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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
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 2767

City or town, state or country, and ZIP + 4
YORK, PA 17405

D Employer identification number
23-2899911

E Telephone number
(717)851-3055

G Gross receipts $ 29,936,458

F Name and address of principal officer
Bruce Bartels
PO Box 2767
York,PA 174052767

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 WELLSPAN ORG

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

L Year of formation 1997

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
WellSpan Specialty Services operates a hospital which supports the journey to optimal health and independence by providing exceptional orthopedic and spine surgery and acute rehabilitative care in a healing environment and coordinated through a comprehensive system of care

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**	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	266
6	Total number of volunteers (estimate if necessary)	**6**	58
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	33,982
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-1,070

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	199,571	55,108
9	Program service revenue (Part VIII, line 2g)	2,215,523	29,566,207
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,837	4,200
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,122	310,943
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,446,053	29,936,458
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	5,140,457	16,308,029
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	5,466,265	22,195,356
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	10,606,722	38,503,385
19	Revenue less expenses Subtract line 18 from line 12	-8,160,669	-8,566,927

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	78,513,308	76,526,781
21	Total liabilities (Part X, line 26)	86,637,575	93,217,975
22	Net assets or fund balances Subtract line 21 from line 20	-8,124,267	-16,691,194

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

****** | 2014-05-08
Signature of officer | Date

Michael F O'Connor 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
JEFFREY SCHRAGG				P00234543

Firm's name ▶ BDO USA LLP | Firm's EIN ▶

Firm's address ▶ 8405 Greensboro Drive
McLean, VA 22102

Phone no (717) 893-0600

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

WellSpan Specialty Services operates WellSpan Surgery and Rehabilitation Hospital (WSRH) WSRH's mission is supporting the journey to optimal health and independence by providing exceptional orthopedic, spine and acute rehabilitative care in a healing environment and coordinated through a comprehensive system of care Services are provided to patients without regard for an individual's ability to pay WellSpan Specialty Services also provides home health, hospice, and other health care and personal care to residents of York County, Pennsylvania and the surrounding region through its subsidiaries, VNA Home Health Services and VNA Community Services Each supported organization qualifies for exemption from income tax under Section 501(c)(3) pursuant to Section 509(a)(1)or 509(a)(2) of the Internal Revenue Code of 1986, as amended

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 $ 33,190,063 including grants of $) (Revenue $ 29,566,207)

WellSpan Surgery and Rehabilitation Hospital, a 73-bed hospital, located on the Apple Hill Health Campus, opened on April 23, 2012 WSRH provided a specialized treatment environment for patients requiring orthopedic and spine surgery and created a seamless continuum of care for patients following their discharge from an acute care environment Our modern, patient-centered facility offered advanced orthopedic, spine and neurosurgical treatment, and inpatient rehabilitation for those who needed extra attention before returning to their homes and resuming their lives See Attached Federal Supplemental Information WellSpan Health - 2013 Community Benefit Report

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** ▶ 33,190,063

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		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 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		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI 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		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the 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)*

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**		No
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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, 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**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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	0		
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		No
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	266		
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		
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	0		
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		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		No
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		No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		No
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		No
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		No
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** 10		
	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** 7		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	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**		No
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**		

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 ▶ DAVID RIZZUTO 3350 WHITEFORD ROAD YORK, PA (717) 851-3055

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			
(1) Matthew Doran Chairman	1 00 0 00	X		X				0	0	0
(2) Patrick McGannon MD Secretary/Treas	1 00 0 00	X		X				0	0	0
(3) Steve Merrick Director	1 00 0 00	X						0	0	0
(4) Joy Keller Brown Director	1 00 0 00	X						0	0	0
(5) Dr Judith A Bassett Director	1 00 0 00	X						0	0	0
(6) Bruce Bartels CEO-WellSpan H	1 00 40 00	X		X				0	1,441,893	640,768
(7) Peter Brubaker Director	1 00 0 00	X						0	0	0
(8) Paul Minnich Esq Vice Chair	1 00 0 00	X		X				0	0	0
(9) Michael Barley Director	1 00 0 00	X						0	0	0
(10) Wanda Major Director	1 00 0 00	X						0	0	0
(11) Michael Hamaker VNA President	1 00 40 00			X				0	194,362	48,185
(12) Barbara Yarnish VP- Operations	40 00 0 00			X				205,576	0	57,685
(13) Richard Seim President	1 00 40 00			X				0	1,276,881	345,144
(14) Michael F O'Connor CFO-WellSpan H	1 00 40 00			X				0	574,340	368,141
(15) Rosa Hickey Director Pat Care	40 00 0 00					X		163,315	0	50,581
(16) Terri Tamecki Supr Physical Ther	40 00 0 00					X		100,901	0	74,674
(17) Kristina Gingrich Nurse Manager	40 00 0 00					X		100,939	0	35,908

