILITY ON OUR BALANCE SHEET AND IS THUS NOT SHOWN ON SCHEDULE K, PART I
CAPITAL EXPENDITURES	PART II, LINE 10	BOND ISSUE A HAD \$1,950,855 85 THAT WAS NOT USED THIS AMOUNT WAS APPLIED TO THE PRINCIPAL PAYMENT MADE IN AUGUST 2007
CUSIP #	PART I, COLUMN (C)	SERIES 2005 AND 2012-A WERE PRIVATE PLACEMENTS AND THUS ARE NOT ASSIGNED A CUSIP #

<b>Schedule K (Form 990)</b>	<b>Supplemental Information on Tax Exempt Bonds</b> ▶ <b>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).</b> ▶ <b>Attach to Form 990. ▶ See separate instructions.</b>	OMB No 1545-0047
		<b>2011</b>
		<b>Open to Public Inspection</b>

Name of the organization LANCASTER GENERAL HOSPITAL		Employer identification number 23-1365353
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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 LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	514045B51	06-28-2012	93,755,000	REFUNDING A PORTION OF SERIES 2008, 2010, AND 2011 BONDS, AND A PORTION TO BE USED FOR CONSTRUCTION		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0							
2	Amount of bonds defeased	0							
3	Total proceeds of issue	93,755,000							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrow	56,150,845							
7	Issuance costs from proceeds	1,052,345							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	0							
11	Other spent proceeds	0							
12	Other unspent proceeds	0							
13	Year of substantial completion	2014							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	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						
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?								
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 %							
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	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV

Arbitrage

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

Part V

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
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Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
LANCASTER GENERAL HOSPITAL

Employer identification number  
  
23-1365353

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	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?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total . . . . . ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

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

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



**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DOUGLAS WRINEHART	OFFICER OF THE ORGANIZATION	624,076	INDIVIDUAL IS A BOARD MEMBER OF LEMSA LEMSA PROVIDES SERVICES TO LANCASTER GENERAL HOSPITAL		No
(2) BRUCE R LIMPERT	TRUSTEE	1,214,279	INDIVIDUAL IS A BOARD MEMBER OF MURRAY SECURUS INSURANCE MURRAY PROVIDES SERVICES TO LANCASTER GENERAL HOSPITAL		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
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**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.**  
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

**2011****Open to Public  
Inspection**Name of the organization  
LANCASTER GENERAL HOSPITAL**Employer identification number**

23-1365353

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4D	LANCASTER GENERAL HOSPITAL WILL IDENTIFY COMMUNITY HEALTH NEEDS, HELP REACH COMMUNITY CONSENSUS ON HEALTH CARE PRIORITIES, DEVELOP PROGRAMS (WHERE POSSIBLE TOGETHER WITH OTHER COMMUNITY ORGANIZATIONS) TO ADDRESS THESE NEEDS, DEVELOP AND MAINTAIN METRICS TO MEASURE OUR PROGRESS, AND REPORT OUR ACTIVITY TO THE BOARD OF TRUSTEES AND THE COMMUNITY AT LARGE. FINANCIAL MEANS SHOULD NOT PREVENT ANY ONE FROM ACCESSING HEALTHCARE SERVICES. TO THAT END, LANCASTER GENERAL HOSPITAL HAS ESTABLISHED FINANCIAL ASSISTANCE PROGRAMS FOR THOSE WITH LITTLE OR NO INSURANCE, OR LIMITED FINANCIAL MEANS. LANCASTER GENERAL HOSPITAL INCURRED UNPAID COSTS OF \$80M TO CARE FOR FINANCIALLY DISADVANTAGED PERSONS. LANCASTER GENERAL HOSPITAL ENGAGES IN MEDICAL RESEARCH PROGRAMS. LANCASTER GENERAL HOSPITAL ENGAGES IN TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS AT AN UNPAID COST OF \$7.6M.

Identifier	Return Reference	Explanation
FILING REQUIREMENTS FOR FORM TD-90-22 1	FORM 990, PART V, LINE 4A	LANCASTER GENERAL HOSPITAL HAS AUTHORITY OVER A FINANCIAL ACCOUNT IN A FOREIGN COUNTRY HOWEVER, THEY HAVE NO FINANCIAL INTEREST WITHIN THE FOREIGN ACCOUNT FORM TD-90-22 1 WAS FILED WITH THE PARENT COMPANY , LANCASTER GENERAL HEALTH (EIN# 23-2250941)

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	THE SOLE MEMBER OF LANCASTER GENERAL HOSPITAL IS LANCASTER GENERAL HEALTH THE SOLE MEMBER MAY INITIATE OR IMPLEMENT ANY PROPOSAL WITH RESPECT TO ANY OF THE FOLLOWING, AMENDMENT OF CHARTER, CERTIFICATE OF ARTICLES OF INCORPORATION OR BYLAWS, SALE, PURCHASE, LEASE OR ENCUMBRANCE WITH DEBT, THE TRANSFER OF ANY ASSETS OF THE CORPORATION, EXCLUDING EQUIPMENT, ELECTION OR REMOVAL OF THE BOARD OF TRUSTEES OF THE CORPORATION, THE APPROVAL OF THE ANNUAL OPERATING AND CAPITAL BUDGETS OF THE CORPORATION, THE APPROVAL OF INVESTMENT ADVISORS, OUTSIDE LEGAL COUNSEL, AND AUDITORS OF THE CORPORATION, AND THE APPROVAL OF NON-BUDGETED EXPENDITURES

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	LANCASTER GENERAL HEALTH ELECTS THE BOARD OF TRUSTEES OF LANCASTER GENERAL HOSPITAL

Identifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	THE SOLE MEMBER OF LANCASTER GENERAL HOSPITAL IS LANCASTER GENERAL HEALTH THE SOLE MEMBER MAY INITIATE OR IMPLEMENT ANY PROPOSAL WITH RESPECT TO ANY OF THE FOLLOWING, AMENDMENT OF CHARTER, CERTIFICATE OF ARTICLES OF INCORPORATION OR BYLAWS, SALE, PURCHASE, LEASE OR ENCUMBRANCE WITH DEBT, THE TRANSFER OF ANY ASSETS OF THE CORPORATION, EXCLUDING EQUIPMENT, ELECTION OR REMOVAL OF THE BOARD OF TRUSTEES OF THE CORPORATION, THE APPROVAL OF THE ANNUAL OPERATING AND CAPITAL BUDGETS OF THE CORPORATION, THE APPROVAL OF INVESTMENT ADVISORS, OUTSIDE LEGAL COUNSEL, AND AUDITORS OF THE CORPORATION, AND THE APPROVAL OF NON-BUDGETED EXPENDITURES

Identifier	Return Reference	Explanation
LOCAL CHAPTERS, BRANCHES, OR AFFILIATES	FORM 990, PART VI, LINE 10A	LANCASTER GENERAL HEALTH (EIN# 23-2250941) IS THE PARENT ORGANIZATION OF MULTIPLE AFFILIATES INCLUDING LANCASTER GENERAL HOSPITAL

Identifier	Return Reference	Explanation
Monitoring compliance of local unit's activities	Form 990, Part VI, Section B, Line 10b	THE ORGANIZATION HAS POLICIES AND PROCEDURES GOVERNING THE ACTIVITIES OF ITS AFFILIATES HOWEVER, THEY ARE NOT CURRENTLY APPROVED BY THE GOVERNING BOARD



Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	THE CFO, THE VICE PRESIDENT-CONTROLLER, AND THE DIRECTOR OF ACCOUNTING REVIEWED THE FORM 990 IN ADDITION, THE MEMBERS OF THE GOVERNING BODY WERE GIVEN THE OPPORTUNITY TO VIEW THE 990 ONLINE VIA THE BOARD PORTAL SYSTEM PRIOR TO THE ELECTRONIC FILING THE CFO HIGHLIGHTED CERTAIN SECTIONS OF THE FORM 990 DURING THE BOARD MEETING HELD ON MAY 16, 2013 AND ANY QUESTIONS WERE ADDRESSED AT THAT TIME

Identifier	Return Reference	Explanation
POLICIES AND PROCEDURES	FORM 990, PART VI, LINE 12A	THE ORGANIZATION HAS THE POLICIES AND PROCEDURES IN PLACE AS MENTIONED IN FORM 990, PART VI, SECTION B, LINE 12A, 13, 14, AND 16B HOWEVER, THEY ARE NOT CURRENTLY APPROVED BY THE GOVERNING BOARD

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	IN ORDER TO ASCERTAIN AND EVALUATE ACTUAL OR POTENTIAL CONFLICTS, CERTAIN INTERESTED PERSON ARE REQUIRED TO FILL OUT A CONFLICT OF INTEREST DISCLOSURE STATEMENT UPON ENTERING EMPLOYMENT OR BECOMING A TRUSTEE OF LANCASTER GENERAL HOSPITAL OR AN AFFILIATE, AND OTHERS ARE ALSO REQUIRED TO FILL OUT SUCH A STATEMENT ON AN ANNUAL BASIS. IN ADDITION TO THIS REQUIREMENT, ALL OFFICERS AND TRUSTEES, REGARDLESS OF WHETHER OR NOT THEY HAVE FILLED OUT OR HAVE BEEN ASKED TO FILL OUT A CONFLICT OF INTEREST DISCLOSURE STATEMENT, HAVE AN ONGOING AFFIRMATIVE DUTY TO BRING TO THE ATTENTION OF LANCASTER GENERAL HOSPITAL, SITUATIONS WHICH MAY GIVE RISE TO AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST AS DESCRIBED IN THE POLICY.

