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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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
Thomas Jefferson University Hospitals Inc

Doing Business As

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

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

D Employer identification number
23-2829095

E Telephone number
(215) 503-8958

G Gross receipts $ 1,843,383,694

F Name and address of principal officer
David P McQuaid
111 South 11th Street
Philadelphia, PA 191074824

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW JEFFERSONHOSPITAL ORG

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

L Year of formation 1995

M State of legal domicile PA

Part I Summary

Activities & Governance

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	27
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	26
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	9,286
6	Total number of volunteers (estimate if necessary)	6	452
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	13,911,156
b	Net unrelated business taxable income from Form 990-T, line 34	7b	125,683

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	5,156,795	4,838,363
	9	Program service revenue (Part VIII, line 2g)	1,490,605,259	1,477,775,043
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,072,608	30,741,424
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-22,233,486	3,674,227
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,477,601,176	1,517,029,057
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	226,500	286,650
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	609,982,577	608,800,081
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶1,935,559		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	831,478,260	798,148,522
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,441,687,337	1,407,235,253
	19	Revenue less expenses Subtract line 18 from line 12	35,913,839	109,793,804
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,397,201,704	1,454,279,123
	21	Total liabilities (Part X, line 26)	840,141,819	767,335,355
	22	Net assets or fund balances Subtract line 21 from line 20	557,059,885	686,943,768

Part II Signature Block

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

Sign Here

Signature of officer | Date 2014-05-12

NEIL G LUBARSKY SENIOR VP & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Eric M McNeil				

Firm's name ▶ PricewaterhouseCoopers LLP | Firm's EIN ▶

Firm's address ▶ 2001 MARKET ST SUITE 1700
PHILADELPHIA, PA 19103 | Phone no (267) 330-3000

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

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

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 are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 1,265,787,598 including grants of $ 286,650) (Revenue $ 1,463,863,887)

TJUH PROVIDES MEDICALLY NECESSARY SERVICES TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY SOME PATIENTS QUALIFY FOR CHARITY CARE BASED ON POLICIES ESTABLISHED BY TJUH AND ARE THEREFORE NOT RESPONSIBLE FOR PAYMENT FOR ALL OR A PART OF THEIR HEALTHCARE SERVICES THESE POLICIES ALLOW FOR THE PROVISION OF FREE OR DISCOUNTED CARE IN CIRCUMSTANCES WHERE REQUIRING PAYMENT WOULD IMPOSE FINANCIAL HARDSHIP ON THE PATIENT CHARGES FOR SERVICES RENDERED TO PATIENTS WHO MEET TJUH'S GUIDELINES FOR CHARITY CARE ARE NOT SEPARATELY RECORDED IN PROGRAM SERVICE REVENUE TJUH COMPLIES WITH THE COMMUNITY BENEFIT STANDARD AS SET FORTH IN REVENUE RULING 69-545 TJUH MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE PROVIDED THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED SUCH AMOUNTS HAVE BEEN EXCLUDED FROM PROGRAM SERVICE REVENUE MANAGEMENT ESTIMATES THAT THE COST OF CHARITY CARE PROVIDED BY TJUH WAS $11,013,809 IN FISCAL YEAR 2013 THIS DOES NOT INCLUDE THE PROVISION FOR BAD DEBTS, AMOUNTING TO $59,079,905 WHICH IS REFLECTED WITHIN LINE 2A OF THE ACCOMPANYING STATEMENT OF REVENUE SERVICES ARE PROVIDED TO PATIENTS IN THE COMMUNITY WHO ARE INSURED UNDER THE PENNSYLVANIA MEDICAL ASSISTANCE PROGRAM THE COSTS OF PROVIDING SERVICES TO ELIGIBLE WELFARE RECIPIENTS WHO PARTICIPATE IN THIS PROGRAM EXCEEDED REIMBURSEMENT BY $68,203,000 IN FURTHERANCE OF ITS EXEMPT PURPOSE TO BENEFIT THE COMMUNITY, TJUH PROVIDES EDUCATION AND TRAINING FOR MEDICAL RESIDENTS, NURSES AND OTHER HEALTHCARE PROFESSIONALS AMOUNTS EXPENDED FOR THESE SERVICES EXCEEDED REIMBURSEMENT BY $25,063,472 TJUH ALSO PROVIDES VARIOUS COMMUNITY SERVICES SUCH AS THE PROVISION OF SUBSIDIZED EMERGENCY SERVICES, EDUCATION FOR DIABETES AND HEART DISEASE, SCREENINGS FOR STROKE AND CANCER RISK, CANCER SUPPORT GROUPS, SENIOR HEALTH EDUCATION, NUTRITIONAL COUNSELING FOR OBESITY, MATERNAL AND CHILDBIRTH EDUCATION, AND YOUTH PARTICIPATION IN VARIOUS WORK-READY OR CAREER PREPARATION PROGRAMS MANY OF THESE SERVICES TARGET AREAS OF HEALTH DISPARITY AND INCLUDE WORKING WITH SCHOOLS, GRASSROOTS ORGANIZATIONS, AND OTHER PARTNERS THE NET AMOUNTS EXPENDED FOR THESE SERVICES WERE $31,188,255

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

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

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 1,265,787,598

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	452			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	9,286			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

					Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	27			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O					
b	Enter the number of voting members included in line 1a, above, who are independent	1b	26			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			5		No
6	Did the organization have members or stockholders?			6	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?			7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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 during the tax year

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

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

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								9,202,894	0	4,070,852

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶580

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Harmelin Associates , 525 Righters Ferry Road BALA CYNWYD PA 19004	Advertising Services	4,741,238
RECONSTRUCTIVE ORTHOPAEDIC ASSOCIAT , 925 CHESTNUT STREETSUITE 500 PHILADELPHIA PA 19107	MEDICAL SERVICES	4,673,139
PHYSICIAN DIALYSIS ACQUISITIONS IN , PO BOX 403008 ATLANTA GA 303843027	MEDICAL SERVICES	2,952,979
ON CALL PHYSICIAN STAFFING , 1555 BARDSEY DRIVE LOWER GWYNEDD PA 19002	STAFFING SERVICES	2,542,630
NEMOURS CHILDRENS CLINIC , 1600 ROCKLAND ROAD PO BOX 269 WILMINGTON DE 19899	MEDICAL SERVICES	1,805,007

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 ▶56

Part VIII Statement of Revenue

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

Section	Line	Description	Ref / Business Code	Amount	(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	915,627				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,922,736				
	g	Noncash contributions included in lines 1a-1f $						
	h	**Total.** Add lines 1a-1f ▶			4,838,363			
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE REVENUE	900099		1,391,468,346	1,391,468,346		
	b	Biomedical Services	811000		12,636,938		12,636,938	
	c	Tissue Typing Services	621500		694,173		694,173	
	d	Clinical Lab Services	621500		455,484		455,484	
	e	All Other Program Services	900099		72,520,102	72,395,541	124,561	
	f	All other program service revenue						
	g	**Total.** Add lines 2a–2f ▶			1,477,775,043			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			7,431,446			7,431,446
	4	Income from investment of tax-exempt bond proceeds ▶			0			
	5	Royalties ▶			0			
			(i) Real	(ii) Personal				
	6a	Gross rents	5,377,001					
	b	Less rental expenses	8,098,877					
	c	Rental income or (loss)	-2,721,876	0				
	d	Net rental income or (loss) ▶			-2,721,876			-2,721,876
			(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	341,545,046	20,692				
	b	Less cost or other basis and sales expenses	318,255,760					
	c	Gain or (loss)	23,289,286	20,692				
	d	Net gain or (loss) ▶			23,309,978			23,309,978
	8a	Gross income from fundraising events (not including $ ______ of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events ▶			0			
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities ▶			0			
	10a	Gross sales of inventory, less returns and allowances	a					
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory ▶			0			
		Miscellaneous Revenue	Business Code					
	11a	Gain on Interest Rate SWAP Contracts	900099		6,396,103			6,396,103
	b							
	c							
	d	All other revenue						
	e	**Total.** Add lines 11a–11d ▶			6,396,103			
	12	**Total revenue.** See Instructions ▶			1,517,029,057	1,463,863,887	13,911,156	34,415,651

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)

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	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	286,650	286,650		
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	7,308,758		7,308,758	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	3,475,890		3,475,890	
7 Other salaries and wages	460,703,531	427,560,553	32,379,345	763,633
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	30,601,223	28,381,983	2,185,377	33,863
9 Other employee benefits	76,617,185	70,424,936	6,040,186	152,063
10 Payroll taxes	30,093,494	27,933,481	2,110,634	49,379
11 Fees for services (non-employees)				
a Management	0			
b Legal	1,372,562		1,372,562	
c Accounting	258,455		258,455	
d Lobbying	557,417		557,417	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	109,061		109,061	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	5,443,699		5,443,699	
12 Advertising and promotion	9,297,401	9,297,401		
13 Office expenses	26,492,589	24,135,954	2,350,856	5,779
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	29,729,201	14,739,498	14,947,559	42,144
17 Travel	1,165,246	888,702	248,518	28,026
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	622,230	291,718	329,286	1,226
20 Interest	7,989,324	7,989,324		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	64,083,446	58,624,177	5,459,269	
23 Insurance	22,048,936	22,048,936		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical Supplies	261,080,805	261,080,805		
b Purchased Services	241,554,159	202,322,104	38,488,640	743,415
c M/A TAX ASSESS/MODERNIZATION	56,246,017	56,246,017		
d Equipment Rental & Maintenance	54,526,095	42,144,840	12,363,988	17,267
e All other expenses	15,571,879	11,390,519	4,082,596	98,764
25 **Total functional expenses.** Add lines 1 through 24e	1,407,235,253	1,265,787,598	139,512,096	1,935,559
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		8,979,353	1	20,890,474
	2	Savings and temporary cash investments		209,396,635	2	236,680,556
	3	Pledges and grants receivable, net		900,468	3	890,615
	4	Accounts receivable, net		221,182,718	4	209,447,556
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		25,133,079	8	25,786,059
	9	Prepaid expenses and deferred charges		10,570,722	9	10,292,434
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,194,771,643			
	b	Less accumulated depreciation	10b 678,683,977	524,551,060	10c	516,087,666
	11	Investments—publicly traded securities		153,128,552	11	166,296,046
	12	Investments—other securities See Part IV, line 11		107,356,149	12	136,094,371
	13	Investments—program-related See Part IV, line 11		2,958,445	13	2,910,880
	14	Intangible assets		11,337,619	14	11,337,619
	15	Other assets See Part IV, line 11		121,706,904	15	117,564,847
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,397,201,704	16	1,454,279,123
Liabilities	17	Accounts payable and accrued expenses		240,598,017	17	235,814,350
	18	Grants payable		0	18	0
	19	Deferred revenue		2,514,359	19	262,142
	20	Tax-exempt bond liabilities		197,930,866	20	192,557,192
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		27,227,606	23	9,705,407
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		371,870,971	25	328,996,264
	26	**Total liabilities.** Add lines 17 through 25		840,141,819	26	767,335,355
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		515,752,762	27	642,619,426
	28	Temporarily restricted net assets		29,117,980	28	32,026,521
	29	Permanently restricted net assets		12,189,143	29	12,297,821
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		557,059,885	33	686,943,768
	34	Total liabilities and net assets/fund balances		1,397,201,704	34	1,454,279,123

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,517,029,057
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,407,235,253
3	Revenue less expenses Subtract line 2 from line 1	3	109,793,804
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	557,059,885
5	Net unrealized gains (losses) on investments	5	-9,696,088
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	29,786,167
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	686,943,768

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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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If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then
- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures ▶ $
3 Volunteer hours

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

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

	(a)	(b)
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? ☐ **Yes** ☐ **No**

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2009	**(b)** 2010	**(c)** 2011	**(d)** 2012	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		546,493
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		10,924
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			557,417
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 1J		TJUH PERIODICALLY ENGAGES IN LOBBYING ACTIVITIES INCLUDING DISCUSSIONS WITH POLICY MAKERS ON HEALTHCARE RELATED ISSUES IMPACTING TJUH AND THE PATIENTS AND COMMUNITIES IT SERVES

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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047
2012
Open to Public Inspection

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

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

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

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

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

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

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

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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
d ☐ Loan or exchange programs
b ☐ Scholarly research
e ☐ Other
c ☐ Preservation for future generations

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

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 XIII and complete the following table

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

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . ☐

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	88,963,035	94,161,561	82,118,580	77,374,255	100,744,414
b	Contributions	174,129	404,977	68,339	184,301	167,095
c	Net investment earnings, gains, and losses	9,328,188	-2,788,358	15,185,235	6,604,458	-20,142,712
d	Grants or scholarships					
e	Other expenditures for facilities and programs	2,786,134	2,815,145	3,210,593	2,044,434	3,394,542
f	Administrative expenses					
g	End of year balance	95,679,218	88,963,035	94,161,561	82,118,580	77,374,255