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 (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			
(18) Joseph Edgar	0 00						X	0	222,435	59,391
Former Secretary/Treasurer	40 00									
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								570,731	3,709,911	1,680,477

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 ▶ 4

			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

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 ▶ 0

Part VIII Statement of Revenue

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

				(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	55,108			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f	▶	55,108			
Program Service Revenue			Business Code				
	2a	W/O -Financial Assistance	621500	-1,028,938	-1,028,938		
	b	W/O - Bad Debt	621500	-619,179	-619,179		
	c	Net Patient Revenue	621500	31,214,324	31,214,324		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f	▶	29,566,207			
	3	Investment income (including dividends, interest, and other similar amounts)	▶	4,200			4,200
	4	Income from investment of tax-exempt bond proceeds	▶	0			
	5	Royalties	▶	0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)	▶	0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)	▶	0			
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events	▶	0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities	▶	0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory	▶	0			
		Miscellaneous Revenue	Business Code				
	11a	Other Revenue	900099	8,997			8,997
	b	Hospital Gift Shop	446199	12,423			12,423
	c	Hospital Cafeteria	722210	289,523		33,982	255,541
	d	All other revenue					
	e	**Total.** Add lines 11a–11d	▶	310,943			
	12	**Total revenue.** See Instructions	▶	29,936,458	29,566,207	33,982	281,161

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	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	263,261		263,261	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	11,662,389	10,218,019	1,444,370	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	799,962	671,316	128,646	
9 Other employee benefits	2,704,869	2,433,352	271,517	
10 Payroll taxes	877,548	721,959	155,589	
11 Fees for services (non-employees)				
a Management	577,850		577,850	
b Legal	1,995		1,995	
c Accounting	198,183		198,183	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	2,869,509	2,427,524	441,985	
12 Advertising and promotion	21,126	2,212	18,914	
13 Office expenses	82,999	58,174	24,825	
14 Information technology	172,605		172,605	
15 Royalties . .	0			
16 Occupancy	131,172		131,172	
17 Travel	33,994	19,444	14,550	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	25,677	19,409	6,268	
20 Interest	4,541,119	4,541,119		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	4,912,519	4,912,519		
23 Insurance	509,482		509,482	
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 Repair & Maintenance	184,301	62,018	122,283	
b Utilities	483,986	483,986		
c Real Estate Taxes	607,137		607,137	
d Medical Supplies	6,575,770	6,425,561	150,209	
e All other expenses	265,932	193,451	72,481	
25 **Total functional expenses.** Add lines 1 through 24e	38,503,385	33,190,063	5,313,322	0
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		1,000	1	1,060
	2	Savings and temporary cash investments		403,299	2	1,338,319
	3	Pledges and grants receivable, net			3	0
	4	Accounts receivable, net		1,939,683	4	5,081,860
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			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			6	0
	7	Notes and loans receivable, net			7	0
	8	Inventories for sale or use		521,035	8	682,725
	9	Prepaid expenses and deferred charges		655	9	150,673
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 74,570,488			
	b	Less accumulated depreciation	10b 5,942,988	75,257,238	10c	68,627,500
	11	Investments—publicly traded securities			11	0
	12	Investments—other securities See Part IV, line 11			12	0
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		390,398	15	644,644
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		78,513,308	16	76,526,781
Liabilities	17	Accounts payable and accrued expenses		5,955,787	17	1,860,744
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		46,691,636	20	59,549,235
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		33,769,727	23	31,682,970
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		220,425	25	125,026
	26	**Total liabilities.** Add lines 17 through 25		86,637,575	26	93,217,975
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		-8,360,240	27	-16,691,194
	28	Temporarily restricted net assets		235,973	28	
	29	Permanently restricted net assets			29	
		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		-8,124,267	33	-16,691,194
	34	Total liabilities and net assets/fund balances		78,513,308	34	76,526,781

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	29,936,458
2	Total expenses (must equal Part IX, column (A), line 25)	2	38,503,385
3	Revenue less expenses Subtract line 2 from line 1	3	-8,566,927
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-8,124,267
5	Net unrealized gains (losses) on investments	5	
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-16,691,194

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		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
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

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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
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

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
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	235,973	6,469,692	5,660,130	5,272,295	6,332,355
b	Contributions	55,108	199,571	36,402	5,000	
c	Net investment earnings, gains, and losses		-438,878	773,160	382,835	-1,060,060
d	Grants or scholarships					
e	Other expenditures for facilities and programs	291,081	5,994,412			
f	Administrative expenses					
g	End of year balance		235,973	6,469,692	5,660,130	5,272,295