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	LANCASTER GENERAL HOSPITAL DOES NOT MAKE THE GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC THE FINANCIAL STATEMENTS ARE NOW AVAILABLE TO THE PUBLIC AS THEY ARE REQUIRED TO BE INCLUDED WITH FORM 990, SCHEDULE H

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK	FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (B)	THE AVERAGE HOURS PER WEEK REPORTED IN COLUMN B PERTAINS TO THE REPORTABLE COMPENSATION REPORTED IN COLUMNS D, E AND/OR F

Identifier	Return Reference	Explanation
COMPENSATION	FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (D)	MEMBERS OF THE BOARD ARE NOT COMPENSATED FOR THEIR POSITION ON THE BOARD COMPENSATION DISCLOSED RELATES TO OTHER SERVICES PERFORMED

Identifier	Return Reference	Explanation
TAX EXEMPT BOND LIABILITIES	FORM 990, PART X, LINE 20	THE AMOUNT OF ISSUE OUSTANDING FOR BOTH THE SERIES 2007 AND 2012 BONDS ALSO INCLUDES THE BOND PREMIUM THE BALANCE OF THE 2007 BOND PREMIUM AT 6/30/12 WAS \$2,029,673 THE BALANCE OF THE 2012 BOND PREMIUM AT 6/30/12 WAS \$4,697,558

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -4732602, CHANGE IN INTEREST IN NET ASSETS OF LANCASTER GENERAL HEALTH - 363785, OTHER NON-OPERATING REVENUE - 11253990, TRANSFERS OF NET ASSETS - 10187, RELATED PARTY TRANSFERS - -35659358, PERPETUAL TRUST DISTRIBUTIONS - 84424,



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  
LANCASTER GENERAL HOSPITAL

Employer identification number  
23-1365353

Part I

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

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

Part II

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

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

Part IIIPart 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) Disproporionate 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	
(1) LANCASTER PET PARTNERSHIP LLP  PO BOX 4216 LANCASTER, PA 17604 23-3102793	MEDICAL SERVICES	PA	LANCASTER GENERAL IMAGING CORPORATION	RELATED								
(2) MRI GROUP LLP  PO BOX 4216 LANCASTER, PA 17604 33-1011386	MEDICAL SERVICES	PA	LANCASTER GENERAL IMAGING CORPORATION	RELATED								
(3) HORIZON HEALTHCARE SERVICES INC  1070 NEW HOLLAND AVENUE LANCASTER, PA 17601 23-2910102	IN-HOME INFUSION DRUG THERAPY	PA	BARGE GANSE VENACARE BUSINESS TRUST	RELATED								

Part IVPart III

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) LANCASTER GENERAL SERVICES BUSINESS TRUST 607 NORTH DUKE STREET LANCASTER, PA 17602 23-2250128	OWNS & OPERATES REAL ESTATE PROPERTY, PHARMACY & HOME INFUSION COMPANY	PA	LANCASTER GENERAL HEALTH	TRUST			
(2) BARGE GANSE VENACARE BUSINESS TRUST 607 NORTH DUKE STREET LANCASTER, PA 17602 23-2113017	PHARMACY & OWNER OF HOME INFUSION THERAPY SERVICES COMPANY	PA	LANCASTER GENERAL SERVICES BUSINESS TRUST	TRUST			
(3) LANCASTER GENERAL INSURANCE COMPANY  98-0176655	INSURANCE	CJ	LANCASTER GENERAL HEALTH	C CORPORATION			

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

1 During the tax year, did the organization 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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

i Lease of facilities, equipment, or other assets to related organization(s)

j Lease of facilities, equipment, or other assets from related organization(s)

k Performance of services or membership or fundraising solicitations for related organization(s)

l Performance of services or membership or fundraising solicitations by related organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

r Other transfer of cash or property from related organization(s)

Yes

No

1a Yes

1b Yes

1c Yes

1d

1e

1f Yes

1g

1h

1i Yes

1j Yes

1k Yes

1l Yes

1m

1n Yes

1o Yes

1p Yes

1q Yes

1r Yes

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds			
(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
TRANSACTIONS WITH RELATED ORGANIZATIONS	PART V, LINE 2	ALL ARRANGEMENTS ARE NEGOTIATED AT ARM'S LENGTH AND FOR FAIR VALUE IN COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY AFFILIATES PERFORM INTER-COMPANY TRANSACTIONS AS PART OF THE NORMAL COURSE OF BUSINESS

Software ID: 11000230

Software Version: v2011.1.0

EIN: 23-1365353

Name: LANCASTER GENERAL HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
LANCASTER GENERAL HEALTH  555 NORTH DUKE STREET LANCASTER, PA 17604 23-2250941	MGMT & FIN SUPPORT TO CONTROLLED ORG & UNDERTAKING ACTIVITIES TO IMPROVE THE HEALTH OF COMMUNITY	PA	501(C) (3)	11 - Type II	NA		No
LANCASTER GENERAL HEALTH FOUNDATION  555 NORTH DUKE STREET LANCASTER, PA 17604 20-5767147	ORGANIZED & OPERATED TO SUPPORT THE EXEMPT PURPOSES OF MEMBER OF LG HEALTH	PA	501(C) (3)	11 - Type II	LANCASTER GENERAL HEALTH		No
LANCASTER GENERAL MEDICAL GROUP  1030 NEW HOLLAND AVENUE LANCASTER, PA 17601 23-2777286	PROVIDE CHARITABLE PRIMARY AND SPECIALTY HEALTHCARE	PA	501(C) (3)	3	LANCASTER GENERAL HEALTH		No
LANCASTER CLEFT PALATE CLINIC  223 NORTH LIME STREET LANCASTER, PA 17602 23-1306888	PROVIDE TREATMENT FOR ORAL-FACIAL DEFORMITIES	PA	501(C) (3)	7	LANCASTER GENERAL HEALTH		No
LANCASTER GENERAL HEALTH- COLUMBIA CENTER  306 NORTH 7TH STREET COLUMBIA, PA 17512 23-0485650	ACUTE PRIMARY CARE/FACILITY MGMT OP SVCS	PA	501(C) (3)	3	LANCASTER GENERAL HOSPITAL	Yes	
LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES  410 NORTH LIME STREET LANCASTER, PA 17602 06-1645496	PROVIDE SUPPORT AND PROMOTE HEALTHCARE EDUCATION	PA	501(C) (3)	2	LANCASTER GENERAL HOSPITAL	Yes	
LANCASTER GENERAL REHABILITATION SERVICES INC  555 NORTH DUKE STREET LANCASTER, PA 17604 20-4943109	OWNERSHIP/OPERATION OF REHABILITATION HOSPITAL	PA	501(C) (3)	3	LANCASTER GENERAL HEALTH		No
LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC  555 NORTH DUKE STREET LANCASTER, PA 17604 20-4943239	OWNERSHIP/OPERATION OF AMBULATORY SURGERY CENTER	PA	501(C) (3)	3	LANCASTER GENERAL HOSPITAL	Yes	
LANCASTER GENERAL IMAGING CORPORATION  609 NORTH CHERRY STREET LANCASTER, PA 17604 23-3102789	OWNERSHIP/OPERATING OF IMAGING SERVICES	PA	501(C) (3)	3	LANCASTER GENERAL HOSPITAL	Yes	
UNITED AUXILIARIES TO LANCASTER GENERAL HOSPITAL  555 NORTH DUKE STREET LANCASTER, PA 17604 23-1976868	TO PROMOTE AND ADVANCE LANCASTER GENERAL HOSPITAL'S PLANS & PROGRAMS	PA	501(C) (3)	9	NA		No
THE HEART GROUP OF LANCASTER GENERAL HEALTH  555 NORTH DUKE STREET LANCASTER, PA 17604 30-0634510	PROVIDES SPECIALTY CARDIOLOGY HEALTHCARE SERVICES	PA	501(C) (3)	4	LANCASTER GENERAL HEALTH		No
LANCASTER GENERAL HEALTH INNOVATIVE SOLUTIONS INC  555 NORTH DUKE STREET LANCASTER, PA 17604 46-0589543	TO CONCEIVE AND LAUNCH NOVEL HEALTHCARE SERVICES AND PRODUCTS	PA	501(C) (3)	11 - Type I	LANCASTER GENERAL HEALTH		No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	B	1,352,360	FMV
(2) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	J	374,640	FMV
(3) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	K	132,966	FMV
(4) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	L	128,880	FMV
(5) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	O	11,917	FMV
(6) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	Q	907,407	FMV
(7) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	R	1,043,908	FMV
(8) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	A	105,504	FMV
(9) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	B	1,941,000	FMV
(10) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	F	319,515	FMV
(11) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	K	497,215	FMV
(12) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	L	4,173,782	FMV
(13) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	N	330,502	FMV
(14) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	N	487,790	FMV
(15) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	P	4,824,442	FMV
(16) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC	B	149,011	FMV
(17) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC	C	5,906,412	FMV
(18) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC	K	148,761	FMV
(19) MRI GROUP LLP	A	451,985	FMV
(20) MRI GROUP LLP	K	1,221,807	FMV

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(21)	MRI GROUP LLP	L	4,923,931	FMV
(22)	LANCASTER PET PARTNERSHIP LLP	A	68,288	FMV
(23)	LANCASTER PET PARTNERSHIP LLP	K	303,455	FMV
(24)	LANCASTER PET PARTNERSHIP LLP	L	29,735	FMV
(25)	LANCASTER GENERAL IMAGING CORPORATION	B	40,165	FMV
(26)	LANCASTER GENERAL IMAGING CORPORATION	C	2,760,000	FMV
(27)	LANCASTER GENERAL IMAGING CORPORATION	K	19,338	FMV
(28)	LANCASTER GENERAL HEALTH	B	1,250,152	FMV
(29)	LANCASTER GENERAL HEALTH	K	3,003,223	FMV
(30)	LANCASTER GENERAL HEALTH	L	824,621	FMV
(31)	LANCASTER GENERAL HEALTH FOUNDATION	B	504,846	FMV
(32)	LANCASTER GENERAL HEALTH FOUNDATION	C	171,055	FMV
(33)	LANCASTER GENERAL HEALTH FOUNDATION	K	189,287	FMV
(34)	LANCASTER GENERAL HEALTH FOUNDATION	O	280,268	FMV
(35)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	B	13,575,248	FMV
(36)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	J	236,650	FMV
(37)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	K	428,115	FMV
(38)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	L	293,207	FMV
(39)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	N	245,377	FMV
(40)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	O	195,248	FMV