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶ 71 000 %

b Permanent endowment ▶ 8 000 %

c Temporarily restricted endowment ▶ 21 000 %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

4 Describe in Part XIII 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		16,183,468		16,183,468
b Buildings		554,889,349	235,208,529	319,680,820
c Leasehold improvements		10,245,049	1,341,672	8,903,377
d Equipment		600,108,405	442,133,776	157,974,629
e Other		13,345,372		13,345,372
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				516,087,666

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) CASH & CASH EQUIVALENTS	75,666,723	F
(B) HEDGE FUNDS	35,791,547	F
(C) PRIVATE EQUITY	16,304,389	F
(D) REAL ESTATE	8,331,712	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	136,094,371	

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

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

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

(a) Description	(b) Book value
(1) DEFERRED FINANCING COSTS	1,836,888
(2) DUE FROM AFFILIATED FOUNDATION	7,787,087
(3) DEFERRED EXPENSE - CHILLER	2,974,167
(4) DUE FROM UNCONSOLIDATED SUBS	15,306,898
(5) INSURANCE RECOVERABLE	89,659,807
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	117,564,847

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
ACCRUED PROFESSIONAL LIABILITY	191,865,366
ACCRUED PENSION LIABILITY	71,147,112
ACCRUED WORKERS' COMPENSATION	9,168,075
ASSET RETIREMENT OBLIGATION	1,834,805
INTEREST RATE SWAP LIABILITY	21,691,706
DUE TO TJU - NONCURRENT	13,740,636
DUE TO JEFFERSON HEALTH SYSTEM	19,548,564
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	328,996,264

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

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

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

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

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

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SCHEDULE D, PART V, LINE 4		TJUH'S ENDOWMENTS ARE USED IN A MANNER TO FURTHER THE CHARITABLE HEALTHCARE, EDUCATIONAL, AND RESEARCH MISSIONS OF TJUH

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

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

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

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	**(b)** Number of offices in the region	**(c)** Number of employees, agents, and independent contractors in region	**(d)** Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	**(e)** If activity listed in (d) is a program service, describe specific type of service(s) in region	**(f)** Total expenditures for and investments in region
	Europe (Including Iceland and Greenland)			Investments		9,691,296
	East Asia and the Pacific			Investments		2,931,484
	South America			Investments		832,450
	North America			Investments		4,581,939
	Central America and the Caribbean			Investments		425,207
3a	Sub-total					18,462,376
b	Total from continuation sheets to Part I					
c	**Totals** (add lines 3a and 3b)					18,462,376

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

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

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

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

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

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

Part IV Foreign Forms

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

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (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

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			11,013,809		11,013,809	0 780 %
b Medicaid (from Worksheet 3, column a)			273,314,067	205,111,067	68,203,000	4 850 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			284,327,876	205,111,067	79,216,809	5 630 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,420,002	4,352	3,415,650	0 240 %
f Health professions education (from Worksheet 5)			125,969,345	100,905,873	25,063,472	1 780 %
g Subsidized health services (from Worksheet 6)			297,851,627	274,786,901	23,064,726	1 640 %
h Research (from Worksheet 7)			1,467,431	65,000	1,402,431	0 100 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,339,468	310	2,339,158	0 170 %
j **Total.** Other Benefits			431,047,873	375,762,436	55,285,437	3 930 %
k **Total.** Add lines 7d and 7j			715,375,749	580,873,503	134,502,246	9 560 %

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			966,290		966,290	0 070 %
8 Workforce development						
9 Other						
10 **Total**			966,290		966,290	0 070 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	59,079,905		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization’s financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	283,630,173
6	Enter Medicare allowable costs of care relating to payments on line 5	6	322,297,662
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-38,667,489

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

			Yes	No
9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization’s collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—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 Riverview Surgery	Healthcare	51 000 %		38 610 %
2 Bucks Cty Ortho Hosp	Healthcare	15 000 %		64 000 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Thomas Jefferson University Hospital 111 South 11th Street Philadelphia, PA 191074824 www jeffersonhospital org	X	X		X			X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Thomas Jefferson University Hospital

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		No
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 500 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply) **a** ☑ Income level **b** ☑ Asset level **c** ☑ Medical indigency **d** ☐ Insurance status **e** ☑ Uninsured discount **f** ☐ Medicaid/Medicare **g** ☐ State regulation **h** ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply) **a** ☑ The policy was posted on the hospital facility's website **b** ☐ The policy was attached to billing invoices **c** ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms **d** ☐ The policy was posted in the hospital facility's admissions offices **e** ☑ The policy was provided, in writing, to patients on admission to the hospital facility **f** ☑ The policy was available upon request **g** ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**	Yes	
16 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** ☐ Reporting to credit agency **b** ☐ Lawsuits **c** ☐ Liens on residences **d** ☐ Body attachments **e** ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged **a** ☐ Reporting to credit agency **b** ☐ Lawsuits **c** ☐ Liens on residences **d** ☐ Body attachments **e** ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**	Yes	

If "No," indicate why

- **a** ☐ The hospital facility did not provide care for any emergency medical conditions
- **b** ☐ The hospital facility's policy was not in writing
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☐ Other (describe in Part VI)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- **a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- **b** ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- **c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- **d** ☐ Other (describe in Part VI)

		Yes	No
21 During the tax year, did the hospital facility charge any FAP-eligible individuals 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	**21**		No
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? . . . . If "Yes," explain in Part VI	**22**		No

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year?

____

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
PART I, LINE 6A		TJUH DEFINES ITS GREATEST ACHIEVEMENTS BY THE CONTRIBUTIONS MADE TO THE COMMUNITY IT SERVES THESE CONTRIBUTIONS ARE SUMMARIZED ON THE TJUH INTERNET WEBSITE PART I, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDES EMERGENCY AND TRAUMA SERVICES PART III, LINE 2 Bad debt expense is the uncollectible portion of the accounts receivable, excluding contractual allowances The calculation is comprised of two parts one part representing the unpaid deductibles and copays for insured patients The other part represents the unpaid balance owed by uninsured patients PART III, LINE 4 Please see the Accounts Receivable, Allowance for Doubtful Accounts, Provision/Expense for Bad Debt footnote on page 10 of the attached financial statements PART III, LINE 8 Medicare is not treated as a community benefit The source data was generated from THE internal cost accounting system PART III, LINE 9B The collection policy of TJUH contains detailed guidelines for patients eligible for charity care This includes a process to determine patient eligibility for charity care prior to the provision of care or as soon as possible thereafter If it is determined that a patient qualifies for partial charity care, the policy requires that the patient and TJUH agree in writing as to the amount due after applying the appropriate charity care discount, and that TJUH negotiate and agree upon a reasonable payment schedule with the patient TJUH also evaluates the ongoing ability of the patient to pay the amount due before additional collection actions are taken PART V, SECTION B, LINE 3 More than 60 interviews were conducted with individuals representing health care and community based organizations that have knowledge of the health and underlying social conditions that affect health of the people in their neighborhood and broader community These interviews were conducted by a qualitative public health researcher from TJUH's Center for Urban Health to gain insight about health needs and priorities, barriers to improving community health, and the community assets and efforts already in place or being planned to address these issues and concerns Medical students from Refugee Health Partners, a student run clinic, assisted with interviews with organizations who assist the refugee community as part of the community needs assessment they are doing to inform their student run refugee clinic in South Philadelphia In addition, interviews were conducted with faculty and health providers from Methodist Hospital, Jefferson Hospital for Neuroscience and Thomas Jefferson University Hospital to gain their perspective about the health issues of their patients and community and to identify Jeffersons and other efforts to address these issues Interviewees were asked to prioritize the needs/recommendations discussed during their interview Interviews were conducted with representatives from the following organizations American Heart Association, Jefferson Medical College-Department of Family and Community Family Medicine, American Diabetes Association, Philadelphia Department of Health, Philadelphia School District, United Communities Southeastern Philadelphia, Federation of Neighborhood Centers, Diversified Community Services, Nationalities Services Center, Pennsylvania Immigrant Care Coalition, Lutheran and Children's Services, YMCA, Maternity Care Coalition, Drexel School of Public HealthCenter for Hunger Free Communities, Area Health Education Center, Philadelphia Business Health/Wellness Collaborative, Philadelphia Housing Authority, Restaurant Opportunities Center, Juntos, Health Promotion Council, SHARE, Urban Tree Connection, Council for Relationships, Food Trust, Cambodian Association, SEAMAAC, TJUH Emergency Medicine, Jefferson Hospital for Neuroscience TJUH Stroke Center, TJU Endocrinology (Diabetes Center), TJU JOGA clinic, TJU Cardiovascular Disease, Mazzoni Center, Pathways to Housing, Project HOME, Jefferson Medical College-Department of Family and Community Medicine-Jefferson Family Medicine Associates-Refugee Health Clinic, Jefferson Medical College-Department of Family and Community Medicine-Jefferson Family Medicine Associates-Older adults, Thomas Jefferson University-School of Nursing, Thomas Jefferson University-School of Pharmacy, Nemours-Pediatrics, TJUH's Human Resources, Workforce Development, TJUH'sFinance Dept -MA assistance, TJUH'sNursing-Nurse Magnet, Methodist Hospital, Jefferson Family Medicine Associates Department of Family and Community MedicineSocial Work, Philadelphia Health Initiative, Asian Chamber of Commerce of Greater Philadelphia, St Thomas Aquinas Church, Methodist community relations Subcommittee of the foundation, Migrant Education, Philadelphia Burmese Baptist Church, Philadelphia Chin Baptist Church and HIAS Focus groups were conducted with TJUH's employees who live in the neighborhoods that are part of Jeffersons community This was done purposefully in order to raise awareness among TJUH's employee community about the health needs assessment and to engage them in future efforts to improve community health A list of employees who live in zip codes that make up the community benefit area was obtained from Human Resources Employees were randomly selected from each zip code and contacted about their interest in participating in the focus groups Four focus groups were held, one with employees from South Philadelphia, one with employees from Lower North Philadelphia east of Broad Street, one with employees from Lower North Philadelphia west of Broad Street and one with employees from Transitional Neighborhoods Thirty-five employees participated Focus groups were conducted by qualitative public health researchers from both Thomas Jefferson Universitys School of Population Health and TJUH's Center for Urban Health Focus group questions were designed to elicit the major health and social concerns of the neighborhood and larger community, barriers to accessing health and social services and improving lifestyles, perceptions about existing and/or potential interventions to address community health improvement, and what specifically Jefferson could do to improve the health of the community Each focus group was asked to prioritize the needs/recommendations identified during the focus group discussion PART V, SECTION B, LINE 6A AS PROVIDED IN THE PROPOSED REGULATIONS ISSUED APRIL 5, 2013, TJUH'S IMPLEMENTATION STRATEGY ADDRESSES THE SIGNIFICANT HEALTH NEEDS IDENTIFIED THROUGH ITS CHNA TJUH'S IMPLEMENTATION PLAN IS AVAILABLE AT HTTP //WWW JEFFERSONHOSPITAL ORG/ABOUT-US/IN-THE-COMMUNITY/ PART V, SECTION B, LINE 7 ADDRESSING ALL OF THE HEALTH NEEDS PRESENT IN A LARGE COMMUNITY WILL REQUIRE RESOURCES BEYOND WHAT ANY SINGLE HOSPITAL OR SOCIAL SERVICE AGENCY CAN BRING TO BEAR THE HOSPITAL IS COMMITTED TO FULFILLING ITS MISSION AS WELL AS REMAINING FINANCIALLY VIABLE SO THAT IT CAN CONTINUE ITS COMMITMENT TO EXCELLENCE IN QUALITY CARE AND PROVIDE A WIDE RANGE OF COMMUNITY BENEFITS BETWEEN 2014 AND 2016, THE HOSPITAL WILL FOCUS ITS EFFORTS IN ORDER TO MAKE A TRUE AND MEASURABLE IMPACT, AND THUS PLANS TO IMPLEMENT ACTIONS THAT WILL ADDRESS THOSE NEEDS IDENTIFIED THROUGH THE COMMUNITY HEALTH NEEDS ASSESSMENT AS "MOST IMPORTANT" THE HOSPITAL WILL CONTINUE TO EVALUATE OPPORTUNITIES FOR FUNDING OR RESOURCES TO COMMIT TO ADDRESSING THE REMAINING NEEDS THE PRIORITY HEALTH ISSUES RELATED TO THE HOSPITAL'S INTERNAL ORGANIZATIONAL STRUCTURE, INCLUDING WORKFORCE DEVELOPMENT AND DIVERSITY, FALL OUTSIDE THE SCOPE OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM, AND THE CHNA RECOMMENDATIONS RELATED TO INTERNAL ORGANIZATIONAL STRUCTURE WILL BE REVIEWED BY HOSPITAL AND UNIVERSITY SENIOR LEADERSHIP DURING THE TAX YEAR, ACTIONS WERE TAKEN TO ADDRESS ALL OF THE PRIORITIZED COMMUNITY HEALTH NEEDS THAT TJUH PLANS TO ADDRESS AS PROVIDED IN ITS IMPLEMENTATION STRATEGY NEEDS ASSESSMENT (NUMBER TWO) Please see TJUH's Community Health Needs Assessment, available at http //www jeffersonhospital org/about-us/in-the-community/, for an explanation of how TJUH assesses the health needs of the community it serves PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE (NUMBER THREE) TJUH informs and educates people through signage, its website, brochures, statement messages, and the paths program, A VENDOR-SUPPORTED SERVICE, WHICH ASSISTS PATIENTS WITH ENROLLMENT IN THE MEDICAL ASSISTANCE PROGRAM COMMUNITY INFORMATION (NUMBER FOUR) Please see TJUH's Community Health Needs Assessment, available at http //www jeffersonhospital org/about-us/in-the-community/, for a description of the community TJUH serves PROMOTION OF COMMUNITY HEALTH (NUMBER FIVE) TJUH's community building activities are focused on providing opportunities for youth to explore careers in health care through health awareness education, mentoring, and internships Additionally, Jefferson staff play leadership roles in community building organizations such as those devoted to assisting older adults and creating