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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				
b Buildings		54,262,117	2,500,240	51,761,877
c Leasehold improvements		89,123	996	88,127
d Equipment		20,216,871	3,441,752	16,775,119
e Other		2,377		2,377
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				68,627,500

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) 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
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
Third Party Settlements	125,026
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	125,026

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	29,971,486
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	29,971,486
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	-35,028		
c	Add lines **4a** and **4b**			4c	-35,028
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	29,936,458

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

1	Total expenses and losses per audited financial statements			1	38,503,385
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	38,503,385
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	38,503,385

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
Part X	Part X FIN48 Footnote	In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation NO 48, Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement NO 109, Accounting for Income Taxes (FIN 48), which creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements Under the requirements of FIN 48, tax-exempt organizations could now be required to record an obligation as the result of a tax position they have historically taken or various tax exposure items Prior to FIN 48, the determination of when to record a liability for tax exposure was based on whether a liability was considered probable and reasonably estimable in accordance with SFAS No 5, Accounting for Contingencies On July 1, 2007, the parent company, WellSpan Health, adopted FIN 48 WellSpan Health determined that it does not have any uncertain tax positions through June 30, 2013
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	The funds were used to improve the health and welfare of the residents of York and Adams counties of Pennsylvania

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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
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

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 _____ %			
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)		35	762,031		762,031	1 980 %
b Medicaid (from Worksheet 3, column a)		140	3,050,489	1,500,209	1,550,280	4 030 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		175	3,812,520	1,500,209	2,312,311	6 010 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits						
k **Total.** Add lines 7d and 7j		175	3,812,520	1,500,209	2,312,311	6 010 %

Part II **Community Building Activities** Complete this 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						
8 Workforce development						
9 Other						
10 **Total**						

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

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 458,564			
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 15,178			
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	14,542,857
6	Enter Medicare allowable costs of care relating to payments on line 5	6	15,773,307
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-1,230,450
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures** (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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size 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	WS Surgery & Rehab Hospital 55 Monument Road York, PA 17403	X	X							Orthopedic and Neurosurgery & Rehab	

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 WS Surgery & Rehab 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 beginning 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**	Yes	
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**		No
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)*

			Yes	No
Financial Assistance Policy				
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 0000% 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 300 0000% 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)			
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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

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 VI - States Where Community Benefit Report Filed	PA
	Part VI - Affilated Health Care System Roles and Promotion	WellSpan Health is an integrated health system serving the Adams-York county region As a community-based, not-for-profit organization, WellSpan is dedicated to improving the health and well-being of the people it serves WellSpan will assume a leadership role and develop partnerships with other organizations to improve access to coordinated, high-quality, cost-effective health care services, educate the health care providers of tomorrow, promote healthy lifestyles and lifelong wellness, and make its local communities healthier, more desirable places to live, work, and play WellSpan Surgery and Rehabilitation Hospital works with other parts of the system to provide a comprehensive approach to meeting community needs WellSpan Health includes Gettysburg Hospital, York Hospital, WellSpan Surgery and Rehabilitation Hospital, Apple Hill Surgical Center, VNA Home Health, WellSpan Medical Group, South Central Preferred, WellSpan Pharmacy, Gettysburg Hospital Foundation, York Health Foundation, WellSpan Provider Network and Healthy York Network/Healthy Community Pharmacy WellSpan Surgery and Rehabilitation Hospital's community benefit report is contained in a report prepared by their parent organization, WellSpan Health See Attached Federal Supplemental Information WellSpan Health - 2013 Community Benefit Report