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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(41)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	O	59,086	FMV
(42)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	P	372,506	FMV
(43)	THE HEART GROUP OF LANCASTER GENERAL HEALTH	Q	6,338,906	FMV
(44)	LANCASTER GENERAL MEDICAL GROUP	B	27,067,945	FMV
(45)	LANCASTER GENERAL MEDICAL GROUP	I	868,154	FMV
(46)	LANCASTER GENERAL MEDICAL GROUP	K	2,908,722	FMV
(47)	LANCASTER GENERAL MEDICAL GROUP	L	1,855,503	FMV
(48)	LANCASTER GENERAL MEDICAL GROUP	N	546,923	FMV
(49)	LANCASTER GENERAL MEDICAL GROUP	N	1,444,612	FMV
(50)	LANCASTER GENERAL MEDICAL GROUP	O	101,698	FMV
(51)	LANCASTER GENERAL MEDICAL GROUP	P	2,394,705	FMV
(52)	LANCASTER GENERAL MEDICAL GROUP	Q	860,000	FMV
(53)	LANCASTER CLEFT PALATE CLINIC	B	999,118	FMV
(54)	LANCASTER CLEFT PALATE CLINIC	K	194,987	FMV
(55)	LANCASTER GENERAL INSURANCE COMPANY	L	1,900,988	FMV
(56)	LANCASTER GENERAL REHABILITATION SERVICES INC	B	137,777	FMV
(57)	LANCASTER GENERAL REHABILITATION SERVICES INC	C	2,695,000	FMV
(58)	LANCASTER GENERAL REHABILITATION SERVICES INC	K	137,777	FMV
(59)	LANCASTER GENERAL SERVICES BUSINESS TRUST	I	11,016	FMV
(60)	LANCASTER GENERAL SERVICES BUSINESS TRUST	J	317,031	FMV

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(61)	LANCASTER GENERAL SERVICES BUSINESS TRUST	K	173,894	FMV
(62)	LANCASTER GENERAL SERVICES BUSINESS TRUST	L	312,434	FMV
(63)	HORIZON HEALTHCARE SERVICES INC	K	238,323	FMV
(64)	HORIZON HEALTHCARE SERVICES INC	L	19,791	FMV
(65)	BARGE GANSE VENACARE BUSINESS TRUST	K	27,852	FMV
(66)	UNITED AUXILIARIES TO LANCASTER GENERAL HOSPITAL	C	150,000	FMV
(67)	UNITED AUXILIARIES TO LANCASTER GENERAL HOSPITAL	Q	178,282	FMV



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

Lancaster General Hospital

June 30, 2012 and 2011

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Audit & Tax Advisory

Grant Thornton LLP

## Report of Independent Certified Public Accountants

Board of Trustees  
Lancaster General Hospital

We have audited the accompanying consolidated balance sheets of Lancaster General Hospital (LGH) 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 LGH'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. Our 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 LGH'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 financial position of Lancaster General Hospital as of June 30, 2012 and 2011 and the results of its operations and changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Philadelphia, Pennsylvania

October 29, 2012

Lancaster General Hospital

CONSOLIDATED BALANCE SHEETS  
(Dollars in Thousands)

	June 30	
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 8,126	\$ 10,970
Investments	115,530	66,749
Assets limited as to use	4,304	9,593
Patient accounts receivable, net of allowance for doubtful accounts of \$21,583 and \$21,351 at June 30, 2012 and 2011, respectively	102,820	110,123
Other receivables	12,375	14,726
Inventories	4,271	4,519
Due from related organizations	986	6,321
Prepaid expenses and other current assets	10,816	11,985
Total current assets	259,228	234,986
Investments		
Unrestricted	27,672	26,308
Donor restricted	16,800	15,024
	44,472	41,332
Interest in net assets of Lancaster General Health	999	635
Assets limited as to use, net of current portion	23,658	14,457
Property, plant and equipment, net	466,639	468,727
Beneficial interest in trusts	8,216	8,774
Investments in non-consolidated affiliates	6,975	6,247
Other assets	8,438	2,311
Total assets	\$ 818,625	\$ 777,469

*Continued on next page*

Lancaster General Hospital

CONSOLIDATED BALANCE SHEETS (continued)  
(Dollars in Thousands)

	June 30	
	2012	2011
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 7,209	\$ 21,314
Accounts payable	35,949	23,847
Accrued payroll and related benefits	35,201	43,159
Estimated settlements with third-party payors	10,853	10,789
Other current liabilities	12,717	3,455
Total current liabilities	<u>101,929</u>	<u>102,564</u>
Other liabilities	27,024	19,981
Long-term debt, net of current portion	<u>228,635</u>	<u>217,515</u>
Total liabilities	<u>357,588</u>	<u>340,060</u>
Net assets		
Unrestricted		
Assets limited as to use	27,962	24,050
General	401,479	383,606
Total unrestricted net assets of LGH	<u>429,441</u>	<u>407,656</u>
Non-controlling interests	<u>3,051</u>	<u>2,797</u>
Total unrestricted net assets	<u>432,492</u>	<u>410,453</u>
Temporarily restricted	18,851	17,200
Permanently restricted	9,694	9,756
Total net assets	<u>461,037</u>	<u>437,409</u>
Total liabilities and net assets	<u>\$ 818,625</u>	<u>\$ 777,469</u>

The accompanying notes are an integral part of these statements.

Lancaster General Hospital

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
(Dollars in Thousands)

	Years ended June 30	
	2012	2011
Unrestricted net assets		
Unrestricted revenue and other support		
Net patient service revenue	\$ 840,004	\$ 824,450
Medical services	8,356	7,678
Other revenue	35,071	35,326
Net assets released from restrictions for operations	2,525	2,191
Contributions	338	349
Total unrestricted revenue and other support	886,294	869,994
Expenses		
Operating expenses	734,322	719,375
Depreciation and amortization	53,100	53,425
Interest	6,908	7,719
Provision for bad debts	35,849	34,650
Total expenses	830,179	815,169
Operating income	56,115	54,825
Other income (loss)		
Investment income	1,612	2,545
Net realized gains on sale of trading securities	480	413
Change in net unrealized gains and losses on trading securities	162	(204)
Change in fair value of interest rate swap agreement	(4,339)	1,937
Provision for income taxes	(8,232)	-
Other non-operating income, net	18,192	6,630
Total other income	7,875	11,321
Excess of revenue and other income over expenses	63,990	66,146
Excess of revenue attributable to non-controlling interests	(2,119)	(1,960)
Excess of revenue and other income over expenses attributable to LGH	61,871	64,186

*Continued on next page*



Lancaster General Hospital

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
(continued)  
(Dollars in Thousands)

	Years ended June 30	
	2012	2011
Unrestricted net assets (continued)		
Excess of revenue and other income over expenses attributable to LGH <i>(from previous page)</i>	\$ 61,871	\$ 64,186
Other changes in unrestricted net assets		
Net assets released from restrictions - purchase of property, plant and equipment	450	6
Change in non-controlling interests	254	227
Equity contributions to related organizations	(40,536)	(184,237)
Increase (decrease) in unrestricted net assets	22,039	(119,818)
Temporarily restricted net assets		
Restricted contributions and gifts	2,007	6,804
Grants	2,330	1,173
Investment income	189	172
Net realized gains on sale of trading securities	73	30
Change in net unrealized gains and losses on trading securities	(347)	215
Net assets released from restrictions	(2,975)	(2,197)
Change in interest in net assets of Lancaster General Health	374	368
Increase in temporarily restricted net assets	1,651	6,565
Permanently restricted net assets		
Restricted contributions and gifts	222	875
Change in net unrealized gains and losses on trading securities	(28)	585
Change in fair value of beneficial interest in trusts	(256)	417
Other	-	37
(Decrease) increase in permanently restricted net assets	(62)	1,914
Increase (decrease) in net assets	23,628	(111,339)
Net assets, beginning of year	437,409	548,748
Net assets, end of year	\$ 461,037	\$ 437,409

The accompanying notes are an integral part of these statements.

Lancaster General Hospital

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollars in Thousands)

	Years ended June 30	
	2012	2011
Operating activities		
Increase (decrease) in net assets	\$ 23,628	\$ (111,339)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	53,100	53,425
Provision for bad debts	35,849	34,650
Net realized and unrealized gains on trading securities	(677)	(1,039)
Equity earnings in non-consolidated affiliates	(6,904)	(5,596)
Change in fair value of interest rate swap agreement	4,339	(1,937)
Change in interest in net assets of Lancaster General Health	(364)	(405)
Contributions to related organizations	40,536	184,237
Change in fair value of beneficial interest in trusts	558	(503)
Restricted contributions, gifts, grants, and restricted income	(4,748)	(9,025)
Changes in certain assets and liabilities		
Patient accounts receivable	(28,470)	(26,521)
Other receivables	2,275	(4,660)
Inventories	248	619
Prepaid expenses and other current assets	1,169	(568)
Other assets	(5,555)	(11)
Due from related organizations	5,335	(2,659)
Accounts payable	11,782	(8,183)
Accrued payroll and related benefits	(7,958)	3,842
Estimated settlements with third-party payors	64	5,366
Other liabilities	11,966	1,344
Net cash provided by operating activities before trading securities	136,173	111,037
Change in investments and assets limited as to use trading securities	(55,156)	90,161
Net cash provided by operating activities	81,017	201,198

*Continued on next page*

Lancaster General Hospital

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)  
(Dollars in T thousands)

	Years ended June 30	
	2012	2011
Investing activities		
Net purchases of property, plant and equipment	\$ (47,868)	\$ (50,317)
Distributions from non-consolidated affiliates	<u>6,176</u>	<u>4,985</u>
Net cash used in investing activities	(41,692)	(45,332)
Financing activities		
Restricted contributions, gifts, grants, and restricted income	4,748	4,930
Contributions to related organizations	(40,536)	(184,237)
Proceeds from long-term debt	119,005	37,200
Repayments of long-term debt	(124,139)	(19,151)
Payments for deferred financing costs	<u>(1,247)</u>	<u>-</u>
Net cash used in financing activities	<u>(42,169)</u>	<u>(161,258)</u>
Decrease in cash and cash equivalents	(2,844)	(5,392)
Cash and cash equivalents, beginning of year	<u>10,970</u>	<u>16,362</u>
Cash and cash equivalents, end of year	<u>\$ 8,126</u>	<u>\$ 10,970</u>
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	<u>\$ 6,992</u>	<u>\$ 8,017</u>
Noncash investing and financing activities		
Capital lease obligations incurred in exchange for equipment	<u>\$ 2,148</u>	<u>\$ 2,090</u>
Increase in accrual for the purchase of property, plant and equipment	<u>\$ 322</u>	<u>\$ 341</u>

The accompanying notes are an integral part of these statements.

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Thousands)

June 30, 2012 and 2011

NOTE A - ORGANIZATION

Lancaster General Hospital (the Hospital), founded in 1893 as a private, voluntary, nonsectarian general hospital, has 638 beds and is located in the City of Lancaster, Pennsylvania. Its primary service area is comprised of Lancaster City and 14 surrounding communities. The Hospital provides a full range of primary and secondary health care services and is a major referral center. The sole member of the Hospital is Lancaster General Health (LG), a not-for-profit corporation, which has several other controlled affiliates and subsidiaries.