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated 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

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

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

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. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance
(1) Nursing scholarships	8	286,650		Book	N/A

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Questions Regarding Compensation

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

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

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

(A) Name and Title		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II

Also complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, LINE 4A - SEVERANCE PAYMENT		THOMAS J LEWIS III $ 379,252 RONALD P BURD 187,768 SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DAVID P MCQUAID $ 156,645 THOMAS J LEWIS III 121,712 ($8,020 AWARDED IN 2012 AND $113,692 PAID DURING 2012) RONALD P BURD 31,530 (PAID DURING 2012) NEIL G LUBARSKY 23,768 STACEY MEADOWS 8,386 STEPHEN TRANQUILLO 932 SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS A PORTION OF THE COMPENSATION FOR OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE FIVE HIGHEST COMPENSATED EMPLOYEES INCLUDES COMPENSATION that IS BASED ON THE ATTAINMENT OF PATIENT CARE, QUALITY GOALS, STRATEGIC OPERATIONAL INITIATIVES, AND FINANCIAL PERFORMANCE GOALS, STRATEGIC OPERATIONAL INITIATIVES, AND FINANCIAL PERFORMANCE

Additional Data

Return to Form

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
THOMAS J LEWIS III	(i)	524,732	236,653	474,572	2,230,998	8,935	3,475,890	4,517
	(ii)	0	0	0	0	0	0	0
DAVID P MCQUAID	(i)	597,075	446,559	109,056	189,145	19,080	1,360,915	62,923
	(ii)	0	0	0	0	0	0	0
NEIL G LUBARSKY	(i)	425,875	274,537	66,824	56,268	21,401	844,905	25,005
	(ii)	0	0	0	0	0	0	0
RONALD P BURD - THRU 6302012	(i)	232,562	122,049	220,556	749,230	8,431	1,332,828	5,676
	(ii)	0	0	0	0	0	0	0
ROBERT DIECIDUE	(i)	405,240	171,600	4,960	32,500	24,080	638,380	0
	(ii)	0	0	0	0	0	0	0
STACEY MEADOWS	(i)	339,279	216,929	45,130	40,886	17,568	659,792	9,598
	(ii)	0	0	0	0	0	0	0
DANIEL TAUB	(i)	303,780	190,600	23	27,500	21,884	543,787	0
	(ii)	0	0	0	0	0	0	0
STEPHEN TRANQUILLO	(i)	302,036	80,075	40,964	33,432	20,962	477,469	0
	(ii)	0	0	0	0	0	0	0
JAMES E ROBINSON	(i)	262,849	69,622	35,008	32,500	20,131	420,110	0
	(ii)	0	0	0	0	0	0	0
MARY ANN FITZPATRICK	(i)	267,050	72,242	28,877	32,500	24,263	424,932	9,782
	(ii)	0	0	0	0	0	0	0
REBECCA O'SHEA	(i)	245,249	65,331	27,048	32,500	18,748	388,876	0
	(ii)	0	0	0	0	0	0	0
CARMHIEL BROWN	(i)	220,417	63,252	0	32,500	16,581	332,750	0
	(ii)	0	0	0	0	0	0	0
GEORGE T RIZZUTO	(i)	231,080	38,595	20,479	32,500	19,772	342,426	0
	(ii)	0	0	0	0	0	0	0
RICHARD J WEBSTER	(i)	248,450	48,277	7,496	32,500	6,921	343,644	0
	(ii)	0	0	0	0	0	0	0
NANCY RHODES	(i)	217,354	43,860	2,120	32,500	13,192	309,026	0
	(ii)	0	0	0	0	0	0	0
HUGH LAVERY	(i)	212,953	40,500	15,887	27,500	17,549	314,389	0
	(ii)	0	0	0	0	0	0	0
ROBERT BURKHOLDER	(i)	189,776	37,172	14,830	30,205	17,291	289,274	0
	(ii)	0	0	0	0	0	0	0
ANDREW NATHANS	(i)	187,182	26,615	14,368	28,672	19,075	275,912	0
	(ii)	0	0	0	0	0	0	0
SHARON MILLINGHAUSEN	(i)	184,832	25,110	4,064	27,850	9,110	250,966	0
	(ii)	0	0	0	0	0	0	0
ELEANOR GATES	(i)	179,015	24,262	6	26,910	17,282	247,475	0
	(ii)	0	0	0	0	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 Part VI.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Bond Issues

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

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	5,715,000			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	6,500,000			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	0			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	1,287,663			
11	Other spent proceeds	5,212,337			
12	Other unspent proceeds	0			
13	Year of substantial completion	2003			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D 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 Yes	A No	B Yes	B No	C Yes	C No	D Yes	D 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 Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		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 ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has 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?	X							

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 M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	1	0	
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (____________)				
26 Other ▶ (____________)				
27 Other ▶ (____________)				
28 Other ▶ (____________)				

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

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

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Identifier	Return Reference	Explanation
FORM 990, PART I, lINES 9 AND 17, PART VIII, LINE 2A, AND PART IX		

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

2012

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

(a) Name, address, and EIN (if applicable) 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" to 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 entity? Yes	No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Riverview Surgery Center LP Three Crescent Drive Navy Yard Cor Philadelphia, PA 191120000 26-3910345	Healthcare	PA	TJUH Inc	Related	2,120,417	4,255,065		No			No	50 490 %
(2) Riverview Surgery Center LLC Three Crescent Drive Navy Yard Cor Philadelphia, PA 191120000 26-3911509	Healthcare	PA	TJUH INC	Related	21,418	42,981		No			No	51 000 %

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) Jeffcare Inc 211 S 9th St Walnut Towers Ste Philadelphia, PA 19107 23-2830152	Healthcare	PA	TJUH Inc	C Corporation	-554,851	85,180	100 000 %	Yes	
(2) The Atrium Corporation 925 Chestnut Street Suite 311 Philadelphia, PA 19107 23-2075587	Healthcare	PA	TJUH System Inc	C Corporation	629,491	1,121,655	100 000 %	Yes	
(3) Healthmark Inc 2301 South Broad Street Philadelphia, PA 19148 23-2259593	Healthcare	PA	TJUH System Inc	C Corporation	-73,412	206,843	100 000 %	Yes	
(4) Mid-Atlantic Maternal Fetal Institute 925 Chestnut Street Suite 311 Philadelphia, PA 19107 23-2922471	Healthcare	PA	TJUH Affiliates	C Corporation	0	0	100 000 %	Yes	
(5) Mid-Atlantic Maternal Fetal InstitutePC 925 Chestnut Street Suite 311 Philadelphia, PA 19107 22-3536371	Healthcare	PA	TJUH Affiliates	C Corporation	-19,016	0	100 000 %	Yes	
(6) Externally Administered Trusts			NA			1,157,603			No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Emergency Transport Associates Inc	S	1,685,567	COST
(2) JeffQuip Inc	S	1,152,042	COST
(3) Walnut Home Therapeutics Inc	S	26,886,294	COST
(4) Suthbreit Properties	S	253,493	COST
(5) Jefferson Medical Care	S	7,398,914	COST
(6) Methodist Hospital Foundation	Q	226,949	COST

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Additional Data

Return to Form

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Emergency Transport Associates Inc	S	1,685,567	COST
JeffQuip Inc	S	1,152,042	COST
Walnut Home Therapeutics Inc	S	26,886,294	COST
Suthbreit Properties	S	253,493	COST
Jefferson Medical Care	S	7,398,914	COST
Methodist Hospital Foundation	Q	226,949	COST

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Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2012

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
Thomas Jefferson University Hospitals Inc	GENERAL DEPRECIATION	23-2829095

Part I **Election To Expense Certain Property Under Section 179**
Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	$ 2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	431,195

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g)Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	431,195
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☑ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☑ **No**

(a) Type of property (list vehicles first)	**(b)** Date placed in service	**(c)** Business/ investment use percentage	**(d)** Cost or other basis	**(e)** Basis for depreciation (business/investment use only)	**(f)** Recovery period	**(g)** Method/ Convention	**(h)** Depreciation/ deduction	**(i)** Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1					**28**			
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		**(b)** Vehicle 2		**(c)** Vehicle 3		**(d)** Vehicle 4		**(e)** Vehicle 5		**(f)** Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	**(b)** Date amortization begins	**(c)** Amortizable amount	**(d)** Code section	**(e)** Amortization period or percentage	**(f)** Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions)					
43 Amortization of costs that began before your 2012 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

TJUH System

Consolidated Financial Statements
June 30, 2013 and 2012

Report of Independent Auditors

Board of Trustees
TJUH System
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of TJUH System and its Subsidiaries ("TJUH"), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to TJUH's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TJUH's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TJUH at June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

October 16, 2013

PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1700, 2001 Market Street, Philadelphia, PA 19103-7042
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TJUH System
Consolidated Balance Sheets
June 30, 2013 and 2012

Assets	2013	2012
Current assets		
Cash and cash equivalents	$20,891,724	$8,978,298
Short-term investments	236,680,556	209,396,635
Accounts receivable, less allowance for doubtful accounts of $34,954,000 in 2013 and $28,264,000 in 2012	218,039,151	230,263,063
Inventory	27,024,193	26,660,518
Assets whose use is limited, current	19,257,654	19,466,636
Other current assets	10,363,733	11,068,915
Total current assets	532,257,011	505,834,065
Long-term investments	204,908,451	188,092,841
Assets whose use is limited, noncurrent	75,511,503	50,259,977
Assets held by affiliated foundation	7,787,087	7,199,228
Goodwill	11,417,619	11,417,619
Insurance recoverable	89,659,807	103,039,407
Other noncurrent assets	4,903,706	5,213,983
Land, buildings and equipment, net	532,687,976	539,327,755
Total assets	$1,459,133,160	$1,410,384,875
Liabilities and Net Assets		
Current liabilities		
Current portion of		
Long-term obligations	$2,556,660	$2,683,054
Due to Jefferson Health System	5,823,911	4,940,000
Accrued pension liability	21,000,000	16,789,392
Accrued professional liability claims	12,955,898	12,022,884
Accrued workers' compensation claims	5,486,708	6,814,430
Accounts payable and accrued expenses	125,758,732	135,990,660
Due to Thomas Jefferson University	13,748,045	13,712,794
Accrued payroll and related costs	61,478,829	61,844,039
Total current liabilities	248,808,783	254,797,253
Long-term obligations	7,933,747	25,529,551
Due to Jefferson Health System	305,496,844	292,005,866
Due to Thomas Jefferson University	13,740,636	12,000,000
Accrued pension liability	71,147,112	109,317,127
Accrued professional liability claims	191,865,366	205,692,814
Accrued workers' compensation claims	9,168,075	9,992,523
Other noncurrent liabilities, principally interest rate swap contracts	23,550,622	34,892,080
Total liabilities	871,711,185	944,227,214
Net assets		
Unrestricted	540,905,064	422,697,998
Noncontrolling interest in joint venture	2,192,569	2,152,540
Temporarily restricted	32,026,521	29,117,980
Permanently restricted	12,297,821	12,189,143
Total net assets	587,421,975	466,157,661
Total liabilities and net assets	$1,459,133,160	$1,410,384,875