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	Our involvement and support of a county health coalition - Healthy York County Coalition - has engaged more than 200 community members in community health improvement initiatives Our involvement and support of a county health coalition - Healthy York County Coalition - has engaged more than 200 community members in community health improvement initiatives This year, the coalition has reorganized, under its new Coordinator, in an effort to continue to leverage the talents of the community The Coalition consists of three committees, Prevention and Wellness, Access and Empowerment and Community Engagement, each of which continue to attract new community members, leaders and professionals Coalition activities also focus on key community health priorities, as identified in the 2012 CHNA, and foster collaboration between health care entities, community-based organizations, and other interested parties For example, the Healthy York County Coalition, in partnership with Healthy Adams County and WellSpans Health Community Health and Wellness department, distributed a 15 question survey to primary care providers in York and Adams Counties The survey asked about current processes for screening and treatment of depression in the primary care setting, the availability of and linkage to existing community resources, and opportunities to better manage patients with depression Survey results provided critical background information that will be used to improve depression screening in primary care settings, enhance community awareness of depression, and advocate for system level changes that would bring more providers and services to the area in the future Additionally, in response to a growing concern about end of life care in our community, the Coalition is encouraging community members to consider the conversation and learn more about end of life care, planning and preparation As a charitable, community-based healthcare organization, we are committed to improving the lives and well-being of the people and communities we serve This dedication is evident in our organizational mission statement - "Working as one to improve health through exceptional care for all, lifelong wellness, and healthier communities " Employees at WellSpan Health practice its mission statement every day by engaging in community benefit activities that address the needs of the community, especially those focused on the four health priorities identified in the 2012 CHNA access, adult overweight/obesity, depression, and tobacco For example, through the second annual 10 Pound Throwdown Challenge, more than 1700 community members are actively learning about and participating in a fun and competitive online weight management program At the midpoint of the twelve week challenge, participants reported losing more than 3500 pounds Comparatively, our dedication to developing Patient Centered Medical Homes (PCMH) will improve the management of patients with complex behaviors and physical health issues, including those with depression Coupled with our increased understanding of the existing depression screening and referral process, we have begun to implement system and community strategies to better manage community members diagnosed with depression Lastly, WellSpan Health continues to support and promote tobacco cessation programs throughout the community and is enhancing the referral process for providers, community organizations, and employers By partnering with individuals and other organizations, supporting their endeavors, sharing our knowledge and expertise, and learning from one another, together we are creating a healthier community In addition to community benefit items outlined in Schedule H, we actively engage community members as organizational partners to reinvest in the health of our community by providing Board and committee leadership opportunities, encouraging patient feedback that improves care through advisory groups, and, engaging diverse stakeholders on community-based taskforces that address complex community health issues Both in the hospital and across our health system, community members actively volunteer their time to support activities and initiatives, and generously donate funds to the organization
	Part VI - Community Information	To the casual observer, our service area could be described as one community The combined population of York and Adams counties is over 545,000 people This population is expected to increase by 4% or 21,000 people over the next five years The York/Adams population is growing older While the 18-44 age group comprises the largest segment of the population, this group will experience nominal growth through 2017 Most growth will occur in the 45-64 (4% or 6,300 people) and the 65+ (18% or 14,000 people) age groups This shift is occurring as the baby boom generation ages, as people live longer due to healthy lifestyles and medical advances, and as retirees move from the Baltimore/Washington metro area to Southern York and Adams counties to find a safer, lower cost lifestyle Although the overall population growth projected for the York/Adams area over the next five years is moderate, the changing demographic profile of the population will result in elevated incidence rates for both acute and chronic disorders that present themselves ever increasingly as the population ages York County is situated in south-central Pennsylvania The County is bordered by Adams and Cumberland Counties to the west and north respectively and the Susquehanna River and Lancaster County to the east Northeast of the River lies Dauphin County and the southern border is the Mason-Dixon line which forms the border with Maryland and its northernmost counties of Carroll, Baltimore and Harford York County is approximately 911 square miles or 583,040 acres and is comprised of 72 municipalities, 35 townships, 36 boroughs and one (1) city Generally and historically, employment rates are better than state and national averages but the composition of the workforce contains more manufacturing, production and tourism related business An assessment of general health status is gathered as part of Community Health Assessments The percent of adults in York County rating their health as fair or poor was 14 0% Our in-depth knowledge of the community, gathered through community health assessments and focused studies during the past 15 years, however, show that our service area is not made up of one community but of many, with social and health factors that are significantly impacting its health The number of uninsured has remained stable at approximately 6 5% but continues to be a major barrier to access to oral health, medical care and pharmaceuticals, and the incidence of chronic disease in on the rise