Lancaster General Health - Columbia Center (CHC) is a not-for-profit corporation located in Columbia, Pennsylvania. It operates a primary care physician office and provides facility management for outpatient services. CHC's sole member is the Hospital.

Lancaster General Imaging Corporation (LGIC) is a not-for-profit corporation located in the City of Lancaster, Pennsylvania and its sole member is the Hospital. LGIC has a 75% ownership interest in the Lancaster PET Partnership, LLP (PET) and a 57.5% ownership interest in the MRI Group, LLP (MRI).

Lancaster General College of Nursing & Health Sciences (LGCNHS) is a not-for-profit corporation that operates a college located in the City of Lancaster, Pennsylvania. The sole member of LGCNHS is the Hospital.

Lancaster General Ambulatory Surgical Services, Inc. (LGAMB) is a not-for-profit corporation which owns 50% of Physicians' Surgery Center - Lancaster General (PSC). The sole member of LGAMB is the Hospital.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital, CHC, LGIC, LGCNHS, and LGAMB, including the non-controlling interests in PET and MRI reported as a component of net assets (collectively, LGH). All significant intercompany balances and transactions have been eliminated.

2. Use of Estimates

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

3. Cash and Cash Equivalents

Cash and cash equivalents includes various checking, savings, and money market accounts and other investments with initial maturity dates of three months or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Inventories

Inventories are stated at the lower of cost, determined by the weighted-average cost method, or market.

5. Investments and Assets Limited as to Use

Investments and assets limited as to use include assets set aside by management and trustees for future purposes, including capital improvements. Certain investments have been restricted by donors and are designated as donor restricted. In addition, assets limited as to use include investments held by trustees under bond indenture agreements, including construction and debt service interest, principal and reserve funds. LGH has designated its investment portfolios as trading. Amounts required to meet current liabilities of LGH have been reclassified to the current portion of assets limited as to use in the consolidated balance sheets.

Direct investments in equity securities with readily determinable fair values and all direct investments in debt securities have been measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue and other income over expenses unless the income or loss is restricted by donor or law.

6. 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. Equipment under capital leases is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Capitalized interest amounted to \$26 and \$244 for the years ended June 30, 2012 and 2011, respectively.

7. Long-Lived Assets

LGH 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, LGH uses an estimate of the related discounted operating income over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. At June 30, 2012, management believed that no revisions to the remaining useful lives or write-down of long-lived assets were required.

8. Deferred Financing Costs

LGH has capitalized costs incurred in obtaining and issuing the revenue bonds. These costs are amortized over the term of the bonds. Unamortized deferred financing costs of \$1,916 and \$1,343 at June 30, 2012 and 2011, respectively, are included in other assets in the consolidated balance sheets. Accumulated amortization amounted to \$2,855 and \$2,181 at June 30, 2012 and 2011, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Beneficial Interest in Trusts

LGH has been named as a beneficiary of several trusts, including a charitable remainder trust, to be held in perpetuity, which are administered and controlled by independent trustees. LGH has recorded its portion of the fair value of the trusts as permanently restricted, with the exception of one trust that is temporarily restricted. LGH records the earnings from these investments as unrestricted or restricted investment income based on the donor's stipulations.

10. Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then recorded as the cost. The gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

11. Derivative Financial Instruments

LGH recognizes its derivative financial instrument in the consolidated balance sheets at fair value. Management has elected not to designate the interest rate swap agreement as a hedge for financial reporting purposes. Consequently, the change in the fair value of the LGH interest rate swap agreement is included in other income (loss) as a component of excess of revenues and other income over expenses in the consolidated statements of operations and changes in net assets.

The interest rate swap agreement is used by LGH 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.

12. Investments in Non-consolidated Affiliates

Investments in partnerships and limited liability companies including those with underlying interest in equity and debt securities are recorded using the equity method of accounting, with the related changes in value in earnings reported as a component of other income (loss) in the accompanying consolidated statements of operations and changes in net assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Estimated Professional Liability

The reserve for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported and is included in other liabilities in the consolidated balance sheets. The estimate for incurred but not reported claims is actuarially determined based on LGH specific and industry experience data. Receivables for expected insurance recoveries are included in other assets in the accompanying consolidated balance sheets.

14. 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. 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 a component of unrestricted revenue and other support for operating purposes, and as other changes in unrestricted net assets for acquisitions of property, plant and equipment. 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.

15. Net Patient Accounts Receivable and Net Patient Service Revenue

Net patient accounts receivable and net patient service revenue are recorded at established rates, net of contractual adjustments, charity allowances, and policy discounts. LGH recognizes bad debt expense and the allowance for doubtful accounts based upon historical experience. Patient accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and LGH ceases collection efforts. Losses have been consistent with management's expectations.

Contractual revenue adjustments arising from reimbursement agreement with third-party payors are accrued on an estimated basis in the period the related services are rendered. Differences between these accruals and final third-party settlements are included in the consolidated statements of operations and changes in net assets as an adjustment to net patient service revenue in the year of final settlement.

LGH has agreements with various third-party payors to provide office visits to subscribing participants. Under these agreements, LGH receives monthly capitation payments based on the number of each payor's participants, regardless of services actually performed by LGH. Capitation revenue is included in net patient service revenue in the consolidated statements of operations and changes in net assets.

16. Medical Services

LGH provides convenience pharmacy services to employees and their families as well as to patients who are discharged. Medical services revenue is recorded at the net amount collected for the pharmacy services provided.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

17. Other Revenue

Other revenue is comprised of tuition revenue, management fees, rental income, cafeteria revenue, and other miscellaneous items (see Note E).

18. Excess of Revenue and Other Income over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenue and other income over expenses. Changes in unrestricted net assets that are excluded from the excess of revenue and other income over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), change in non-controlling interests and permanent equity contributions with related organizations.

19. Community Care

LGH provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the entities do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue (see Note C).

20. Income Taxes

The Hospital, CHC, LGIC and LGCHNS are organized and operated as nonprofit corporations and as tax-exempt organizations described in Internal Revenue Code (IRC) Section 501(c)(3).

LGAMB is a Pennsylvania nonprofit corporation. In April 2008, LGAMB filed an Application for Recognition of Exemption under IRC Section 501(c)(3) (Form 1023). On May 18, 2012, LGAMB received a determination from the Internal Revenue Service (IRS) that it does not qualify for exemption under Section 501(c)(3) of the IRC. LGAMB filed a protest letter regarding the determination with the IRS on June 15, 2012. This filing was followed by a conference on July 23, 2012 involving representatives of LGAMB and representatives of the Tax Exempt Organizations Division of the National Office of the IRS. Thereafter, on August 31, 2012, in response to a request from the IRS for additional information in connection with the pending review of the exemption application, LGAMB provided the IRS with additional supporting information and is presently awaiting a final determination from the IRS on its tax status.

Management in consultation with legal counsel strongly disagrees with the IRS's position as stated in the May 18, 2012 letter and believes that LGAMB satisfies the applicable legal standards for tax exemption.

LGH follows generally accepted accounting principles (GAAP) for uncertainties in income tax positions. Notwithstanding that management believes the IRS's determination is incorrect and that LGAMB is entitled to tax-exemption, because of the IRS's issuance of the May 18, 2012 letter, LGH has made an accrual for uncertain tax positions relating to LGAMB.



Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table summarizes the activity related to LGH's accrued uncertain tax positions as a result of LGAMB's receipt of the May 18, 2012 letter from the IRS:

Uncertain tax positions, June 30, 2011	\$ -
Changes to tax positions related to the current year	2,504
Changes to tax positions of prior years	<u>4,399</u>
Uncertain tax positions, June 30, 2012	<u>\$ 6,903</u>

LGH accrues interest and penalties related to income tax matters as a part of the provision for income taxes. LGH accrued interest and penalties of \$1,329 as of June 30, 2012 as a result of the IRS's May 18, 2012 letter. The amount of the unrecognized tax benefit, if recognized, would reduce LGH's effective tax rate in the year of recognition. Management cannot reasonably determine whether there will be a change to the unrecognized tax benefit within the next 12 months.

The tax years subject to examination by the IRS and the Commonwealth of Pennsylvania for LGH and its affiliates, except for LGAMB, are 2010 through 2012 and for LGAMB are 2006 through 2012.

21. Recently Adopted Accounting Pronouncement

In August 2010, the Financial Accounting Standards Board (FASB) issued guidance to reduce the diversity in practice related to the accounting by health care entities for medical malpractice and similar liabilities, and their related expected insurance recoveries. The new guidance requires that insurance claims liabilities be determined without consideration of any expected insurance recoveries, consistent with practice in other industries. The guidance also clarifies that health care entities should no longer net expected insurance recoveries against the related claims liabilities. The guidance was effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. A cumulative-effect adjustment should be recognized in opening equity (net assets) 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. LGH has adopted this guidance in the current year, resulting in an additional liability and a corresponding asset of \$5,535 at June 30, 2012. There was no cumulative effect of this adoption.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

22. Pending New Accounting Pronouncement

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. Additionally, health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. This guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented. The disclosures required by the amendments in this update should be provided for the period of adoption and subsequent reporting periods. LGH is evaluating the impact of adopting this guidance on its results of operations and financial position.

## NOTE C - COMMUNITY CARE

LGH maintains records to identify and monitor the level of community care it provides. Charges related to charitable services are recorded at cost by applying a cost to charge ratio. The level of community benefits provided as identified in accordance with LGH's accounting policies is as follows:

	Years ended June 30	
	<u>2012</u>	<u>2011</u>
Charitable services		
Unpaid cost of state programs to the financially disadvantaged (e.g., Medicaid)	\$ 70,706	\$ 64,760
Unpaid cost of services to other financially disadvantaged persons	9,205	11,214
Other community services		
Unpaid cost of education programs	7,631	7,429
Cost of other community services	<u>6,122</u>	<u>6,764</u>
Total community care at cost	<u>\$ 93,664</u>	<u>\$ 90,167</u>

LGH's policy is to accept all patients regardless of their ability to pay. This policy results in LGH's assumption of higher-than-normal patient receivable credit risks. Any additional losses realized as a result of this assumption are included in the provision for bad debts. LGH's threshold for financial assistance is 400% of federal poverty guidelines. LGH uses a sliding scale to determine actual discounts to be provided to patients who have income less than 400% of the federal poverty guidelines.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE D - NET PATIENT SERVICE REVENUE

LGH has agreements with third-party payors that provide for payments at amounts different from established charges. Hospital 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 paid at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the programs' 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. The years ended June 30, 2010, 2009, and 2008 have been audited but not yet finalized.