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

TJUH System
Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2013 and 2012

	2013	**2012**
Operating revenues, gains and other support		
Net patient service revenue	$1,492,460,688	$1,464,348,103
Provision for bad debts	($61,574,013)	($42,256,818)
Net patient service revenue less provsion for bad debts	1,430,886,675	1,422,091,285
Investment income	8,848,518	2,561,363
Other revenue	103,658,202	85,712,888
Net assets released from restriction	2,927,369	2,149,252
Total operating revenues, gains and other support	1,546,320,764	1,512,514,788
Operating expenses		
Salaries and employee benefits	610,120,513	616,430,519
Pension	31,052,646	25,607,814
Supplies	300,737,774	308,034,255
Purchased services	253,881,490	241,295,145
Depreciation and amortization	68,085,503	62,312,041
Interest	9,437,061	9,936,188
Insurance	23,072,439	38,403,799
Utilities	21,154,981	19,503,777
Other	154,773,310	144,278,107
Total operating expenses	1,472,315,717	1,465,801,645
Income from operations	74,005,047	46,713,143
Loss on extinguishment of debt	-	(470,181)
Income from operations after extinguishment of debt	74,005,047	46,242,962
Nonoperating gains (losses)		
Investment earnings	17,915,786	1,233,537
Contributions	880,355	805,690
Contributions expense	(1,935,559)	(2,772,071)
Other, principally interest rate swap contracts	6,237,165	(19,579,264)
Total nonoperating gains (losses)	23,097,747	(20,312,108)
Excess of revenues over expenses	97,102,794	25,930,854
Increase in unrealized losses on investments	(9,696,088)	(3,824,766)
Net assets released from restrictions used for purchase of property and equipment	399,015	1,797,575
Donated capital received	-	4,762,829
Change in noncontrolling interest in joint venture	40,029	1,087,085
Decrease (increase) in pension liability	30,401,345	(41,150,595)
Increase (decrease) in unrestricted net assets	$118,247,095	($11,397,018)

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

TJUH System
Consolidated Statements of Operations and Changes in Net Assets, continued
For the Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted net assets		
Excess of revenues over expenses	$97,102,794	$25,930,853
Increase in net unrealized losses on investments	(9,696,088)	(3,824,766)
Net assets released from restrictions used for purchase of property and equipment	399,015	1,797,575
Donated capital received	-	4,762,829
Change in noncontrolling interest in joint venture	40,029	1,087,085
Decrease (increase) in pension liability	30,401,345	(41,150,595)
Increase (decrease) in unrestricted net assets	118,247,095	(11,397,019)
Temporarily restricted net assets		
Contributions	3,042,381	3,451,650
Interest, dividends, and net realized gains on investments	3,956,429	201,348
Net assets released from restriction	(3,312,859)	(3,946,827)
Change in net unrealized losses on investments	(1,365,270)	(882,329)
Change in assets held by an affiliated foundation	587,860	1,316,274
Increase in temporarily restricted net assets	2,908,541	140,116
Permanently restricted net assets		
Change in net unrealized gains (losses) on externally held trusts	108,678	(133,125)
Increase (decrease) in permanently restricted net assets	108,678	(133,125)
Increase (decrease) in net assets	121,264,314	(11,390,028)
Net assets, beginning of year	466,157,661	477,547,689
Net assets, end of year	$587,421,975	$466,157,661

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

TJUH System
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Increase (decrease) in net assets	$121,264,314	($11,390,028)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
(Decrease) increase in pension liability	(30,401,345)	41,150,595
Depreciation and amortization	68,085,503	62,312,041
Provision for bad debts	61,574,013	42,256,818
Assets held by affiliated foundation	(587,860)	(1,316,274)
Amortization of premium discount	(233,674)	(107,182)
Net realized and unrealized (gains) losses on investments and assets	(10,604,522)	2,612,507
Donated capital received	-	(4,762,829)
Other-than-temporary impairment of assets	15,193	845,051
Net (gain) loss on interest rate swap	(11,427,024)	14,915,969
Joint venture activities	(1,386,511)	(2,352,034)
Other	1,722,720	470,181
Net change due to		
Accounts receivable	(49,350,101)	(59,108,239)
Inventories	(363,675)	(8,986,072)
Other current and noncurrent assets	(1,242,049)	(526,170)
Accounts payable and accrued expenses	(8,666,472)	12,345,043
Payable to Thomas Jefferson University	1,775,887	4,501,216
Accrued pension liability	(3,558,062)	(5,357,423)
Insurance recoverable	13,379,600	(103,039,407)
Accrued professional claims liability	(12,894,434)	114,520,521
Accrued workers' compensation liability	(2,152,171)	332,617
Other liabilities	2,183,596	1,447,737
Net cash provided by operating activities	137,132,926	100,764,638
Cash flows from investing activities		
Short-term investments, net	(26,674,885)	(23,917,063)
Assets whose use is limited, net	(25,042,543)	(28,088,029)
Change in securities lending invested collateral	1,924,173	(254,432)
Purchase of land, buildings and equipment	(62,998,661)	(69,979,619)
Purchases of investments	(346,876,822)	(135,651,840)
Sales of investments	341,545,046	140,740,718
Net cash used in investing activities	(118,123,692)	(117,150,265)

(continued)

TJUH System
Consolidated Statements of Cash Flows, continued
For the Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from financing activities		
Distribution to noncontrolling interest	(2,058,000)	(428,750)
Proceeds from donated capital	-	4,762,829
Change in securities lending payable	(1,924,173)	254,432
Proceeds from long-term borrowings	24,161,059	100,000,000
Repayment of long-term borrowings	(27,274,694)	(109,620,137)
Net cash used in financing activities	(7,095,808)	(5,031,626)
Net increase (decrease) in cash and cash equivalents	11,913,426	(21,417,253)
Cash and cash equivalents at beginning of year	8,978,298	30,395,551
Cash and cash equivalents at end of year	$20,891,724	$8,978,298
Supplemental disclosure of cash flow information:		
Interest paid, net of amount capitalized	$14,507,378	$14,787,785

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

1. Summary of Significant Accounting Policies:

Nature of Operations

TJUH System ("TJUH"), located in Philadelphia, Pennsylvania, is an integrated healthcare organization that provides inpatient, outpatient, and emergency care services through acute care, ambulatory care, physician, and other primary care services for residents of the Greater Philadelphia Region. Effective July 1, 2000, the Board of Directors of Thomas Jefferson University Hospitals, Inc. (the "Hospital") and Jefferson Health System ("JHS") approved a corporate reorganization of the Hospital. The new operating structure, known as TJUH System, includes all former combined entities of the Hospital. TJUH maintains an academic affiliation with Thomas Jefferson University ("TJU"). Related party transactions and their effects on the financial statements are discussed in Note 9. The consolidated financial statements of TJUH include the accounts and subsidiaries of Thomas Jefferson University Hospital, the Jefferson Hospital for Neuroscience Division, the Methodist Hospital Division, TJUH Health Affiliates, the Atrium Corporation and Jeffex, Inc., and the Riverview Surgery Center at the Navy Yard, LP ("Riverview"), a 51%-owned joint venture.

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

Basis of Presentation

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

Principles of Consolidation

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

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make, where necessary, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the accompanying notes. Management considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of the financial statements including, but not limited to, recognition of net patient service revenue, which includes contractual allowances and provisions for bad debt, estimates for healthcare professional and general liabilities, determination of fair values of certain financial instruments, and assumptions for measurement of pension liabilities. Management relies on historical experience and other assumptions believed to be reasonable relative to the circumstances in making judgments and estimates. Actual results could differ from these estimates.

1. Summary of Significant Accounting Policies, continued:

Financial Statement Presentation

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

- **Unrestricted Net Assets** are available for the support of operations and are not externally restricted, although their use may be limited by other factors such as by contract or board designation.
- **Temporarily Restricted Net Assets** include gifts for which donor-imposed restrictions have not been met and trust activity and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted.
- **Permanently Restricted Net Assets** include gifts, trusts, and pledges which require that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

Income Taxes

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

Cash and Cash Equivalents

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

Charitable Medical Care Provided

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

TJUH maintains records to identify and monitor the level of charity care provided. These records include the amount of charges foregone for services and supplies furnished. Such amounts have been excluded from net patient service revenue. Management estimates that the cost of charity care provided by TJUH was $11,013,809 and $11,170,827 for the years ended June 30, 2013 and June 30, 2012, respectively. These amounts do not include the provision for bad debts of $61,574,013 and $42,256,818 in 2013 and 2012, respectively, which are reflected as deductions in net patient service revenue. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue.

1. Summary of Significant Accounting Policies, continued:

Other Uncompensated Community Services (unaudited)
Services are provided to patients in the community who are insured under the Pennsylvania Medical Assistance Program. The cost of providing services to eligible welfare recipients who participate in this program exceeded reimbursement by $68,203,000 and $62,979,935 in 2013 and 2012, respectively.

In furtherance of its exempt purpose to benefit the community, TJUH provides education and training for medical residents, nurses and other healthcare professionals. Amounts expended for these services exceeded reimbursement by $25,063,472 and $25,790,984 in 2013 and 2012, respectively.

TJUH also provides various community services such as the provision of subsidized emergency services, telemedicine services for stroke patients at community hospitals, education for diabetes and heart disease, screenings for stroke and cancer risk, cancer support groups, senior health education, nutritional counseling for obesity, maternal and childbirth education, and youth participation in various work-ready or career preparation programs. Many of these services target areas of health disparity and include working with schools, grassroots organizations and other partners. The net amounts expended for the foregoing services were $31,188,255 and $28,279,793 in 2013 and 2012, respectively.

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

Revenue from the Medicare and Medicaid fee-for-service programs accounted for approximately 20.44% and 2.98%, respectively, and 20.95% and 2.85%, respectively of net patient service revenue in 2013 and 2012, respectively. Most payments to TJUH from the Medicare and Pennsylvania Medicaid programs for inpatient hospital services are made on a prospective basis. Under these programs, payments are made at a pre-determined specific rate for each discharge based on a patient's diagnosis. Additional payments are made to TJUH as a teaching and disproportionate share hospital, as well as for cases that have an extremely long length-of-stay or unusually high costs. Laws governing the Medicare and Medicaid programs are complex and subject to interpretation. Services billed to the Medicare program are subject to external review for both medical necessity and billing compliance. Medicare cost reports for all years before 2009 have been audited and final settled. The 2009, 2010 and 2011 Medicare cost reports have been audited but there has not been a final settlement as of June 30, 2013 attributed to delays in Medicare program finalizing disproportionate share factors. No significant adjustments are expected. In addition, TJUH received funds from the Philadelphia Hospital Assessment program and the Medical Assistance Modernization Act-Quality Care Assessment program in the amount of $71,979,260 in 2013 and the Philadelphia Hospital Assessment program, the Medical Assistance Modernization Act-Quality Care Assessment program and the Medicare Wage Index Group Appeal in the amount of $79,204,891 in 2012, respectively. TJUH paid taxes in respect to these programs amounting to $56,246,017 and $53,874,043 in 2013 and 2012, respectively, and are recorded in other operating expenses. Both programs were designed to provide supplemental funding for licensed acute care hospitals with the Philadelphia Hospital Assessment program specifically designated for hospital emergency services

1. Summary of Significant Accounting Policies, continued:

TJUH has also entered into agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to TJUH under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates and capitated rates. Revenue from the most notable of these types of insurers amounted to 25.81% and 9.94%, respectively, and 28.63% and 8.86%, respectively, of TJUH's net patient service revenue in 2013 and 2012, respectively.

Accounts Receivable, Allowance for Doubtful Accounts, Provision / Expense for Bad Debt
JHS records an allowance for doubtful accounts and bad debt expense for estimated losses resulting from non-payment for accounts receivable for services from patients. JHS accounts for uncollectible accounts receivable balances from third-party commercial insurers as reductions to net patient service revenue rather than bad debt expense. Management routinely evaluates account collection history, economic conditions, and trends in health care coverage in determining the sufficiency of the allowance for doubtful accounts and provision for bad debts. Accounts receivable are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and collection efforts cease.

The allowance for doubtful accounts increased by the bad debt expense of $61,574,013 and $42,256,818 in 2013 and 2012, respectively. The allowance for doubtful accounts decreased due to writeoffs of $54,884,191 and $40,874,303 in 2013 and 2012, respectively.

Land, Buildings, Equipment and Depreciation
Land, buildings and equipment are stated at cost. Depreciation is calculated utilizing the straight-line method based on the estimated useful lives of the underlying assets. Gains and losses from retirement or disposition of fixed assets are recognized in the consolidated statements of operations and changes in net assets as nonoperating income at the time of disposition. Interest cost incurred on borrowed funds during the construction period of capital assets for projects that last 6 months or longer and whose expenditures are $5 million or greater, is capitalized as part of property and equipment as a component of the cost of constructing those assets. Repair and maintenance costs are expensed as incurred. During 2013, TJUH recorded $657,501 of capitalized interest related to prior years. There were no additional interest costs capitalized to construction in progress during 2013.

Goodwill
The amount of the intangible asset is $11,417,619 comprised primarily of assets related to the acquisition of the inpatient ophthalmology program from Wills Eye Hospital and the acute care program from St. Agnes Medical Center. TJUH performed an impairment assessment by comparing the assets' fair value to the carrying value of the goodwill at June 30, 2013 and no impairment charge was warranted.