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	Our organization has been working to improve access to care - based on the community health assessment's prioritization of medical, dental and oral health access as high A key element of our strategy in addressing this need is to reach beyond simply informing patients about our patient assistance policies to proactively identifying patients without access and connecting them to available public and community programs Outreach is conducted through programs like Health Connect, a mobile health program which travels throughout the county and takes care of immediate medical issues, while seeking opportunities to link unconnected individuals with a primary care provider and health insurance and charity care options WellSpan also sponsors case managers within Healthy York Network (HYN) to support patient enrollment in public programs (i e , Medicaid), health insurance marketplace options or in its own HYN discounted care program, which is based on the charity care guidelines of health care providers In this time of healthcare reform, Healthy York Network has focused on communicating changes clearly to members and has provided support in directing members to the health insurance marketplace and other resources Finally, through a multi-year initiative to ensure awareness among all people who qualify for charity care and financial assistance, our website has been updated, our enrollment processes and late bill communications have been simplified, the provision and availability of financial support resources at high visibility care sites has improved, and our partnership with our local Federally Qualified Health Center (FQHC) for early identification and qualification of patients has been strengthened
	Part VI - Needs Assessment	Our organization engages community partners in conducting a comprehensive Community Health Needs Assessment (CHNA) every three years Our focus is to understand the health status and behaviors of those residing in York County, prioritize results and identify community needs, and respond to those needs through the implementation of evidence-based strategies In the recent 2012 Assessment, 1004 York County adults were interviewed and served as a sample of the patients with whom our organization daily interacts These individuals are geographically distributed cross 48 zip codes and represent the diversity - age, gender, race/ethnicity, educational background, and socioeconomic status - of the community our organization serves The 2012 CHNA process was led by a Community Health Assessment Planning Committee, a multidisciplinary collaborative comprised of at least twelve agencies interested in the health needs of the community, including "Two acute care facilities "One integrated health care delivery system"Two county-level health coalitions"A local Federally Qualified Health Center (FQHC)"The local city health bureau"A local behavioral health counseling agency"Two local United Way branches"Area colleges and universities"A non-profit community foundationHistorically, Planning Committee members contribute in-kind staff hours to the Community Health Assessment process, utilize data to integrate priority interventions into their respective organizational plans, and assist with disseminating results to the community at-large Except for the Healthy York County Coalition and participating colleges and universities, member organizations also financially support the community health assessment process, including a contractual agreement with an opinion research department at a local college to collect and analyze data, and generate necessary reports Health coalition staff time spent during the assessment process and in monitoring this contract is considered an in-kind contribution When initially convened, Planning Committee members determined deliverables to be included in a Request for Applications (RFA) to fund an entity that would conduct the assessment, analyze results, and summarize the findings Responsibility for recent community health assessments was shared between both the Healthy York County Coalition and its sister coalition in Adams County, Healthy Adams County , to maximize economies of scale and identify shared priorities across the region However, separate reports are generated to demonstrate respective community priorities and to meet regulatory requirements The CHNA typically engages two components - primary data collection through implementation of the Behavioral Risk Factor Surveillance System (BRFSS) and secondary data collection available through online state or national level resources Members of the Planning Committee partnered with the funded community health assessment entity to finalize BRFSS questions and approve the identified sample size For the 2012 CHNA, the Planning Committee elected to correlate community health results with potential disparities (e g age, geographic area, poverty, race/ethnicity) to obtain additional detail about community needs Previous health assessments have included qualitative data obtained through focus group results on key topics (e g behavioral health, substance abuse) In 2012, Planning Committee members elected to disseminate CHNA results and establish priorities for the community at-large and in their respective organizations at a local Health Summit held in June 2012 CHNA findings were also distributed through smaller organizational forums and in press releases Health Summits have demonstrated efficacy to convene a larger group of interested parties including community-based organizations (YMCA/YWCA), faith communities, healthcare insurers and providers, law enforcement agencies, local school districts, social service organizations, and, the general public to brainstorm about how to effect community change that improves health status and encourages positive health behaviors As with past assessments, the lead researcher for the 2012 CHNA served as the keynote speaker and presented the overall results A combination of general and breakout sessions were then employed to identify priorities and associated programmatic opportunities The 2012 CHNA provided the most robust data, to date, and has enabled our organization to better integrate its results into our annual organizational and entity-level planning processes Our system-wide Community Benefit Council, comprised of representation from both acute care facilities, and service line and corporate leadership, reviewed the CHNA results and identified four key priorities for the organization, including each of our three hospitals adult overweight/obesity, avoidance of healthcare because of cost, depression, and, tobacco use CHNA results continue to be shared at varying levels of our organization and are foundational to the creation of entity-level objectives and associated evaluation indicators in our community health implementation strategy Our CHNA was finalized and made available to the public in fiscal year 2013 The implementation strategy for WellSpan Health (The WellSpan Community Health Improvement Plan) was developed during fiscal year 2013 and is attached to this return The CHNA process is continuous in that, for example, 2012 Plan objectives are being implemented as planning for the 2015 Community Health Needs Assessment is underway

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 7 - Explanation of Needs Not Addressed and Reasons Why	Public health research recommends that a root cause approach be utilized to address many chronic disease, diabetes, respiratory ailments, and overweight/obesity A focus on improving healthy eating and physical activity behaviors and reducing tobacco use has demonstrated efficacy in reducting the impact of various chronic conditions A few cardiovascular indicators were ranked high by Community Benefit Council members, but not selected as priorities These include those who have high blood pressure and high cholesterol, and those who have been told that they have heart disease, heart attack, or stroke risk indicators Council members felt that the root causes of these conditions - unhealthy eating, physical inactivity, and tobacco use - were already part of the selected priorities - adult overweight/obesity and tobacco use
Number of Hospital Facility - 1	Part V, Line 5c - Description of Making Needs Assessment Widely Available	The 2012 Community Health Needs Assessment (CHNA) results were released to the community at a public forum in the summer of 2012 Results from the CHNA are available on the Healthy York County Coalition website (www healthyyork org) and the WellSpan Health website (www wellspan org) and also upon request