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 Healthcare Association of Pennsylvania issued hospital-specific impacts of the MA payment modernization for the years ended June 30, 2012 and 2011. LGH has recorded the results in operating income in its consolidated statements of operations and changes in net assets for the years ended June 30, 2012 and 2011.

LGH 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, per diems and discounts from established charges. Certain agreements have retrospective clauses allowing the payor to review and adjust claims subsequent to initial payment.

In the opinion of management, adequate provision has been made for adjustments that may result from the final settlement of cost reports and other adjustments. The consolidated financial statements include a decrease to net patient service revenue related to the settlement and/or adjustments of the prior-year cost reports and other third-party settlement estimates of approximately \$1,356 and \$6,530 for the years ended June 30, 2012 and 2011, respectively.

Revenues from the Medicare and Medicaid programs collectively accounted for approximately 36% of net patient service revenues for the years ended June 30, 2012 and 2011. 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.

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE E - OTHER REVENUE

The composition of other revenue is presented in the following table:

	June 30	
	2012	2011
Tuition	\$ 13,667	\$ 11,810
Management fee from related parties	6,661	6,365
Cafeteria	4,187	4,149
Rental income		
Related party	683	732
Non-related party	5,744	5,923
Other	4,129	6,347
	<u>\$ 35,071</u>	<u>\$ 35,326</u>

NOTE F - INVESTMENTS AND ASSETS LIMITED AS TO USE

The composition of investments is presented in the following table:

	June 30	
	2012	2011
Cash and cash equivalents	\$ 20,822	\$ 47,652
Equity		
Domestic	3,505	3,300
International	535	592
Government securities	93,480	22,515
Fixed income		
Domestic	38,437	33,642
International	3,223	380
	160,002	108,081
Less current portion	(115,530)	(66,749)
	<u>\$ 44,472</u>	<u>\$ 41,332</u>

The composition of assets limited as to use is presented in the following table:

	June 30	
	2012	2011
Cash and cash equivalents	\$ 27,503	\$ 23,595
Equity		
Domestic	238	234
International	30	36
Fixed income		
International	191	185
	27,962	24,050
Less current portion	(4,304)	(9,593)
	<u>\$ 23,658</u>	<u>\$ 14,457</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

## NOTE G - FAIR VALUE MEASUREMENTS

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

The fair value hierarchy is broken down into three levels based on the source of inputs: Level 1 - defined as observable inputs such as quoted prices in active markets; Level 2 - defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 - defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurements.

The following fair value hierarchy table presents information about each major category of LGH's financial assets and liabilities measured at fair value on a recurring basis as of:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2012</u>				
Cash and cash equivalents	\$ 56,451	\$ -	\$ -	\$ 56,451
Equity				
Domestic	3,743	-	-	3,743
International	565	-	-	565
Government securities	6,764	86,716	-	93,480
Fixed income				
Domestic	1,131	37,306	-	38,437
International	3,414	-	-	3,414
Beneficial interest in trusts	-	8,216	-	8,216
Total assets	<u>\$ 72,068</u>	<u>\$ 132,238</u>	<u>\$ -</u>	<u>\$ 204,306</u>
Interest rate swap	\$ -	\$ 8,734	\$ -	\$ 8,734
Total liabilities	<u>\$ -</u>	<u>\$ 8,734</u>	<u>\$ -</u>	<u>\$ 8,734</u>

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE G - FAIR VALUE MEASUREMENTS (continued)

Description	Level 1	Level 2	Level 3	Total
<u>June 30, 2011</u>				
Cash and cash equivalents	\$ 82,217	\$ -	\$ -	\$ 82,217
Equity				
Domestic	3,534	-	-	3,534
International	628	-	-	628
Government securities	5,338	17,177	-	22,515
Fixed income				
Domestic	1,556	32,086	-	33,642
International	565	-	-	565
Beneficial interest in trusts	-	8,774	-	8,774
Total assets	<u>\$ 93,838</u>	<u>\$ 58,037</u>	<u>\$ -</u>	<u>\$ 151,875</u>
Interest rate swap	\$ -	\$ 4,395	\$ -	\$ 4,395
Total liabilities	<u>\$ -</u>	<u>\$ 4,395</u>	<u>\$ -</u>	<u>\$ 4,395</u>

NOTE H - PROPERTY, PLANT AND EQUIPMENT

	Range of useful lives	June 30 2012	June 30 2011
Land		\$ 33,737	\$ 33,737
Land improvements	10 to 25 years	14,613	14,463
Equipment	5 to 20 years	523,227	496,237
Buildings and building improvements	25 to 40 years	371,901	363,657
Construction in progress		<u>33,436</u>	<u>20,198</u>
		976,914	928,292
Less accumulated depreciation and amortization		<u>(510,275)</u>	<u>(459,565)</u>
		<u>\$ 466,639</u>	<u>\$ 468,727</u>

Total depreciation and amortization expense for property, plant and equipment for the years ended June 30, 2012 and 2011 was \$52,426 and \$53,300, respectively.

Construction in progress relates to building renovations and construction, information systems and medical equipment. At June 30, 2012, LGH has commitments for these projects of \$29,030.

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE H - PROPERTY, PLANT AND EQUIPMENT (continued)

The following equipment is held under capital lease and is included in the equipment category of property, plant and equipment:

	June 30	
	2012	2011
Equipment	\$ 12,198	\$ 10,034
Less accumulated amortization	<u>(3,432)</u>	<u>(1,986)</u>
	<u>\$ 8,766</u>	<u>\$ 8,048</u>

NOTE I - LONG-TERM DEBT

Long-term debt consists of the following:

	June 30	
	2012	2011
Bonds payable - \$25,250, Hospital Revenue Bonds, Series 2012A, with annual payments beginning on July 1, 2014 ranging from \$550 to \$1,400 through 2042, with interest rates varying monthly.	\$ 25,250	\$ -
Bonds payable - \$93,755, Hospital Revenue Bonds, Series 2012B, with annual principal payments beginning on July 1, 2013 ranging from \$760 to \$10,165 through 2043, with interest rates varying from 2.0% to 5.0% due on January 1 and July 1. Amounts include original issue net premium of \$4,698 at June 30, 2012.	98,453	-
Bonds payable - \$12,200, Hospital Revenue Bonds, Series 2011, with a fixed interest rate of 2.34%. The Series 2011 Bonds were refinanced using proceeds from the Series 2012B Bonds in June 2012.	-	12,200
Bonds payable - \$25,000, Hospital Revenue Bonds, Series 2010, with a fixed interest rate of 2.5%. The Series 2010 Bonds were refinanced using proceeds from the Series 2012B Bonds in June 2012.	-	21,047
Bonds payable - \$96,730, Hospital Revenue Bonds, Series 2008, with a variable interest rate of 0.06% at June 30, 2011 based on the Daily Interest Rate determined by the Remarketing Agent for the Series 2008 Bonds due on the first business day of each month. The Series 2008 Bonds were refinanced using proceeds from the Series 2012A and 2012B Bonds in June 2012.	-	86,510

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE I - LONG-TERM DEBT (continued)

	June 30	
	2012	2011
Bonds payable - \$96,825, Hospital Revenue Bonds, Series 2007, with principal payments beginning on March 15, 2019 ranging from \$3,480 to \$7,760 through 2036, with interest rates varying from 4.25% to 5.00% due on March 15 and September 15. Amounts include original issue premium of \$2,030 and \$2,179 at June 30, 2012 and 2011, respectively.	\$ 98,855	\$ 99,004
Bonds payable - \$15,945, GE Capital Public Finance, Inc., with monthly principal and interest payments of \$182 through July 2012, with a fixed interest rate of 4.12% due monthly.	182	2,313
Bonds payable - \$45,055, Hospital Revenue Bonds, Series 1998, insured by AMBAC Assurance Corporation, with a remaining principal payment on July 1, 2012 of \$4,150 with an interest rate of 5.0%. At June 30, 2011, amount includes original issue premium of \$13.	4,150	8,123
Note payable, secured by MRI accounts receivable, inventory, and equipment, matures September 2018, in monthly installments of \$20 including interest at a fixed rate of 5.8% through March 2018, then at LIBOR plus 1.5% through September 2018 (1.74% and 1.69% at June 30, 2012 and 2011, respectively).	1,245	1,405
Note payable, secured by MRI accounts receivable, inventory, and equipment, matures April 2013, principal at various amounts and interest are paid at LIBOR plus 1.5% (1.74% and 1.69% at June 30, 2012 and 2011, respectively).	201	558
Note payable, secured by MRI equipment, matured in June 2012, interest at a fixed rate of 6.95%.	-	249
Note payable LGCNHS, secured by the Hospital, matures July 2015, monthly principal payments of \$6 and interest at LIBOR plus 1.15% (1.39% and 1.34% at June 30, 2012 and 2011, respectively).	1,244	1,319
Capital lease obligations, with various interest rates, secured by related leased equipment. Amounts included original issue discount of \$10 and \$6 at June 30, 2012 and 2011, respectively.	6,264	6,101
	235,844	238,829
	(7,209)	(21,314)
Less current portion	<u>\$ 228,635</u>	<u>\$ 217,515</u>



Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE I - LONG-TERM DEBT (continued)

Proceeds from the revenue bonds and notes payable were used to finance various capital and information technology projects, as well as refinancing of previously existing long-term debt.

In June 2012, LGH issued \$25,250 variable rate Series 2012A revenue bonds and \$93,755 fixed rate Series 2012B revenue bonds through Lancaster County Hospital Authority. The proceeds from the Series 2012A Bonds were used to refund a portion of the Series 2008 Bonds, and the Series 2012B Bonds were used to refund a portion of the Series 2008, Series 2010 and Series 2011 Bonds and a portion to be used for future construction projects. The early extinguishments of the Series 2008, 2010 and 2011 Bonds resulted in a loss of \$550 for the year ended June 30, 2012, which consisted of the write-off of unamortized deferred financing costs and is included in depreciation and amortization in the consolidated statements of operations and changes in net assets.