Inventory
Predominantly, inventories are valued on a cost basis using the first-in, first-out ("FIFO") method.

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

1. Summary of Significant Accounting Policies, continued:

ventures are accounted for under the equity method.

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

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

TJUH followed an endowment spending policy in 2013 and 2012 of 5% of the three-year moving average of the market value of its long-term investment portfolio measured annually at March 31st. As a result of this policy, funds released from restricted long-term investments and amounts withdrawn from unrestricted long-term investments amounted to $1,121,543 and $2,687,116 respectively, and $1,124,455 and $2,682,290, respectively, in 2013 and 2012, respectively. Additionally, funds released from restricted net assets for receipt of external pledges and donor-restricted gifts amounted to $1,805,826 and $1,024,797 in 2013 and 2012, respectively.

Investment in Assets of Affiliated Foundation
The Methodist Hospital Foundation (the "Foundation"), a separate corporation not under the control of TJUH, accepts gifts and bequests and engages in fundraising activities for the benefit of Methodist Hospital. The Board of Trustees of the Foundation, at its sole discretion, is authorized to contribute Foundation funds to Methodist Hospital. Underlying investments held by the Foundation with restrictions benefiting only Methodist Hospital amounting to $7,787,087 and $7,199,228 at June 30, 2013 and 2012, respectively, are presented in the consolidated balance sheets. Net changes in the fair market value of such assets were recorded as changes in assets held by an affiliated foundation in the consolidated statements of changes in net assets.

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

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

1. Summary of Significant Accounting Policies, continued:

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restriction, unless expended for the purchase of long-lived assets, in which case, they are reported as a change in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements

Other Revenue

Other revenue is derived from services other than the provision of health care services or coverage to patients or residents This revenue consists primarily of TJU services income, biomedical services income, retail pharmacy income, rental income, cafeteria income, grant income, and other miscellaneous income

Excess of Revenues over Expenses

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

Reclassifications

Certain prior year amounts in the consolidated statements of operations has been reclassified and certain prior year amounts in the consolidated statements of cash flows have been combined to conform to the current year presentation

Subsequent Events

TJUH has performed an evaluation of subsequent events through October 16, 2013, which is the date the financial statements were issued and none were discovered that needed adjustment to or disclosure in the financial statements

2. Net Assets:

Temporarily and permanently restricted net assets are classified according to donor or time restrictions. Temporarily restricted net assets are restricted for patient care and various healthcare-related expenditures that can be spent in the future subject to certain spending limitations by Pennsylvania statute. Net assets are categorized as follows at June 30, 2013 and 2012:

	2013	2012
Temporarily restricted net assets consist of the following:		
Long-term investments	$19,881,032	$18,295,358
Special purpose funds	11,254,874	9,922,154
Pledges	890,615	900,468
	$32,026,521	$29,117,980
Permanently restricted net assets consist of the following:		
Long-term investments	$7,864,002	$7,864,002
Assets held by affiliated foundation	2,259,295	2,259,295
Externally held trusts	2,174,524	2,065,846
Total	$12,297,821	$12,189,143

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements:

Assets whose use is limited are presented in the consolidated balance sheets at June 30, 2013 and 2012 and consisted of the following:

	2013	2012
Board designated funds for plant replacement and expansion	$75,366,723	$50,125,000
Board designated funds for self-insurance arrangements	18,442,606	18,837,314
Debt service funds	121,428	98,190
Translational Medicine program funds	300,000	300,000
Women's Board and Medical Staff funds	538,400	366,109
Total	$94,769,157	$69,726,613
Less: Current portion	(19,257,654)	(19,466,636)
Noncurrent portion	$75,511,503	$50,259,977

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements, continued:

Short term investments were $236,680,556 and $209,396,635 at June 30, 2013 and June 30, 2012, respectively, and included amounts set aside for working capital obligations Long-term investments were $204,908,451 and $188,092,841 at June 30, 2013 and June 30, 2012, respectively For its long-term investment portfolio, TJUH pools funds with TJU and utilizes the unitization method of accounting for investments in pooled funds TJUH had approximately 31% and 30% of the total shares of the pooled funds at June 30, 2013 and 2012, respectively Also included in long-term investments were non-pooled investments of $2,910,880 and $2,958,445 at June 30, 2013 and June 30, 2012, respectively

Investment income, realized gains and unrealized losses included in the consolidated statements of operations and changes in net assets are comprised of the following in 2013 and 2012

	2013	2012
Investment income included in operating income		
Interest and dividends	$2,163,576	$2,506,430
Net realized gains (losses) on sales of investments	5,338,461	(1,210,016)
Equity in earnings of joint venture	1,346,481	1,264,949
	8,848,518	2,561,363
Investment income included in nonoperating income		
Interest and dividends	1,633,445	1,054,889
Net realized gains on sales of investments	14,009,590	1,296,311
Change in unrealized gains (losses) on alternative investments	2,287,944	(272,612)
Other-than-temporary impairment of assets	(15,193)	(845,051)
	17,915,786	1,233,537
Total	$26,764,304	$3,794,900

Unrealized losses on investments amounted to $7,408,144 (inclusive of gains of $2,287,944 for alternative investments) and $4,097,378 (inclusive of losses of $272,612 for alternative investments) in 2013 and 2012, respectively Except for unrealized gains and losses on alternative investments, all other unrealized gains and losses are included in the change in net assets

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy are as follows

Level 1- Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that TJUH has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements, continued:

Level 3 - Inputs that are not currently observable

Inputs are used in applying the various valuations techniques and broadly refer to the assumption that market participants use to make valuation decisions An investments level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement However, the determination of what constitutes "observable" requires significant judgment The categorization of an investment within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to TJUH's perceived risk of that instrument

Level 1
Investments are based on quoted market prices in active markets Typically, securities traded on the NYSE, AMEX, NASDAQ and other major exchanges will be classified as Level 1 These assets include active listed equities, certain U S government obligations, mutual funds and certain money market securities For investments regularly traded on any recognized securities or commodities exchange, the closing price on such exchange (or, if applicable, as reported on the consolidated transactions reporting system) on the last trading date at the end of the fiscal year is used In the case of securities regularly traded in the over-the-counter market, the closing bid quotations for long positions and the closing asked quotation for short positions on the trading date ending on or preceding the end of the fiscal year is used Level 1 liquidity is daily based on quoted market value at time of transaction or at daily Net Asset Value (NAV)

Level 2
Investments are trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs They include investment- common trust equity and fixed income funds, corporate grade bonds, high yield bonds and certain mortgage products These assets are valued based on quoted market prices in active markets or dealer quotations and are categorized as Level 2 Level 2 liquidity is daily based on quoted market value at time of transaction or at daily NAV

Level 3
Investments have significant unobservable inputs, as they trade infrequently or not at all Level 3 instruments include private equity (direct and fund of funds), real assets investments (real estate, natural resources - direct and fund of funds), hedge funds (direct and fund of funds), and beneficial interests in perpetual trusts and charitable lead trusts held by third parties Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated of future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors TJUH uses the "market approach value" valuation technique to value its investments in private equity and real estate ("private investments") and hedge funds The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities to determine the value

With level 3 investments, TJUH estimates the fair value of an investment company at the measurement date using the reported NAV Adjustment is required if TJUH expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements, continued:

generally accepted accounting principles. TJUH uses the NAV to determine the fair value of all underlying investments which (a) do not have readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Most private investment funds (private equity, real asset funds) are structured as closed-end, commitment-based investment funds where TJUH commits a specified amount of capital upon inception of the fund (i.e., committed capital) which is then drawn down over a specified period of the fund's life. Such funds generally do not provide redemption options for investors and, subsequent to final closing, do not permit subscriptions by new or existing investors. Accordingly, TJUH generally holds interests in such funds for which there is no active market, although in some situations, a transaction may occur in the "secondary market" where an investor purchases a limited partner's existing interest and remaining commitment. The fund managers may value the underlying investment based on an appraised value, discounted cash flow, industry comparables or some other method. TJUH values these limited partnerships at NAV. These interests, in the absence of a recent and relevant secondary market transaction, are classified as Level 3.

Unlike private investment funds, hedge funds are generally open-end funds as they typically offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by such fund's governing documents. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to the investors). The fund managers invest in a variety of securities which may not be quoted in an active market. Illiquid investments may be valued based on appraise value, discounted cash flow, industry comparables or some other method.

The methods described above may produce a fair value calculation that may not be indicative of a net realized value or reflective of future fair values. Furthermore, while TJUH believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to demine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Level 3 liquidity related to private investment funds do not have liquidity or redemption options. Liquidity for private investments can be accomplished via a secondary sale transaction. When available, distributions typically take place on a quarterly basis.

Level 3 liquidity related to hedge funds is quarterly liquidity with ninety days' notice prior to the quarter's end. Liquidity of individual hedge funds vary based on various factors and may include "gates", "holdbacks" and "side pockets" imposed by the manager of the hedge fund, as well as redemption fees which may also apply. Depending on the redemption options available, it may be possible that the reported NAV represents fair value based on observable data such as ongoing redemption and/or subscription activity. In these cases, the NAV is considered as a Level 2 input. Limited partnerships are valued at NAV. However, certain hedge funds may provide the manager with the ability to suspend or postpone redemption (a "gate"), or "hold back" from the payment of redemption proceeds a portion of the redemption (e.g. 10%) until the annual audited financial

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements, continued:

statements are distributed In the case of the imposition of a gate, TJUH does not have the ability to validate or verify the NAV through redemptions Therefore, the interest is generally classified as Level 3

In the cases of a holdback, TJUH considers the significance of the holdback, its impact on the overall valuation and the associated risk that the holdback amount will not be fully realized based on a prior history of adjustments to the initially reported NAV If the holdback is significant, then the interest is generally classified as Level 3

For those private equity, real estate limited partnerships, or hedge-fund of fund transactions where valuations dated on the last business day of the year are available, the valuations will be based on the most recent capital account statement (monthly/quarterly), adjusted for interim cash flow activity (contributions, distributions, fees) Substantially all of TJUH's investments in such funds have been classified within Level 3

The following table presents assets measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of June 30, 2013

	Assets at Fair Value as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Hedge funds	$0	$0	$35,791,547	$35,791,547
Cash & cash equivalents	228,382,824	11,548,212	-	239,931,036
Equity securities	2,608	-	-	2,608
Fixed income securities	63,761,335	84,088,643	-	147,849,978
Mutual funds	-	82,667,870	-	82,667,870
External trusts	-	2,174,524	-	2,174,524
Private equity	-	-	16,304,389	16,304,389
Real estate	-	2,447,140	5,884,572	8,331,712
Total	$292,146,767	$182,926,389	$57,980,508	$533,053,664

Investments recorded at cost at June 30, 2013 totaled $3,304,500

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements, continued:

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

Description	Hedge Fund	Private Equity	Real Estate	Total
Opening balance	$29,485,468	$14,426,510	$5,647,978	$49,559,956
Acquisitions	3,656,920	36,318,919	632,435	40,608,274
Dispositions	-	(44,289,430)	(663,841)	(44,953,271)
Net realized gain (loss)	-	9,305,740	(516,267)	8,789,473
Net unrealized gain (loss)	2,649,055	542,754	784,267	3,976,076
Closing balance at June 30, 2013	$35,791,443	$16,304,493	$5,884,572	$57,980,508

The following table presents assets measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of June 30, 2012

	Assets at Fair Value as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
Hedge funds	$0	$0	$29,485,568	$29,485,568
Cash & cash equivalents	185,790,793	12,208,326	-	197,999,119
Equity securities	22,472,597	-	-	22,472,597
Fixed income securities	-	139,507,736	-	139,507,736
Mutual funds	-	44,958,636	-	44,958,636
External trusts	-	2,065,846	-	2,065,846
Preferred securities	91,430	-	-	91,430
Private equity	-	-	14,426,410	14,426,410
Real estate	-	7,371,193	5,647,978	13,019,171
Total	$208,354,820	$206,111,737	$49,559,956	$464,026,513

Investments recorded at cost at June 30, 2012 totaled $3,189,577

3. Investments, Assets Whose Use is Limited and Assets Held by Affiliated Foundations Fair Value Measurements, continued:

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

Description	Hedge Fund	Private Equity	Real Estate	Total
Opening balance	$25,216,683	$13,060,936	$6,699,612	$44,977,231
Transfer out	-	(105)	-	(105)
Transfer in	-	97	-	97
Acquisitions	13,950,148	3,600,914	968,522	18,519,584
Dispositions	(9,214,118)	(3,661,917)	(2,428,918)	(15,304,953)
Net realized gain (loss)	886,516	449,435	(445,845)	890,106
Net unrealized gain (loss)	(1,353,761)	977,150	854,607	477,996
Closing balance at June 30, 2012	$29,485,468	$14,426,510	$5,647,978	$49,559,956