Identifier	ReturnReference	Explanation
Number of Hospital Facilty - 1	Part V, Line 4 - List Other Hospital Facilities that Jointly Conducted Needs Assessment	York Hospital and Gettysburg Hospital
Number of Hospital Facilty - 1	Part V, Line 3 - Account Input from Person Who Represent the Community	Our organization engages community partners in conducting a comprehensive Community Health Needs Assessment (CHNA) every three years Our focus is to understand the health status and behaviors of those residing in York County, prioritize results and identify community needs, and respond to those needs through the implementation of evidence-based strategies In the recent 2012 Assessment, 1004 York County adults were interviewed and served as a sample of the patients with whom our organization daily interacts These individuals are geographically distributed across 48 zip codes and represent the diversity - age, gender, race/ethnicity, educational background, and socioeconomic status of the community our organization serves The 2012 CHNA process was led by a Community Health Assessment Planning Committee, a multidisciplinary collaborative comprised of at least twelve agencies interested in the health needs of the community, including Two acute care facilitiesOne integrated health care delivery systemTwo county-level health coalitionsA local Federally Qualified Health CenterThe local behavioral health counceling agencyTwo local United Way branchesArea colleges and universitiesA non-profit community foundationHistorically, Planning Committee members contribute in-kind staff hours to the Community Health Assessment process, utilize data to integrate priority interventions into their respective organizational plans, and assist with disseminating results to the community at-large Except for the Healthy York County Coalition and participating colleges and universities, member organizations also financially support the community health assessment process, including a contractual agreement with an opinion research department at a local college to collect and analyze data, and generate necessary reports Health coalition staff time spent during the assessment process and in monitoring this contract is considered an in-kind contribution

Identifier	ReturnReference	Explanation
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	Guidelines for suggested minimum number of phone attempts and letters to be sent before the account is turned over to an outside collection agency are included in the Patient Administrative Services Policy Upon final PARO (Payment Assistance Rank Ordering) scoring, if a patient qualifies for presumptive charity, their account would not be forwarded to any third party collections It shall be the policy of Patient Administrative Services to recommend accounts to Bad Debt on a timely basis Inpatient/Outpatient accounts will go to bad debt automatically after the account has been in the financial class Pending Bad Debt for 30 days All accounts must follow the approved limits for refunds and write offs, as established in Policy PF-102, before being transferred The primary agencies will work the accounts for 6 months or until they feel it is uncollectable and return the account The accounts are forwarded to secondary agencies from the primary agencies Closed and Return Reports The financial class is changed to Bad Debt Other after the Closed and Return Reports are received from the Secondary Agency The agencies must get written approval from the manager in the relatively rare instance of legal action being taken to collect the debt
	Part III, Line 8 - Explanation Of Shortfall As Community Benefit	WellSpan Surgery and Rehabilitation Hospital (WSRH) maintains records to identify and monitor the level of charity care and community service it provides These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity care and community service policies and the estimated cost of these services Payments from Medicare are generally less than WSRH's costs of providing the service

Identifier	ReturnReference	Explanation
	Part III, Line 4 - Bad Debt Expense	The Company provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness or inability of patients to make payments for services The allowance is determined by analyzing specific amounts and historical data and trends Patient accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Company ceases collection efforts Losses have been consistent with management's expectations in all material respects
	Part III, Line 3 - Methodology of Estimated Amount & Rationale for Including in Community Benefit	The estimate of bad debt attributable to charity care policy was calculated by dividing the bad debt amount that was originally coded bad debt but later found to qualify as charity care by the amount coded to the charity care write-off codes This ratio is applied to the bad debt cost factor expense

Identifier	ReturnReference	Explanation
	Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense	The number was calculated using the cost to charge ratio factor applied against actual patient bad debt write-offs These numbers are included after all efforts have been exhausted to determine if the patient meets our charity care write-off policy based on federal poverty levels
	Part I, Line 6a - Related Organization Community Benefit Report	Community Benefit Information is included in the Community Benefit Report for WellSpan Health

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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
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

Part I Questions Regarding Compensation

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

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				
(1)Terri Tamecki Supr Physical Ther	(i)	98,934		1,967	6,479	68,195	175,575	
	(ii)							
(2)Rosa Hickey Director Pat Care	(i)	151,986	11,329		18,863	31,718	213,896	
	(ii)							
(3)Richard Seim President	(i)							
	(ii)	401,115	132,330	743,436	296,235	48,909	1,622,025	132,330
(4)Michael Hamaker VNA President	(i)							
	(ii)	177,802	16,560		10,055	38,130	242,547	
(5)Michael F O'Connor CFO-WellSpan H	(i)							
	(ii)	429,893	135,960	8,487	325,915	42,226	942,481	135,960
(6)Joseph Edgar Former Secretary/Treasurer	(i)							
	(ii)	187,440	31,343	3,652	25,691	33,700	281,826	
(7)Bruce Bartels CEO-WellSpan H	(i)							
	(ii)	777,484	254,363	410,046	589,055	51,713	2,082,661	249,150
(8)Barbara Yarrish VP-Operations	(i)	175,635	29,941		23,744	33,941	263,261	
	(ii)							