Covenants under the Master Trust Indenture for all the bonds include requirements as to the permitted level of indebtedness, restrictions on the sale of certain assets, mergers, and other significant transactions, including a requirement that the Obligated Group (the Hospital and Lancaster General Health - Parent Only) generate funds available for debt service (as defined) equivalent to at least 110% of maximum annual debt service. At June 30, 2012 and 2011, the Obligated Group is in compliance with all financial covenants related to the bonds.

LGH 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 LGH's long-term debt, excluding capital lease obligations, at June 30, 2012 and 2011 is \$233,011 and \$228,318, respectively.

Annual maturities of long-term debt and capital leases (net of bond and lease premium of \$6,738) are as follows:

2013	\$ 7,209
2014	6,545
2015	5,374
2016	5,149
2017	4,962
Thereafter	<u>199,867</u>
	<u>\$ 229,106</u>

NOTE J - LETTERS AND LINES OF CREDIT

LGH maintains various letters of credit totaling \$4,500 at June 30, 2012 to cover balances due on construction projects. No amounts are outstanding under the letters of credit at June 30, 2012.

The College maintains a \$1,500 line of credit with a bank, which may be used for various items. The interest rate is LIBOR plus 1.75 percent. No amounts were outstanding at June 30, 2012.

MRI maintains a demand note payable to a bank which remains open for advances up to the sum of \$1,000. The interest rate is LIBOR plus 2.50 percent. No amounts were outstanding at June 30, 2012.

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE K - DERIVATIVE FINANCIAL INSTRUMENTS

LGH has an interest rate swap agreement to manage its risk relating to the changes in cash flow associated with a portion of its variable rate debt. LGH does not use derivative financial instruments for trading or speculative purposes. The interest rate swap allows LGH to raise long-term borrowings at variable rates and effectively swap the rates into a fixed rate that is lower than that available to LGH if fixed-rate borrowings were made directly.

Under the interest rate swap, LGH agrees to exchange monthly the difference between fixed-rate and variable rate interest amounts calculated by reference to the agreed notional amount.

The following table indicates the terms of the interest rate swap and the average interest rate. The variable rate is based on rates implied in the yield curve at the reporting date; those may change significantly, affecting future cash flows:

Fixed swap - notional amount	\$ 25,000
Fixed rate	3.98%
Variable rate at June 30, 2012	0.17%
Variable rate at June 30, 2011	0.13%
Maturity date	July 1, 2041

The change in the fair value of LGH's interest rate swap for the years ended June 30, 2012 and 2011 was an increase (decrease) in the liability of \$4,339 and \$(1,937), respectively. The change is included in other income (loss) as a component of excess of revenue and other income over expenses in the consolidated statements of operations and changes in net assets. At June 30, 2012 and 2011, the fair value of the interest rate swap represented a liability of \$8,734 and \$4,395, respectively.

LGH 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, LGH 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.

LGH's exposure to credit risk, associated with its interest rate swap, is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes. As of October 29, 2012, LGH was not exposed to any risk of loss.

NOTE L - PENSION PLANS

LGH participates in the Lancaster General Health defined benefit noncontributory pension plan covering all eligible employees, sponsored by Lancaster General Health. Lancaster General Health and its affiliates make annual contributions to the plan to the extent permitted under applicable federal regulations. LGH contributed to LG and recognized pension expense of \$44,662 and \$35,800 for the years ended June 30, 2012 and 2011, respectively, based upon actuarial calculations prepared in accordance with authoritative guidance for pension accounting. For the year ending June 30, 2013, it is expected that LGH and affiliates will be required to make contributions to the pension plan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE L - PENSION PLANS (continued)

LGH participates in the LG defined contribution 403(b) plans covering all eligible employees. For those employees hired between March 29, 2008 and December 31, 2010, LGH has an employer matching contribution equal to 100% of the first 3% contributed to the plan for participants who elected this option. For those hired after December 31, 2010, LGH has an employer matching contribution equal to 50% on the first 6% plus a 2% employer basic contribution. Total expense under these plans for the years ended June 30, 2012 and 2011 was \$3,421 and \$2,960, respectively.

MRI has a 401(k) plan for its eligible employees to contribute to their respective retirement accounts. Total expense under the plan for the years ended June 30, 2012 and 2011 was \$35 and \$37, respectively.

NOTE M - MALPRACTICE AND GENERAL LIABILITY INSURANCE

All LGH entities are insured through a self-insured malpractice insurance program with Lancaster General Insurance Company, Ltd., Lancaster General Health's wholly owned captive insurance company, except for certain employed physicians who are commercially insured. The Hospital and employed physicians participate in the Medical Care Availability and Reduction of Error (MCARE) Fund. LGH is self-insured up to certain amounts, including excess coverage for professional liability losses. In addition, LGH obtains additional coverage from the MCARE Fund and other commercial carriers.

The 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 LGH 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 Pennsylvania Insurance Commissioner. To date, the Pennsylvania Insurance Commissioner has deferred a change in coverage and eventual phase-out of the MCARE Fund to future years.

Professional and general liability indemnity losses and loss adjustment expenses are determined using individual case-based evaluations and statistical analyses and represent an estimate of reported claims and claims incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for professional and general liability losses and loss adjustment expenses are reasonable. The estimates are reviewed and adjusted as necessary as experience develops or new information becomes known. Such adjustments are included in current operations. Professional and general liability and related anticipated insurance recoveries were \$5,535 at June 30, 2012, and are included in other liabilities and other assets, respectively. Of the \$5,535 of recoveries, \$4,947 will ultimately be reimbursed by external insurers and \$588 from the Lancaster General Insurance Company, Ltd., which is wholly owned by LG. Professional and general liability for incurred but not reported claims of approximately \$3,112 and \$4,650, undiscounted, are recorded in other long-term liabilities as of June 30, 2012 and 2011, respectively.

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE N - LEASES

LGH leases certain buildings, equipment, and vehicles under operating lease agreements, with initial terms expiring at various dates through fiscal year 2028. In addition, the leases generally contain renewal options that give LGH the right to extend the leases for varying additional periods. Rental expense under operating leases for the years ended June 30, 2012 and 2011 was \$7,191 and \$7,220, respectively.

Future minimum rental payments are as follows for the years ending June 30:

	Related party	Other
2013	\$ 632	\$ 3,543
2014	260	3,518
2015	255	2,844
2016	255	2,566
2017	255	2,434
Thereafter	<u>1,158</u>	<u>8,920</u>
	<u>\$ 2,815</u>	<u>\$ 23,825</u>

LGH acts as lessor for certain office space under operating lease agreements, with initial lease terms expiring at various dates through fiscal year 2062. In addition, the leases generally contain renewal options that give the lessee the right to extend the leases for varying additional periods. Rental revenue under operating leases where LGH acts as lessor, for the years ended June 30, 2012 and 2011, was \$3,977 and \$4,248, respectively, and is classified as other revenue in the consolidated statements of operations and changes in net assets.

Future minimum rental revenue receipts in the aggregate are as follows for the years ending June 30:

	Related party	Other
2013	\$ 706	\$ 3,055
2014	719	2,681
2015	664	2,111
2016	670	1,764
2017	624	1,333
Thereafter	<u>1,029</u>	<u>5,135</u>
	<u>\$ 4,412</u>	<u>\$ 16,079</u>

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE O - INVESTMENTS IN NON-CONSOLIDATED AFFILIATES

LGH and its controlled affiliates and subsidiaries have the following joint ventures, which are accounted for under the equity method of accounting:

The Hospital has a 50% interest in Lancaster Emergency Medical Services Association (LEMSA), a not-for-profit corporation providing emergency medical services and medical transportation to persons in the general area of Lancaster County, Pennsylvania.

The Hospital has a 20% interest in Central Pennsylvania Alliance Laboratory, LLP, a limited liability partnership providing lab services to member hospitals located in the central Pennsylvania area.

The Hospital has a 20% interest in Quest Behavioral Health, Inc., a not-for-profit corporation, which is a central Pennsylvania behavioral health managed care plan for employers and health plans.

The Hospital has a 49.5% interest in The NeuroSpine Center, LP, a limited partnership, conducting business in the operation of an ambulatory surgical center in Lancaster, Pennsylvania.

The Hospital has a 50% interest in The Neurological Surgery Center of LNSA, LLC, a limited liability company, operating a single-specialty ambulatory surgery center for neurosurgery services located in Lancaster, Pennsylvania.

LGAMB has a 50% ownership interest in Physicians' Surgery Center - Lancaster General, LLC, a limited liability company formed to own and operate an ambulatory surgery center.

The annual return recognized, which is included in other non-operating income, net, related to the entities described above was \$6,904 and \$5,596 for the years ended June 30, 2012 and 2011, respectively.

NOTE P - RELATED ORGANIZATION TRANSACTIONS

Routinely, LGH provides to and/ or receives from Lancaster General Health and its controlled affiliates certain management services, including salaries and wages, employee benefits, and other operating expenses, including rental of property and professional services. These amounts are included in the related revenue and expense categories in the consolidated statements of operations and changes in net assets.

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE P - RELATED ORGANIZATION TRANSACTIONS (continued)

The amounts due from (to) related organizations for these services and other items are noted below:

	June 30	
	2012	2011
Lancaster General Health	\$ 568	\$ 726
Lancaster General Medical Group	42	2,082
The Heart Group of LG Health	44	2,567
Visiting Nurse Association of Lancaster County, Inc.	-	119
Lancaster Cleft Palate Clinic	(11)	567
Lancaster General Insurance Company, Ltd.	181	2
Lancaster General Services Business Trust and Subsidiaries	8	130
Lancaster General Health Foundation	154	128
	<u>\$ 986</u>	<u>\$ 6,321</u>

LGH recorded its change in interest in the net assets of Lancaster General Health as other revenue for unrestricted amounts and for the restricted amounts as changes in restricted net assets.

LGH made permanent equity contributions, net, to Lancaster General Health and its controlled affiliates of \$40,536 and \$184,237 for the years ended June 30, 2012 and 2011, respectively.