There were no transfers between Levels 1 and 2 during 2013 and 2012

TJUH has made commitments to various private equity and real estate limited partnerships The total amount of unfunded commitments is $13,396,746 and $12,363,180 at June 30, 2013 and June 30, 2012, respectively, which represents 7.5% and 7.6% of the value of TJUH's pooled investments at June 30, 2013 and June 30, 2012, respectively TJUH expects these funds to be called over the next 3 to 5 years

TJUH's pooled investments at June 30, 2013 include $35,791,547 of hedge fund investments These funds provide for quarterly or annual redemptions and require between 60 and 90 day notice periods, limiting TJUH's ability to respond quickly to changes in market conditions

Investment securities with an aggregate fair value of $753,479 and $2,677,653 at June 30, 2013 and June 30, 2012, respectively, were loaned primarily on a short-term basis to various brokers in connection with a securities lending program These securities are returnable on demand and are collateralized by cash deposits amounting to 103% at June 30, 2013 and June 30, 2012 of the market value of the securities loaned TJUH receives lending fees and continues to earn interest and dividends on the loaned securities

4. Endowment:

TJUH's endowment consists of approximately 122 individual funds established for a variety of purposes The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions

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

The remaining portion of the donor-restricted endowment fund, except for beneficial interests in perpetual trusts, that is not classified in permanently restricted net assets is classified as temporarily

restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA

At June 30, 2013, the endowment net asset composition consisted of the following

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$67,934,184	$19,881,032	$7,864,002	$95,679,218

Also included in permanently restricted net assets were investments in perpetual trust funds of $2,174,524 and assets held by an affiliated foundation of $2,259,295

4. Endowment, continued:

Changes in endowment net assets for the year ended June 30, 2013 consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$62,803,675	$18,295,358	$7,864,002	$88,963,035
Investment return				
Investment income	496,190	211,876	-	708,066
Net realized and unrealized appreciation	6,240,839	2,379,283	-	8,620,122
Total investment income	6,737,029	2,591,159	-	9,328,188
Contributions	48,071	126,058	0	174,129
Appropriation of endowment assets for expenditure	(2,687,116)	(1,126,450)	-	(3,813,566)
Other changes				
Additions/transfers	1,099,997	(5,093)		1,094,904
Reclassification	(67,472)		-	(67,472)
Endowment net assets, end of year	$67,934,184	$19,881,032	$7,864,002	$95,679,218

At June 30, 2012, the endowment net asset composition by type of fund consisted of the following

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$62,803,675	$18,295,358	$7,864,002	$88,963,035

Also included in permanently restricted net assets were investments in perpetual trust funds of $2,065,846 and assets held by an affiliated foundation of $2,259,295

4. Endowment, continued:

Changes in endowment net assets for the year ended June 30, 2012 consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$66,381,352	$19,909,004	$7,871,205	$94,161,561
Investment return				
Investment (loss) income	(355)	3,038	-	2,683
Net realized and unrealized depreciation	(2,111,568)	(679,473)	-	(2,791,041)
Total investment income	(2,111,923)	(676,435)	-	(2,788,358)
Contributions	143,265	257,712	4,000	404,977
Appropriation of endowment assets for expenditure	(2,682,290)	(1,133,070)	-	(3,815,360)
Other changes				
Additions/transfers	1,076,603	(61,853)		1,014,750
Reclassification	(3,332)		(11,203)	(14,535)
Endowment net assets, end of year	$62,803,675	$18,295,358	$7,864,002	$88,963,035

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires TJUH to retain as a fund of perpetual duration Shortfalls of this nature, which are reported in unrestricted net assets, were $5,830 as of June 30, 2013 These shortfalls resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by TJUH's Board of Trustees

5. Medical Resident FICA Refund:

In March 2010, the IRS announced that for periods ending before April 1, 2005, medical residents would be eligible for the student exception of FICA taxes. Institutions that had filed timely FICA refund claims covering periods up through that date are eligible for refunds of both the employer and employee portions of FICA taxes paid, plus statutory interest. As a result of this decision by the IRS, TJUH recorded other revenue of $14,500,000, along with a corresponding accounts receivable in the year ended June 30, 2010. In the year ended June 30, 2013, TJUH received $24,860,000. $10,360,000 was recorded as other revenue and the previously established receivable was fully satisfied.

In addition to the foregoing, TJUH received $25,414,000 on behalf of the medical residents from the IRS, which, in turn, was refunded to the residents during the year ended June 30, 2013.

6. Land, Buildings and Equipment:

A summary of land, buildings and equipment at June 30, 2013 and 2012 is as follows:

	2013	2012
Land and land improvements	$16,566,573	$16,251,573
Buildings and building improvements	573,098,381	560,467,797
Equipment	605,835,412	565,040,331
Leasehold improvements	11,526,093	11,293,827
Work in progress	14,600,449	8,384,972
Subtotal	1,221,626,908	1,161,438,500
Less: accumulated depreciation	(688,938,932)	(622,110,745)
Total	$532,687,976	$539,327,755

Buildings and building improvements, leasehold improvements, and land improvements are depreciated using an average estimated useful life of 20 years. Equipment is depreciated using an average estimated useful life of 8 years. No depreciation expense is taken on land or work in progress. TJUH recorded depreciation expense of $67,752,171 and $61,993,584 in 2013 and 2012, respectively.

7. Long-Term Obligations:

Long-term obligations at June 30, 2013 and 2012 consisted of the following

	2013	2012
The Hospitals and Higher Education Facilities Authority of Philadelphia Series of 2003 Hospital Revenue Bonds (a)	$785,000	$985,000
Mortgage Loan - 925 Chestnut Street (b)	-	19,793,656
Operating Line of Credit (c)	-	225,000
Capital Lease Obligations (d)	9,705,407	7,208,949
Subtotal	10,490,407	28,212,605
Less amounts due within one year	(2,556,660)	(2,683,054)
Total	$7,933,747	$25,529,551

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

The bonds are remarketed weekly by a bank and traded at a rate of 0.26% at June 30, 2013 Interest rates ranged from 0.15% to 0.33% during 2013 TD Bank is the remarketing agent for the bonds The bonds may be converted to a long-term rate or to a short-term rate with a different short-term rate period, as elected by TJUH, following which such bonds will bear interest at a variable rate determined by TD Bank

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

(b) On December 10, 2009, Bank of America N A provided a mortgage loan to TJUH The loan proceeds were used to fund the acquisition of the property located at 925 Chestnut Street, Philadelphia, Pennsylvania The loan bears interest at a rate equal to LIBOR plus 190 basis points with a mortgage-style amortization of 20 years This loan was refinanced in July, 2012 by the 2012 Series C Bonds issued by JHS as described in Note 7 below

(c) The balance outstanding for the line of credit for Riverview was $0 and $225,000 as of June 30, 2013 and 2012, respectively

7. Long-Term Obligations, continued:

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

In 2010, the operating lease for the Voorhees Ambulatory Facility was recharacterized to a capital lease due to a change in terms of the lease agreement The Voorhees Ambulatory Facility was capitalized in the amount of $3,560,794 The original lease was entered into on December 31, 1998 The term of the underlying loan is 25 years which includes rate resets every five years The rate effective January 1, 2009 and for the ensuing five years is 2 55%

A Master Lease Agreement was entered into between Philips Healthcare Informatics, Inc ("Lessor") and TJUH ("Lessee") for a term of 84 months commencing March 1, 2013 in the amount of $4,161,059 Lease payments are due on the first day of each month at a discount rate of 6%

Capital Leases
The following is a schedule by years of future minimum lease payments as of June 30, 2013

2014	2,356,660
2015	1,682,548
2016	845,282
2017	859,760
2018	935,010
Thereafter	3,026,147
Total	$9,705,407

The net book value of property and equipment recorded under capital leases was $11,528,148 and $8,210,371 at June 30, 2013 and June 30, 2012, respectively, representing the building value of the Voorhees Ambulatory Facility, the PACS equipment and certain equipment at Riverview Accumulated depreciation of the property and equipment recorded under capital leases was $3,070,352 and $1,997,546 at June 30, 2013 and June 30, 2012, respectively Depreciation expense on the outstanding obligations under the capital leases was $1,132,153 and $907,702 in 2013 and 2012, respectively

7. Long-Term Obligations, continued:

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

2014	$2,556,660
2015	1,887,548
2016	1,055,282
2017	1,029,760
2018	935,009
Thereafter	3,026,148
Total	$10,490,407

Due to Jefferson Health System

"Due to Jefferson Health System" represents $309,128,564, excluding unamortized premium of $2,192,192, which TJUH has agreed to pay JHS pursuant to a certain Group Debt Allocation Agreement among JHS, TJUH, and MLH, collectively referred to as the "Institutions" This agreement allocates the principal and interest owed in connection with the obligations incurred by JHS under an Amended and Restated Master Trust Indenture, which was originally dated November 1, 1997, (collectively, the "Master Obligations") among the Institutions and certain of their respective members

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

The Series 2005A bonds are remarketed weekly and traded at a rate of 0 12% at June 30, 2013 Interest rates ranged from 0 09% to 0 33% during 2013 UBS Financial Services, Inc ("UBS") is the remarketing agent for the bonds The bonds may be converted to a daily interest rate, long-term interest rate, bond interest term rate, indexed put rate, or auction rate, as elected by JHS The bonds also are subject to optional, extraordinary, mandatory, and mandatory sinking fund redemption prior to maturity

On July 1, 2010, JHS issued $183,395,000 par amount of Series 2010B Bonds to refinance the Series 1997A and 1997B bonds The Series 2010B Bonds were issued through the Hospitals and Higher Education Facilities Authority of Philadelphia as of July 1, 2010 to refinance the outstanding portion of the previously issued Series 1997A and 1997B Bonds

On June 21, 2012, JHS issued $100,000,000 par amount of Series 2012B Bonds through the Montgomery County Industrial Development Authority JHS used the 2012B Bond proceeds to refund the Pennsylvania Economic Development Financing Authority's Thomas Jefferson University Hospital Revenue Bonds, Series 2007

7. Long-Term Obligations, continued:

On September 14, 2012, JHS issued $20,000,000 par amount of Series 2012C Bonds through Bank of America. JHS used the 2012C Bond proceeds to refund the mortgage loan originally to TJUH. The Series 2012C bonds are remarketed monthly and traded at a rate of 1.10% at June 30, 2013. Interest rates ranged from 1.10% to 1.13% during 2013.

As of June 1, 2012, JHS entered into a Seventh Supplement to the Amended and Restated Master Trust Indenture, which was originally dated November 1, 1997, which provides for, among other things, the issuance from time to time of general unsecured debt obligations of JHS. The Seventh Supplement to the Amended and Restated Master Trust Indenture was entered into in connection with the issuance of the Series A of 2012 and the Series B of 2012. None of the Members of JHS are directly obligated to pay the bondholders the principal or interest on any bonds issued pursuant to the Master Trust Indenture. As of June 30, 2013, the Master Obligations aggregated approximately $523,000,564.

In addition, JHS entered into an Amended and Restated Contribution Agreement, dated as of June 1, 2012 with certain TJUH entities and certain MLH entities (the "Institutions") whereby the Institutions have agreed to pay, loan or otherwise transfer to JHS such amounts as are necessary to pay the principal of and interest on the Series 2005A, the Series 2010A Bonds, the Series 2010B Bonds, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2012C Bonds.

The Contribution Agreement and Group Debt Allocation Agreement are based on the debt as allocated and principal and interest repayment amounts will be subject to change if these funds are reallocated. As part of this Contribution Agreement, the rate of interest and the annual maturities on the loan from JHS are commensurate with the rate of interest (varying from 0.09% to 5.25% during 2013) and annual maturities on the JHS bonds.

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

2014	$5,823,911
2015	5,987,104
2016	6,164,827
2017	6,383,772
2018	6,357,257
Thereafter	278,411,692
Subtotal	309,128,563
Plus: net unamortized premium	2,192,192
Total	$311,320,755

7. Long-Term Obligations, continued:

In order to fix its interest rates JHS entered into various interest rate swap agreements with notional amounts of $253,070,000 and $253,770,000 at June 30, 2013 and June 30, 2012 respectively. All of these swap transactions had a forward starting date within 2008. The London InterBank Offered Rate ("LIBOR") British Bankers' Association ("BBA") rates for the one month ranged from 0.19% to 0.25% (average rate of 0.21%) in 2013. The LIBOR BBA rates for the five year ranged from 0.73% to 1.74% (average rate of 0.93%) in 2013.