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
Sch J, Part I, Line 1a	Part I, Line 1a Relevant information in regards to selections on 1a	Bruce Bartels, WellSpan CEO, received additional compensation to cover the tax on personal use of his company vehicle

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

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	See Schedule O											

Part II Proceeds

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

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?								
15	Were the bonds issued as part of an advance refunding issue?								
16	Has the final allocation of proceeds been made?								
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?								

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?								
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?								
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 ▶	%		%		%		%	
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?								
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?								
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?								
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?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?								
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?								
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?								
b	Name of provider								
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?								
7	Has the organization established written procedures to monitor the requirements of section 148?								

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	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?								

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Andstadt Communications	CEO Doran	776,057	Marketing & Print WSH Affi		No
(2) Barley Snyder LLC	Partner Minnich	514,268	Legal Services WSH Affil		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

Identifier	Return Reference	Explanation
	Schedule K - Tax-Exempt Bonds	$412,230,0000 of Revenue Bonds for WellSpan Health Obligated Group, Series 2008A, 2008B, 2008C and 2008D were issued 11/12/2008 by General Authority of Southcentral Pennsylvania The purpose of this bond issue was to refund bonds issued 5/13/2002, 5/17/2005, 6/16/2005, and 6/5/2007 WellSpan Health, the parent organization, allocated portions of the proceeds of this tax-exempt bond issue to York Hospital (22-2517863), Gettysburg Hospital (23-1352220), WellSpan Properties (22-2842252), and WellSpan Specialty Services (23-2899911) In order to remain consistent with the reporting on Form 8038, all outstanding liabilities associated with this tax-exempt bond issue is reported on the WellSpan Health (22-2517863) Schedule K As of 6/30/13, the allocation of the Debt Capital program was as follows York Hospital $225,290,225 (59 34%), WellSpan Properties $59,679,933 (15 72%), WellSpan Health $2,388,675 (63%), WellSpan Specialty Services $60,222,365 (15 86%) and Gettysburg Hospital $32,093,802 (8 45%) These amounts are reported on the respective balance sheets (Part X Line 20)for each of these entities The 11/12/2008 issue included reissuance of all unspent proceeds from the refunded 2007 bond issue Total proceeds of issue includes the original 11/12/2008 issue plus investment earnings on transferred proceeds and the short investment of proceeds between date of issue and payoff on 12/1/2008 An arbitrage rebate and yield restriction compliance analysis for the General Authority of Southcentral Revenue Bonds (WellSpan Health Obligated Group) Series 2008ABCD for the period of November 12, 2008 to November 11, 2013 was performed in accordance with the applicable sections of the Internal Revenue Code and the related Federal Regulations in effect during the Computation Period As of the Interim Computation Date of November 11, 2013, the Gross Proceeds of the Bonds have not accrued a liability during the Computation Period

Identifier	Return Reference	Explanation
	Investments	Income from building construction fund was netted against interest expense and was included in construction in progress under property plant and equipment All other income from investment was transferred to VNA Home Health Services, a subsidiary of WellSpan Specialty Services per court required restriction on income from the funds

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Governing documents, policies, and financial statements are available upon request

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	The Compensation Committee of WellSpan Health is responsible for rewarding and reinforcing key executives for the achievement of annual and long-term performance objectives The Compensation Committee shall consist of not more than six (6) persons, of whom two (2) shall be the Chairman and Vice Chairman of the Board of the Corporation, and the remaining members shall be such other persons as may be appointed by the Chairman of the Board of the Corporation, with the approval of the Board of Directors, provided, however, that the Compensation Committee shall not include any persons who are employed by the System The Chairman of the Board of Gettysburg Hospital shall participate The role of the Compensation Committee is to set the Executive Compensation Philosophy for the system and ensure adherence, evaluate performance and establish compensation for the WellSpan President, evaluate team performance of the executive team and establish awards, review and approve senior executive base salary ranges, and oversee employed physician compensation programs The Committee will approve salary ranges for each executive position and review incumbent salaries annually The Committee will be responsible for reviewing the President's salary each year, and if warranted, authorizing an adjustment to maintain competitiveness The President will have the authority to make salary adjustments for subordiate positions The Committee is responsible for approving and authorizing payment of the performance awards The Committee will approve and authorize payment of the President's performance awards Integrated Healthcare Strategies, Inc , based in Minneapolis Minnesota is the external consultant to the committee This consultant focuses exclusively on executive and physician compensation in the health care industry In summary, the executive and physician compensation review process consists of the following 1) Cash compensation reviewed annually 2) Cash compensation reviewed by external consultant biennially 3) external total compensation (cash, incentives, benefits, perquisites) reviewed by external consultant periodically 4) Process is integrated with compensation analysis for other WellSpan positions 5) Committee decisions are documented in minutes maintained in Human Resources