NOTE Q - FUNCTIONAL EXPENSES

LGH provides health care and education services within its geographical area. Expenses related to providing these services are as follows:

	Years ended June 30	
	2012	2011
Health care services	\$ 499,353	\$ 493,931
Health education services	14,098	12,671
General and administrative	316,728	308,567
	<u>\$ 830,179</u>	<u>\$ 815,169</u>

NOTE R - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	June 30	
	2012	2011
Health care services	\$ 18,474	\$ 16,793
Health education services	377	407
	<u>\$ 18,851</u>	<u>\$ 17,200</u>

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE R - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (continued)

Permanently restricted net assets are restricted to:

	June 30	
	<u>2012</u>	<u>2011</u>
Investments to be held in perpetuity, the income of which is temporarily restricted (reported as temporarily restricted income)	\$ 5,356	\$ 5,162
Beneficial interest in perpetual trusts	<u>4,338</u>	<u>4,594</u>
	<u>\$ 9,694</u>	<u>\$ 9,756</u>

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of health care services, health care education, and purchase of property, plant and equipment in the amounts of \$2,975 and \$2,197, respectively.

NOTE S - ENDOWMENT

Changes in restricted endowment net assets for the years ended June 30, 2012 and 2011 are as follows:

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Net assets, June 30, 2010	\$ 2,124	\$ 3,653	\$ 5,777
Investment return			
Investment income	155	-	155
Amortization of pledges	7	4	11
Net appreciation (realized and unrealized)	<u>272</u>	<u>585</u>	<u>857</u>
Net investment return	434	589	1,023
New gifts	-	871	871
Appropriation of endowment assets for expenditure	(105)	-	(105)
Income distributed or drawn on permanently restricted endowments	(63)	-	(63)
Other	(1)	-	(1)
Adjustment for fair value deficiencies	<u>(67)</u>	<u>-</u>	<u>(67)</u>
Net assets, June 30, 2011	<u>\$ 2,322</u>	<u>\$ 5,113</u>	<u>\$ 7,435</u>

Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE S - ENDOWMENT (continued)

	Temporarily restricted	Permanently restricted	Total
Net assets, June 30, 2011	\$ 2,322	\$ 5,113	\$ 7,435
Investment return			
Investment income	166	-	166
Amortization of pledges	-	15	15
Net appreciation (depreciation) (realized and unrealized)	<u>66</u>	<u>(28)</u>	<u>38</u>
Net investment return	232	(13)	219
New gifts	-	207	207
Appropriation of endowment assets for expenditure	(487)	-	(487)
Income distributed or drawn on permanently restricted endowments	(47)	-	(47)
Other	(2)	-	(2)
Adjustment for fair value deficiencies	<u>(5)</u>	<u>-</u>	<u>(5)</u>
Net assets, June 30, 2012	<u>\$ 2,013</u>	<u>\$ 5,307</u>	<u>\$ 7,320</u>

LGH has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

From time to time, the fair value of certain donor-restricted endowment funds may fall below the level that the donor requires the organization to retain as a fund of perpetual duration. In accordance with authoritative accounting standards, deficiencies of this nature that are reported in unrestricted net assets were \$10 and \$15 as of June 30, 2012 and 2011, respectively.

LGH accounts for endowment funds based upon explicit donor stipulations in accordance with the direction of the applicable gift instrument.



Lancaster General Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Dollars in Thousands)  
June 30, 2012 and 2011

NOTE T - CONCENTRATION OF CREDIT RISK

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

	June 30,	
	<u>2012</u>	<u>2011</u>
Medicare	31%	34%
Medicaid	11	8
Commercial/ HMO	40	35
Self-pay	10	17
Other	<u>8</u>	<u>6</u>
	<u>100%</u>	<u>100%</u>

LGH invests a portion of its operating and Board-designated cash and cash equivalents in various checking, savings, and certificates of deposit accounts with several commercial banks. Certain deposits with these banks exceeded Federal Depository Insurance Corporation limits.

NOTE U - COMMITMENTS AND CONTINGENCIES

LGH has commitments for laboratory reagent purchases. At June 30, 2012, the remaining amount on these commitments is approximately \$3,658, and they are expected to be completed through fiscal year 2018.

LGH is involved in various legal actions, other than malpractice actions, arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on LGH's consolidated financial position, results of operations or liquidity.

NOTE V - SUBSEQUENT EVENTS

LGH has evaluated its June 30, 2012 consolidated financial statements for subsequent events through October 29, 2012, the date the consolidated financial statements were available to be issued. LGH is not aware of any other subsequent events which require recognition or disclosure in the consolidated financial statements.

## SUPPLEMENTARY INFORMATION



Audit & Tax Advisory  
Grant Thornton LLP

Report of Independent Certified Public Accountants  
on Supplementary Information

Board of Directors  
Lancaster General 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 supplementary 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

October 29, 2012

Lancaster General Hospital  
CONSOLIDATING BALANCE SHEET  
(Dollars in Thousands)  
June 30, 2012

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Assets								
Current assets								
Cash and cash equivalents	\$ 5,340	\$ 8	\$ 2,259	\$ 519	\$ -	\$ -	\$ -	\$ 8,126
Investments	114,490	-	-	1,040	-	-	-	115,530
Assets limited as to use	4,254	-	-	50	-	-	-	4,304
Patient accounts receivable, net	100,596	267	1,957	-	-	-	-	102,820
Other receivables	11,704	1	13	981	-	-	324	12,375
Inventories	4,271	-	-	-	-	-	-	4,271
Due from (to) related organizations	1,154	(29)	(157)	(14)	-	32	-	986
Prepaid expenses and other current assets	10,082	103	270	361	-	-	-	10,816
Total current assets	251,891	350	4,342	2,937	-	32	324	259,228
Investments								
Unrestricted	27,672	-	-	-	-	-	-	27,672
Donor restricted	15,422	-	-	1,378	-	-	-	16,800
	43,094	-	-	1,378	-	-	-	44,472
Interest in net assets of Lancaster General								
Health	927	-	-	72	-	-	-	999
Assets limited as to use, net of current portion	23,158	-	-	500	-	-	-	23,658
Property, plant and equipment, net	447,733	2,226	9,734	6,946	-	-	-	466,639
Beneficial interest in trusts	6,662	-	-	1,554	-	-	-	8,216
Investments in non-consolidated affiliates	3,713	-	-	-	3,262	-	-	6,975
Other assets	7,451	-	802	185	-	-	-	8,438
Total assets	\$ 784,629	\$ 2,576	\$ 14,878	\$ 13,572	\$ 3,262	\$ 32	\$ 324	\$ 818,625

Continued on next page

Lancaster General Hospital  
CONSOLIDATING BALANCE SHEET (continued)  
(Dollars in Thousands)  
June 30, 2012

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	\$ 5,035	\$ -	\$ 2,167	\$ 75	\$ -	\$ 68	\$ -	\$ 7,209
Accounts payable	35,486	2	153	308	-	-	-	35,949
Accrued payroll and related benefits	33,650	332	363	856	-	-	-	35,201
Estimated settlements with third-party payors	10,853	-	-	-	-	-	-	10,853
Other current liabilities	2,506	-	806	1,142	8,232	-	31	12,717
Total current liabilities	87,530	334	3,489	2,381	8,232	68	31	101,929
Other liabilities	26,755	4	40	225	-	-	-	27,024
Long-term debt, net of current portion	224,067	-	3,657	1,169	-	258	-	228,635
Total liabilities	338,352	338	7,186	3,775	8,232	326	31	357,588
Net assets (deficit)								
Unrestricted								
Assets limited as to use	27,412	-	-	550	-	-	-	27,962
General	393,335	2,238	4,641	6,232	(4,970)	-	3	401,479
Total unrestricted net assets (deficit) of LGH	420,747	2,238	4,641	6,782	(4,970)	-	3	429,441
Non-controlling interests	-	-	3,051	-	-	-	-	3,051
Total unrestricted net assets (deficit)	420,747	2,238	7,692	6,782	(4,970)	-	3	432,492
Temporarily restricted	18,474	-	-	377	-	-	-	18,851
Permanently restricted	7,056	-	-	2,638	-	-	-	9,694
Total net assets (deficit)	446,277	2,238	7,692	9,797	(4,970)	-	3	461,037
Total liabilities and net assets	\$ 784,629	\$ 2,576	\$ 14,878	\$ 13,572	\$ 3,262	\$ 326	\$ 34	\$ 818,625

Lancaster General Hospital

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
(Dollars in Thousands)  
For the year ended June 30, 2012

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Unrestricted net assets								
Unrestricted revenue and other support								
Net patient service revenue	\$ 812,161	\$ 3,136	\$ 24,707	\$ -	\$ -	\$ -	\$ -	\$ 840,004
Medical services	8,333	23	-	-	-	-	-	8,356
Other revenue	29,252	592	-	20,416	-	15,189	-	35,071
Net assets released from restrictions for operations	2,259	-	-	266	-	-	-	2,525
Contributions	11	-	-	327	-	-	-	338
Total unrestricted revenue and other support	852,016	3,751	24,707	21,009	-	15,189	-	886,294
Expenses								
Operating expenses	705,362	5,062	16,469	20,528	149	-	13,248	734,322
Depreciation and amortization	50,284	284	1,942	590	-	-	-	53,100
Interest	6,542	-	378	18	-	-	30	6,908
Provision for bad debts	34,827	187	736	99	-	-	-	35,849
Total expenses	797,015	5,533	19,525	21,235	149	-	13,278	830,179
Operating income (loss)	55,001	(1,782)	5,182	(226)	(149)	15,189	13,278	56,115
Other income (loss)								
Investment income	1,611	-	1	30	-	30	-	1,612
Net realized gains on sale of trading securities	476	-	-	4	-	-	-	480
Change in net unrealized gains and losses on trading securities	156	-	-	6	-	-	-	162
Change in fair value of interest rate swap agreement	(4,339)	-	-	-	-	-	-	(4,339)
Provision for income taxes	-	-	-	-	(8,232)	-	-	(8,232)
Other non-operating income, net	12,119	-	35	-	6,038	-	-	18,192
Total other income (loss)	10,023	-	36	40	(2,194)	30	-	7,875
Excess of (deficiency in) revenue and other income over expenses	65,024	(1,782)	5,218	(186)	(2,343)	15,219	13,278	63,990
Excess of revenue attributable to non-controlling interests	-	-	(2,119)	-	-	-	-	(2,119)
Excess of (deficiency in) revenue and other income over expenses attributable to LGH	65,024	(1,782)	3,099	(186)	(2,343)	15,219	13,278	61,871