Expiration Date	JHS Receives	JHS Pays	Notional Amount at June 30, 2013	Notional Amount at June 30, 2012	Balance Sheet Location	Fair Value at June 30, 2013	Fair Value at June 30, 2012
May 1, 2018	68% of United States Dollar Libor BBA (One Month)	3.8570%	$19,670,000	$19,770,000	Noncurrent liability	$2,551,248	$3,352,840
May 1, 2027	68% of United States Dollar Libor BBA (One Month)	3.919%	$74,125,000	$74,300,000	Noncurrent liability	$14,320,036	$20,202,095
May 1, 2027	68% of United States Dollar Libor BBA (One Month)	3.980%	$42,575,000	$42,700,000	Noncurrent liability	$8,460,574	$11,870,986
May 1, 2027	68% of United States Dollar LIBOR BBA (Five Year minus 0.2930%)	68% of United States Dollar Libor BBA (One Month)	$74,125,000	$74,300,000	Noncurrent liability	-$3,138,636	-$1,999,232
May 1, 2027	68% of United States Dollar LIBOR BBA (Five Year minus 0.325%)	68% of United States Dollar Libor BBA (One Month)	$42,575,000	$42,700,000	Noncurrent liability	-$501,516	-$307,960

Nonoperating gains of $11,427,024 and nonoperating losses of $14,915,969 on the swap agreements were included in the consolidated statements of operations in 2013 and 2012, respectively. Accumulated losses of $21,691,706 and $33,118,730 at June 30, 2013 and 2012, respectively, for these transactions are included in other noncurrent liabilities.

7. Long-Term Obligations, continued:

The following table presents liabilities measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of June 30, 2013

	Liabilities at Fair Value as of June 30, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Swap contracts	$0	$21,691,706	$0	$21,691,706
Total	$0	$21,691,706	$0	$21,691,706

The following table presents liabilities measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of June 30, 2012

	Liabilities at Fair Value as of June 30, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Swap contracts	$0	$33,118,730	$0	$33,118,730
Total	$0	$33,118,730	$0	$33,118,730

8. Commitments and Contingencies:

Operating Leases
TJUH has various lease obligations for buildings, equipment and ambulatory facilities Lease expenses charged to operations were $22,510,429 and $20,198,548 in 2013 and 2012, respectively At June 30, 2013 the estimated minimum future non-cancelable rental lease commitments are as follows

2014	$23,103,881
2015	21,949,677
2016	17,101,112
2017	13,799,934
2018	10,880,215
Thereafter	18,983,401
Total	$105,818,220

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

Line of Credit
TJUH had available unsecured lines of credit totaling $15,000,000 and $15,750,000 as of June 30, 2013 and June 30, 2012, respectively Outstanding amounts were $0 and $225,000 as of June 30,

8. Commitments and Contingencies, continued:

2013 and June 30, 2012, respectively The $15,000,000 line of credit expires on April 30, 2014 while the $750,000 line of credit was closed on August 2, 2012

Letters of Credit
TJUH had available open letters of credit aggregating $25,140,000 and $25,440,000 at June 30, 2013 and June 30, 2012, respectively The letters of credit expire between December 31, 2013 and June 30, 2015

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

On November 20, 2009, a class action lawsuit was filed against JHS and the Members by certain hourly employees alleging restitution for unfair business practices, injunctive relief for unfair business practices, failure to pay overtime wages, and penalties associated therewith On September 8, 2011, the Court granted the defendants' motions to dismiss all asserted claims but provided the plaintiffs with thirty days to file a second complaint Plaintiffs filed a second amended complaint on November 10, 2011 Plaintiffs agreed to withdraw the RICO claim and their claims against individual defendants when they were confronted with a Rule 11 letter related to the RICO claim On February 10, 2012, they filed a Third Amended Complaint JHS filed a motion to dismiss the entire Third Amended Complaint On August 8, 2012, the Court dismissed the Third Amended Complaint with prejudice to plaintiffs' claim under the Fair Labor Standards Act The Court dismissed the state law claims without prejudice, allowing plaintiffs to file those claims in state court On September 15, 2012, plaintiffs appealed all orders in this matter The matter is now in the United States Court of Appeals for the Third Circuit All briefs have been submitted and TJUH understands that the court has indicated that no oral arguments will be heard

JHS is unable to determine the cost of defending such a lawsuit or the impact, if any, this action may have on its results of operations

9. Related Party Transactions:

Thomas Jefferson University
Services provided by TJU to TJUH include physician and non-physician personnel and other support services necessary to preserve and maintain the tertiary care capacity of TJUH TJU also provides office and clinical space, as well as administrative, finance, human resources, information technology, maintenance, security, temporary staffing and other ancillary services to TJUH Expenses charged for these services aggregated $190,327,720 and $182,993,313 in 2013 and 2012, respectively The costs in 2013 and 2012, respectively, include $1,740,636 and $12,000,000, respectively to offset a portion of professional liability expense incurred by Jefferson University Physicians ("JUP"), an affiliate of TJU

9. Related Party Transactions, continued:

TJUH provides TJU with certain office and clinical space, as well as housekeeping, catering, employee health, information systems, telecommunications, supply chain management, and other support services. Expenses charged to TJU for these services aggregated $44,130,594 and $38,196,721 in 2013 and 2012, respectively.

Jefferson Health System
TJUH has been charged a management fee, internal audit fees and information systems support costs by JHS of $5,338,645 and $3,890,384 in 2013 and 2012, respectively. TJUH has recorded expense related to the JHS bonds of $8,441,804 and $7,763,141 in 2013 and 2012, respectively.

TJUH has been charged by MLH for management support services, rent, and clinical lab services. Expenses charged for these services aggregated $1,127,075 and $1,168,731 in 2013 and 2012, respectively.

TJUH provided various services to MLH and Magee for biomedical engineering, physician referral, residency program, laundry, pastoral care, accounting management, home health medical directorship, and equipment rental. Expenses charged to affiliates for these services aggregated $2,636,245 and $1,917,054 in 2013 and 2012, respectively.

10. Pension Plan:

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

Items included in unrestricted net assets represent amounts that have not been recognized in net periodic pension expense. The components recognized in unrestricted net assets as of June 30, 2013 and 2012 include:

	2013	2012
Amounts recognized in unrestricted net assets		
Net actuarial loss	$80,945,203	$111,346,548
Total	$80,945,203	$111,346,548

10. Pension Plan, continued:

The following table sets forth the change in the projected benefit obligation and the change in the fair value of plan assets based on the measurement date, as well as the amounts recognized in the accompanying consolidated financial statements at June 30, 2013 and 2012

	2013	2012
Accumulated benefit obligation, end of year	$305,849,093	$310,238,246
Change in projected benefit obligation		
Benefit obligation, beginning of year	$340,207,585	$291,456,291
Service cost	6,892,132	6,182,187
Interest cost	15,714,356	15,904,584
Actuarial (gain) loss	(21,455,372)	33,487,616
Benefits paid	(7,971,071)	(6,823,093)
Projected benefit obligation, end of year	$333,387,630	$340,207,585
Change in plan assets		
Fair value of plan assets, beginning of year	$214,101,066	$201,142,944
Actual return on plan assets, net of expenses	18,221,744	5,163,039
Employer contributions	16,888,779	14,618,176
Benefits paid	(7,971,071)	(6,823,093)
Fair value of plan assets, end of year	$241,240,518	$214,101,066
Net pension liability, end of year	($92,147,112)	($126,106,519)
Amounts recognized in the consolidated balance sheets consist of		
Noncurrent liabilities	(92,147,112)	(126,106,519)
Total recognized in the consolidated balance sheets	($92,147,112)	($126,106,519)

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

	2013	2012
Discount rate	5 15%	4 68%
Rate of compensation increase	3 25%	3 25%

10. Pension Plan, continued:

The following table sets forth the periodic benefit cost activity of the Plan at June 30, 2013 and 2012

	2013	2012
Components of net periodic pension cost		
Service cost	$6,892,132	$6,182,187
Interest cost	15,714,356	15,904,584
Expected return on plan assets	(16,901,589)	(16,943,403)
Actuarial loss	7,625,818	4,117,385
Net periodic cost	$13,330,717	$9,260,753
Other changes in plan assets and benefit obligation recognized in changes to unrestricted net assets		
Net actuarial (gain) loss arising during measurement period	(22,775,527)	45,267,980
Amortization of actuarial loss	(7,625,818)	(4,117,385)
Total recognized in changes to unrestricted net assets	($30,401,345)	$41,150,595

The weighted-average assumptions used in measurement of the periodic pension costs were as follows The net actuarial loss that will be amortized from unrestricted net assets into net periodic benefit cost for FY 2014 is $4,765,409

	2013	2012
Discount rate	4 68%	5 53%
Expected return on plan assets	7 75%	8 25%
Rate of compensation increase	3 25%	3 25%

For its defined benefit pension plan, TJUH pools funds for investment with TJU and utilizes the unitization method of accounting for investments in pooled funds TJUH had 66% and 65% of the total shares of the pooled funds at June 30, 2013 and 2012, respectively

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

	Targeted Range	% of Actual Plan Assets 2013	% of Actual Plan Assets 2012
Cash	0-5%	2%	3%
Global Equity	40-50%	57%	53%
Bonds	35-40%	28%	33%
Real Estate and Other	10-20%	13%	11%
Total		100%	100%

10. Pension Plan, continued:

	Assets at Fair Value as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Domestic equity	$0	$0	$0	$0
Global equity	0	136,124,155	0	136,124,155
International equity	0	0	0	0
Real assets	0	0	1,455,709	1,455,709
Private equity/Venture capital	(79,468)	0	1,954,819	1,875,351
Hedge funds	0	0	29,935,484	29,935,484
Fixed income	4,338,224	63,789,922	0	68,128,146
Cash	(834,300)	4,555,973	0	3,721,673
Total	$3,424,456	$204,470,050	$33,346,012	$241,240,518

	Assets at Fair Value as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
Domestic equity	$26,865,830	$36,367,211	$0	$63,233,041
Global equity	0	10,863,153	0	10,863,153
International equity	0	27,611,108	0	27,611,108
Real assets	0	5,366,579	1,427,841	6,794,420
Private equity/Venture capital	0	56,496	2,713,466	2,769,962
Hedge funds	0	0	24,300,488	24,300,488
Fixed income	0	71,801,243	0	71,801,243
Cash	(3,227,638)	9,955,289	0	6,727,651
Total	$23,638,192	$162,021,079	$28,441,795	$214,101,066

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

The expected long-term rates of return for the Plan's assets are based on the historical return of each of the above categories, weighted based on the target allocations for each class. TJUH has changed the expected long term rate of return for FY 2014 to 7.5% from 7.75%.

10. Pension Plan, continued:

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

Description	Hedge Fund	Real Estate	PE/VC	Total
Opening balance	$24,300,488	$1,427,841	$2,713,466	$28,441,795
Transfer In	-	-	167,536	167,536
Acquisitions	3,155,696	84,529	58,034,519	61,274,744
Dispositions	-	(448,835)	(65,889,734)	(66,338,569)
Realized gain/(loss)	-	(555,985)	7,326,249	6,770,264
Unrealized gain/(loss)	2,479,300	948,159	(397,217)	3,030,242
Closing balance at June 30, 2013	$29,935,484	$1,455,709	$1,954,819	$33,346,012

Description	Hedge Fund	Real Estate	PE/VC	Total
Opening balance	$20,414,492	$1,214,571	$3,710,188	$25,339,251
Acquisitions	14,148,739	185,183	(36,279)	14,297,643
Dispositions	(8,315,993)	(157,477)	(943,442)	(9,416,912)
Realized gain/(loss)	465,609	(503,064)	83,271	45,816
Unrealized gain/(loss)	(2,412,359)	688,628	(100,272)	(1,824,003)
Closing balance at June 30, 2012	$24,300,488	$1,427,841	$2,713,466	$28,441,795

Projected benefit payments for the next ten years are as follows

2014	$10,281,000
2015	11,683,000
2016	13,180,000
2017	14,840,000
2018	16,485,000
2019 - 2022	106,836,000
Total	$173,305,000

In aggregate, TJUH projects it will make contributions of approximately $21.0 million to the plan in 2014

10. Pension Plan, continued:

Effective July 1, 2004, TJUH established a defined contribution plan for the following non-union and non-faculty employee groups: new employees, employees below the age of 50, and, employees with less than 15 years of service. Employees age 50 and over and employees with 15 or more years of service were given the option to stay in the defined benefit plan or switch to the new defined contribution plan. Employees who moved to the new defined contribution plan no longer accrue benefits in the defined benefit plan. Their previously accumulated benefits will be distributed to them upon retirement or termination. The defined contribution plan formula includes a fixed employer contribution of 4.5% and a matching contribution of 25% of the first 6% of employee contributions. Employer contribution expenses were $14,508,555 and $13,843,569 in 2013 and 2012, respectively. An employer contribution of 9% to 13% exists for senior faculty administration based upon age and years of service. Employer contribution expenses for senior faculty administration were $2,019,884 and $2,503,500, in 2013 and 2012, respectively. These amounts have been included in the accompanying consolidated statements of operations and changes in net assets.

Participation in Multiemployer Defined Benefit Pension Plan

Through its affiliation with TJU, TJUH is a participating employer in The Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity (the "Pension Fund"), a jointly-trusteed multiemployer defined benefit pension plan. The Pension Fund is operated for the benefit of Chapter 1199C of the American Federation of State, County and Municipal Employees (the "Union"). Information about the Pension Fund and TJUH's participation is summarized below.

The employer identification number for the Pension Fund is 23-2627428.

TJUH contributions to the Pension Fund were $3,966,157 and $3,607,713 for each of the years ended June 30, 2013 and 2012, respectively. These contributions represent approximately 27% and 25% of contributions to the Pension Fund, respectively.

The collective bargaining agreement with 1199C expired on June 30, 2012. A new six-year agreement was approved on July 1, 2012. For the years ended June 30, 2013 and June 30, 2012, TJUH contributed approximately 12.5% and 10.0%, respectively, of covered payroll to the Pension Fund. The contribution increases to 14% for the year beginning July 1, 2013.

For the Plan Years beginning January 1, 2011 and 2012, the Pension Fund was determined to be in critical status (also referred to as red zone status) under the Pension Protection Act of 2006. Accordingly, the Pension Fund is subject to a funding improvement plan.

At December 31, 2012, the most recent date for which such information is available, the projected benefit obligation of the Pension Fund exceeded the plan assets by $214,382,614.

11. Professional Liability Claims:

TJUH's professional liability insurance program is administered by JHS. TJUH has accrued professional liability claims of $115,161,457 and $114,676,291 at June 30, 2013 and 2012, respectively, of which $12,955,898 and $12,022,884 were current. TJUH has recognized professional liability expenses of $20,851,190 and $35,093,871 in 2013 and 2012, respectively. The interest rate used to discount malpractice claims was 3% at June 30, 2013 and 2012.

The first ("primary") layer of coverage is claims-made coverage with limits of $500,000 per medical incident and $2,500,000 annual aggregate per hospital and $500,000 per medical incident and $1,500,000 annual aggregate per physician. The limits for this primary coverage layer are statutorily prescribed in Pennsylvania. In addition, a $1,000,000 per medical incident and $3,000,000 annual aggregate limit is provided for scheduled dentists, as well as physicians and residents practicing in Delaware and New Jersey. At June 30, 2013 and 2012, TJUH non-healthcare provider entities are provided with a shared $1,000,000 per incident and $3,000,000 annual aggregate limit of liability. JUP non-healthcare provider entities continue to be provided with a shared $1,000,000 per incident and $2,000,000 annual aggregate limit of liability. In addition, at June 30, 2013 and 2012, TJUH non-healthcare provider entities are provided with a shared $1,000,000 per incident and $2,000,000 annual aggregate limit of liability. TJUH and its subsidiaries obtain primary hospital and physician professional liability, miscellaneous professional liability and general liability coverage through a policyholder-owned, Vermont-domiciled, risk retention group, Mountain Laurel Risk Retention Group, Inc. (the "RRG"). For professional liability coverage, the RRG is 100% reinsured by a JHS-owned, Delaware-domiciled, 501(c) (3) sponsored protected cell insurance company, Five Pointe Professional Liability Insurance Company ("Five Pointe").

The RRG retains the general liability coverage exposure. The RRG provides a $2,000,000 per incident and $5,000,000 annual aggregate general liability coverage limit shared by TJUH and the other members of JHS. At June 30, 2013 and 2012, a separate general liability policy with a $1,000,000 per incident and $2,000,000 annual aggregate general liability coverage limit is provided to TJUH. The premiums charged for the primary professional and general liability layers of coverage are determined by an independent outside actuary, based on loss and loss adjustment expense experience and other factors, at a 65% confidence level and a 3% discount rate for 2013 and 2012 and include a charge for premium tax and operating expenses.

The second layer of professional liability coverage is provided through Pennsylvania's Medical Care Availability and Reduction of Error Fund (the "MCARE Fund"). This second layer, required by statute, consists of coverage with limits of $500,000 per incident and $1,500,000 annual aggregate per hospital and per employed physician/resident at June 30, 2013 and 2012. The annual assessments for MCARE Fund coverage are based on the schedule of occurrence rates approved by the Insurance Commissioner of Pennsylvania for the Pennsylvania Professional Liability Joint Underwriting Association multiplied by an annual assessment percentage. This assessment is recognized as an expense in the period incurred. No provision has been made for future MCARE Fund assessments as the unfunded portion of the MCARE Fund liability cannot be reasonably estimated.

Liabilities for TJUH for potential losses in excess of the primary and MCARE layers up to $5,000,000 each medical incident and $5,000,000 aggregate retention excess of a $7,000,000 each and every medical incident retention are based on actuarially-determined estimates, which reflect a

11. Professional Liability Claims, continued:

65% confidence level and a 3% discount rate for 2013 and 2012. These estimates are based on historical information along with certain assumptions about future events. Changes in assumptions for such considerations as medical costs and actual experience could cause these estimates to change.

During 2013 and 2012, TJUH maintained claims-made excess catastrophic professional liability insurance coverage through Five Pointe in the amount of $90,000,000 per medical incident and $90,000,000 annual aggregate after a $5,000,000 each medical incident and $5,000,000 aggregate retention excess of a $7,000,000 each and every medical incident retention (inclusive of the primary and MCARE layers of coverage). During 2013 and 2012, Five Pointe reinsured 100% of this risk to six currently A-rated insurers (ACE, Zurich, Allied World, Berkley, Endurance, and Swiss Re). A separate limit of $90,000,000 per occurrence and $90,000,000 aggregate is also maintained to provide liability insurance coverage excess of the primary general, auto, employers and aviation liability coverages.

The GAAP presentation for insurance claims and associated insurance recoveries for healthcare organizations is required for 2012 and 2013. Under the new guidance, health care entities are required to reflect their "gross" exposure to claims liabilities with a corresponding receivable for insurance recoveries in order to be consistent with other industries. The amount recorded at June 30, 2013 and June 30, 2012 as an other non-current asset and as a portion of non-current accrued professional liability claims is $89,659,807 and $103,039,407, respectively.

12. Workers' Compensation Claims:

Effective July 1, 2002, TJUH began self-insuring its workers' compensation exposures. TJUH accrues for its workers' compensation liability based upon actuarial estimates using a discount rate of 3%. Accrued workers' compensation liabilities were $14,654,783 and $16,806,953 at June 30, 2013 and 2012, respectively. These amounts are presented in the accompanying consolidated balance sheets. Workers' compensation expense was $4,824,470 and $7,447,173 in 2013 and 2012, respectively.

13. Fair Value of Financial Instruments:

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

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

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

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

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

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

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

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

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

The carrying amounts and fair values of financial instruments at June 30, 2013 and 2012 were as follows

	2013		2012	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Balance sheet assets				
Cash and cash equivalents	$20,891,724	$20,891,724	$8,978,298	$8,978,298
Short-term investments	$236,680,556	$236,680,556	$209,521,635	$209,521,635
Investments	$204,908,451	$204,908,451	$188,092,841	$188,092,841
Assets whose use is limited	$94,769,157	$94,769,157	$69,601,613	$69,601,613
Assets held by affiliated foundation	$7,787,087	$7,787,087	$7,199,228	$7,199,228
Balance sheet liabilities				
Long-term debt	$10,490,407	$10,490,407	$28,212,605	$28,212,605
Due to JHS	$311,320,755	$317,290,926	$296,945,866	$312,303,207
Swap	$21,691,706	$21,691,706	$33,118,730	$33,118,730

14. Recent Accounting Pronouncements:

Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows
In October 2012, the FASB issued a new cash flow disclosure requirement related to the disclosure of the classification of sale of proceeds of donated assets The new guidance requires entities to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if the sale of donated financial assets were without any NFP-imposed limitations for sale and were converted nearly immediately into cash This standard is effective for TJUH on July 1, 2013 On adoption, TJUH does not expect a material effect on its financial statements

14. Recent Accounting Pronouncements, (continued):

Services Received from Personnel of an Affiliate

In April 2013, the FASB issued a new requirement related to the recognition of contribution services received from personnel of an affiliate The new guidance requires entities to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity This standard is effective for TJUH on July 1, 2014 On adoption, TJUH does not expect a material effect on its financial statements

Additional Data

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROBERT S ADELSON ESQ TRUSTEE	3 5 2 5	X								
TODD E ALBERT TRUSTEE	1 5 5	X								
JANICE R BELLACE ESQ TRUSTEE	4 5 3 5	X								
DAVID R BINSWANGER TRUSTEE	1 5 1 5	X								
IRA BRIND ESQ TRUSTEE	6 3 2 75	X								
CARTER R BULLER ESQ TRUSTEE	2 5 2 5	X								
THOMAS COSTELLO TRUSTEE	1 0 1 0	X								
ANTHONY J DIMARINO MD TRUSTEE	1 5 1 0	X								
BRIAN HARRISON TRUSTEE	1 0 1 0	X								
MICHAEL J HELLER TRUSTEE	1 5 1 0	X								
RICHARD W HEVNER SECRETARY/TREASURER	5 3 7 25	X								
HAROLD A HONICKMAN TRUSTEE	1 5 5	X								
HYMAN R KAHN MD TRUSTEE	2 5 5	X								
WILLIAM A LANDMAN CHAIRMAN	4 0 3 0	X								
JOSEPHINE C MANDEVILLE TRUSTEE	2 5 5	X								
DAVID P MCQUAID PRESIDENT & TRUSTEE TJUH, INC	40 0 12 0	X		X				1,152,690	0	208,225
THOMAS B MORRIS ESQ TRUSTEE	1 5 1 0	X								
RONALD J NAPLES TRUSTEE	1 5 1 0	X								
PHILIP NIMOTYN MD TRUSTEE	1 5 1 0	X								
ALBERT P PARKER II ESQ TRUSTEE	1 0 1 0	X								
VIJAY M RAO MD TRUSTEE	1 5 1 0	X								
CARO U ROCK TRUSTEE	2 0 2 0	X								
MARK L TYKOCINSKI MD TRUSTEE	1 5 5	X								
ALEX WASILOV TRUSTEE	1 0 1 0	X								
R RICHARD WILLIAMS VICE CHAIRMAN	3 8 2 25	X								

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 (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
CHARLES J YEO TRUSTEE	1 5 1 0	X								
RICHARD C GOZON TRUSTEE	5 5	X						0	0	0
NEIL G LUBARSKY SENIOR VP, CFO, ASST TREASURER	40 0 12 0			X				767,236	0	77,669
RONALD P BURD - THRU 6302012 EXEC VP STRATEGY & ORG DEV	40 0 0 0				X			575,167	0	757,661
STEPHEN TRANQUILLO VP CHIEF INFORMATION OFFICER	40 0 0 0				X			423,075	0	54,394
JAMES E ROBINSON SR VP AND CAO-METHODIST HOSP	40 0 3 0				X			367,479	0	52,631
MARY ANN FITZPATRICK S VP PATIENT SERVICES & CNO	40 0 0 0				X			368,169	0	56,763
REBECCA O'SHEA SENIOR VP CLINICAL	40 0 0 0				X			337,628	0	51,248
GEORGE T RIZZUTO VP CLINICAL & SUPPORT SERVICES	40 0 14 0				X			290,154	0	52,272
RICHARD J WEBSTER CHIEF OPERATING OFFICER	40 0 0 0				X			304,223	0	39,421
NANCY RHODES VP REVENUE CYCLE	40 0 0 0				X			263,334	0	45,692
ROBERT BURKHOLDER VP SUPPLY CHAIN MANAGEMENT	40 0 0 0				X			241,778	0	47,496
ANDREW NATHANS VP FINANCIAL OPERATIONS	40 0 0 0				X			228,165	0	47,747
SHARON MILLINGHAUSEN VP MED/CARDIAC/SPECIALTY SVCS	40 0 0 0				X			214,006	0	36,960
ELEANOR GATES VP SERVICE EXCELLENCE	40 0 0 0				X			203,283	0	44,192
ROBERT DIECIDUE CHAIRMAN ORAL SURGERY	40 0 0 0					X		581,800	0	56,580
STACEY MEADOWS S VP, GENERAL COUNSEL, ASST SEC	40 0 2 0					X		601,338	0	58,454
DANIEL TAUB VICE CHAIR ORAL SURGERY	40 0 0 0					X		494,403	0	49,384
CARMHIEL BROWN SENIOR VP MARKETING	40 0 0 0					X		283,669	0	49,081
HUGH LAVERY SENIOR VP GOV'T EXTERNAL AFFAI	40 0 0 0					X		269,340	0	45,049
THOMAS J LEWIS III FMR PRES, CEO & TRUSTEE TJUH	0 0 0 0						X	1,235,957	0	2,239,933