Continued on next page

Lancaster General Hospital  
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (continued)  
(Dollars in Thousands)  
For the year ended June 30, 2012

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Unrestricted net assets (continued)								
Excess of (deficiency in) revenue and other income over expenses attributable to LGH <i>(from previous page)</i>	\$ 65,024	\$ (1,782)	\$ 3,099	\$ (186)	\$ (2,343)	\$ 15,219	\$ 13,278	\$ 61,871
Other changes in unrestricted net assets								
Net assets released from restrictions - purchase of property, plant and equipment	450	-	-	-	-	-	-	450
Change in non-controlling interests	-	-	254	-	-	-	-	254
Equity contributions (to) from related organizations	(35,488)	1,357	(2,712)	123	(5,757)	-	1,941	(40,536)
Increase (decrease) in unrestricted net assets	29,986	(425)	641	(63)	(8,100)	15,219	15,219	22,039
Temporarily restricted net assets								
Restricted contributions and gifts	1,800	-	-	207	-	-	-	2,007
Grants	2,330	-	-	-	-	-	-	2,330
Investment income	166	-	-	23	-	-	-	189
Net realized gains on sale of trading securities	67	-	-	6	-	-	-	73
Change in net unrealized gains and losses on trading securities	(347)	-	-	-	-	-	-	(347)
Net assets released from restrictions	(2,709)	-	-	(266)	-	-	-	(2,975)
Change in interest in net assets of Lancaster General Health	374	-	-	-	-	-	-	374
Increase (decrease) in temporarily restricted net assets	1,681	-	-	(30)	-	-	-	1,651
Permanently restricted net assets								
Restricted contributions and gifts	157	-	-	65	-	-	-	222
Change in net unrealized gains and losses on trading securities	(28)	-	-	-	-	-	-	(28)
Change in fair value of beneficial interest in trusts	(175)	-	-	(81)	-	-	-	(256)
Decrease in permanently restricted net assets	(46)	-	-	(16)	-	-	-	(62)
Increase (decrease) in net assets	31,621	(425)	641	(109)	(8,100)	15,219	15,219	23,628
Net assets, beginning of year	414,656	2,663	7,051	9,906	3,130	59,203	59,206	437,409
Net assets (deficit), end of year	\$ 446,277	\$ 2,238	\$ 7,692	\$ 9,797	\$ (4,970)	\$ 74,422	\$ 74,425	\$ 461,037

Lancaster General Hospital  
CONSOLIDATING BALANCE SHEET  
(Dollars in Thousands)  
June 30, 2011

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Assets								
Current assets								
Cash and cash equivalents	\$ 8,067	\$ 66	\$ 2,310	\$ 527	\$ -	\$ -	\$ -	\$ 10,970
Investments	66,042	-	-	707	-	-	-	66,749
Assets limited as to use	9,528	-	-	65	-	-	-	9,593
Patient accounts receivable, net	107,491	502	2,130	-	-	-	-	110,123
Other receivables	14,634	12	7	474	-	3	404	14,726
Inventories	4,519	-	-	-	-	-	-	4,519
Due from (to) related organizations	5,891	8	(35)	419	-	38	-	6,321
Prepaid expenses and other current assets	11,125	114	230	516	-	-	-	11,985
Total current assets	227,297	702	4,642	2,708	-	41	404	234,986
Investments								
Unrestricted	26,308	-	-	-	-	-	-	26,308
Donor restricted	13,673	-	-	1,351	-	-	-	15,024
	39,981	-	-	1,351	-	-	-	41,332
Interest in net assets of Lancaster General								
Health	563	-	-	72	-	-	-	635
Assets limited as to use, net of current portion	13,957	-	-	500	-	-	-	14,457
Property, plant and equipment, net	449,924	2,362	9,780	6,661	-	-	-	468,727
Beneficial interest in trusts	7,139	-	-	1,635	-	-	-	8,774
Investments in non-consolidated affiliates	3,117	-	-	-	3,130	-	-	6,247
Other assets	1,343	-	802	166	-	-	-	2,311
Total assets	\$ 743,321	\$ 3,064	\$ 15,224	\$ 13,093	\$ 3,130	\$ 41	\$ 404	\$ 777,469

Continued on next page



Lancaster General Hospital

CONSOLIDATING BALANCE SHEET (continued)

(Dollars in Thousands)

June 30, 2011

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	\$ 19,090	\$ -	\$ 2,212	\$ 75	\$ -	\$ 63	\$ -	\$ 21,314
Accounts payable	23,557	4	129	157	-	-	-	23,847
Accrued payroll and related benefits	41,341	390	327	1,101	-	-	-	43,159
Estimated settlements with third-party payors	10,789	-	-	-	-	-	-	10,789
Other current liabilities	2,227	2	815	388	-	-	23	3,455
Total current liabilities	97,004	396	3,483	1,721	-	63	23	102,564
Other liabilities	19,693	5	61	222	-	-	-	19,981
Long-term debt, net of current portion	211,968	-	4,629	1,244	-	326	-	217,515
Total liabilities	328,665	401	8,173	3,187	-	389	23	340,060
Net assets								
Unrestricted								
Assets limited as to use	23,485	-	-	565	-	-	-	24,050
General	367,276	2,663	4,254	6,280	3,130	-	3	383,606
Total unrestricted net assets of LGH	390,761	2,663	4,254	6,845	3,130	-	3	407,656
Non-controlling interests	-	-	2,797	-	-	-	-	2,797
Total unrestricted net assets	390,761	2,663	7,051	6,845	3,130	-	3	410,453
Temporarily restricted	16,793	-	-	407	-	-	-	17,200
Permanently restricted	7,102	-	-	2,654	-	-	-	9,756
Total net assets	414,656	2,663	7,051	9,906	3,130	-	3	437,409
Total liabilities and net assets	\$ 743,321	\$ 3,064	\$ 15,224	\$ 13,093	\$ 3,130	\$ 389	\$ 26	\$ 777,469

Lancaster General Hospital

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
(Dollars in Thousands)  
For the year ended June 30, 2011

	Lancaster General Hospital	Lancaster General Health Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Unrestricted net assets								
Unrestricted revenue and other support								
Net patient service revenue	\$ 797,168	\$ 3,199	\$ 24,083	\$ -	\$ -	\$ -	\$ -	\$ 824,450
Medical services	7,645	33	-	-	-	-	-	7,678
Other revenue	31,827	581	-	18,951	-	16,033	-	35,326
Net assets released from restrictions for operations	1,910	-	-	281	-	-	-	2,191
Contributions	142	-	-	207	-	-	-	349
Total unrestricted revenue and other support	838,692	3,813	24,083	19,439	-	16,033	-	869,994
Expenses								
Operating expenses	693,993	4,933	15,944	17,874	164	-	13,533	719,375
Depreciation and amortization	50,797	279	1,881	468	-	-	-	53,425
Interest	7,264	-	472	18	-	-	35	7,719
Provision for bad debts	33,497	203	846	104	-	-	-	34,650
Total expenses	785,551	5,415	19,143	18,464	164	-	13,568	815,169
Operating income (loss)	53,141	(1,602)	4,940	975	(164)	16,033	13,568	54,825
Other income (loss)								
Investment income	2,547	-	3	30	-	35	-	2,545
Net realized gains on sale of trading securities	407	-	-	6	-	-	-	413
Change in net unrealized gains and losses on trading securities	(410)	-	-	206	-	-	-	(204)
Change in fair value of interest rate swap agreement	1,937	-	-	-	-	-	-	1,937
Other non-operating income, net	475	-	37	-	6,118	-	-	6,630
Total other income	4,956	-	40	242	6,118	35	-	11,321
Excess of (deficiency in) revenue and other income over expenses	58,097	(1,602)	4,980	1,217	5,954	16,068	13,568	66,146
Excess of revenue attributable to non-controlling interests	-	-	(1,960)	-	-	-	-	(1,960)
Excess of (deficiency in) revenue and other income over expenses attributable to LGH	58,097	(1,602)	3,020	1,217	5,954	16,068	13,568	64,186

Continued on next page

Lancaster General Hospital

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (continued)  
(Dollars in Thousands)  
For the year ended June 30, 2011

	Lancaster General Hospital	Lancaster General Health Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations		Consolidated Lancaster General Hospital
						Dr	Cr	
Unrestricted net assets (continued)								
Excess of (deficiency in) revenue and other income over expenses attributable to LGH <i>(from previous page)</i>	\$ 58 097	\$ (1 602)	\$ 3 020	\$ 1 217	\$ 5 954	\$ 16 068	\$ 13 568	\$ 64 186
Other changes in unrestricted net assets								
Net assets released from restrictions - purchase of property, plant and equipment	6	-	-	-	-	-	-	6
Change in non-controlling interests	-	-	227	-	-	-	-	227
Equity contributions (to) from related organizations	(180 077)	1 495	(2 722)	153	(5 586)	-	2 500	(184 237)
(Decrease) increase in unrestricted net assets	(121 974)	(107)	525	1 370	368	16 068	16 068	(119 818)
Temporarily restricted net assets								
Restricted contributions and gifts	6 521	-	-	283	-	-	-	6 804
Grants	1 173	-	-	-	-	-	-	1 173
Investment income	154	-	-	18	-	-	-	172
Net realized gains on sale of trading securities	23	-	-	7	-	-	-	30
Change in net unrealized gains and losses on trading securities	215	-	-	-	-	-	-	215
Net assets released from restrictions	(1 916)	-	-	(281)	-	-	-	(2 197)
Change in interest in net assets of Lancaster General Health	368	-	-	-	-	-	-	368
Increase in temporarily restricted net assets	6 538	-	-	27	-	-	-	6 565
Permanently restricted net assets								
Restricted contributions and gifts	755	-	-	120	-	-	-	875
Change in net unrealized gains and losses on trading securities	585	-	-	-	-	-	-	585
Change in fair value of beneficial interest in trusts	229	-	-	188	-	-	-	417
Other	-	-	-	37	-	-	-	37
Increase in permanently restricted net assets	1 569	-	-	345	-	-	-	1 914
(Decrease) increase in net assets	(113 867)	(107)	525	1 742	368	16 068	16 068	(111 339)
Net assets, beginning of year	528 523	2 770	6 526	8 164	2 762	43 135	43 138	548 748
Net assets, end of year	\$ 414 656	\$ 2 663	\$ 7 051	\$ 9 906	\$ 3 130	\$ 59 203	\$ 59 206	\$ 437 409