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	Officers, directors, and key employees fill out a WellSpan Health Conflict of Interest Disclosure Statement questionnaire annually The questionnaire is administered by the Internal Audit Department of WellSpan Health, the Parent Company There shall be full disclosure by any Director having a business or personal interest or relationship which may be in conflict with the interests of the Corporation After such disclosure the Director shall abide by the determination of the Board of Directors as to whether a conflict exists, the extent to which, if at all, the Director will be permitted to be present during the Board of Directors' discussion of the matter in which the Director may be interested, and whether the Director will be permitted to participate in such discussion and cast a vote in such matter

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11b	Form 990, Part VI, Line 11b Form 990 Review Process	Management provided an electronic copy of the form 990 to each voting member of the organization's governing body, prior to its filing with the IRS The organization's finance management team provided a presentation to the Audit Committee on the organization's 990 return

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b	Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	Except as specifically reserved to the member by law, the Articles of Incorporation, or the Bylaws, all rights of member(s) as set forth under the Nonprofit Corporation Law of 1988 are assumed by the Board of Directors The business and affairs of and the responsibility and authority for governing the Corporation shall be vested in the Board of Directors Notwithstanding the foregoing paragraph, the authority of the Board of Directors to exercise the following powers is subject to the ratification of the Board of Directors of WellSpan (a) the adoption of operating, personnel and capital budgets (b) any voluntary dissolution, merger, or consolidation of the Corporation or the sale or transfer of all or substantially all of the Corporation's assets or the creation or acquisition of any subsidiary or affiliate corporation of the Corporation, (c) the borrowing of any sum which has a stated term greater than one year or which is secured by a security interest in the Corporation's assets or revenues or by a mortgage of all or any part of the Corporation's real property, if any, (d) the adoption of a strategic plan for the Corporation, and (e) the adoption, amendment, revocation of these Bylaws or the Articles of Incorporation

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	The Board of Directors shall be composed of twelve persons, at least seventy-five percent of whom shall not be employed by the Corporation or any entity affiliated with either the Corporation or WellSpan The appointment of the Directors shall be subject to the ratification by WellSpan

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	WellSpan Health is the sole member of WellSpan Specialty Services

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Employer identification number
23-2899911

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	(g) 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) Community Healthcare Imaging Partners PO Box 2767 York, PA 174052767 23-2444154	MRI Center	PA	NA					No			No	
(2) Cherry Tree Cancer Center LLP PO Box 2767 York, PA 174052767 23-2915628	Radiation	PA	NA					No			No	
(3) Littlestown Heatlh Care Partners 300 West King Street Littlestown, PA 17340 23-2880464	Lease facil	PA	NA					No			No	
(4) Q-WH LLC PO Box 2767 York, PA 174052767 20-8226561	GP of CHIP	PA	NA					No			No	
(5) Central PA Alliance Laboratories LLC PO Box 2767 York, PA 174052767 23-2910950	Ref Lab	PA	NA					No			No	
(6) Apple Hill Surgical Center Partners PO Box 2767 York, PA 174052767 23-2489452	Surgical Cn	PA	NA					No			No	

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) Apple Hill Condominium Association PO Box 2767 York, PA 174052767 23-2504543	Condo Mgmt Association	PA	N/A	Homeowner Assoc					No
(2) Wellspan Provider Network PO Box 2767 York, PA 174052767 23-2907828	Coord managed care risk contract	PA	NA	C Corp					No
(3) York Health Plan PO Box 2767 York, PA 174052767 23-2664989	Preferred Provider Organization	PA	NA	C Corp					No
(4) Wellspan Reciprocal Risk Retention Group PO Box 2767 York, PA 174052767 20-0048457	Risk Retention Group	PA	NA	C Corp					No
(5) WellSpan Pharmacy Inc PO Box 2767 York, PA 174052767 23-2374072	dispenses Rx & provides IV therapy	PA	N/A	C Corp					No

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

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

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties 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	Yes
d	Loans or loan guarantees to or for related organization(s)	1d	Yes
e	Loans or loan guarantees by related organization(s)	1e	Yes
f	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	Yes
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	No
o	Sharing of paid employees with related organization(s)	1o	No
p	Reimbursement paid to related organization(s) for expenses	1p	Yes
q	Reimbursement paid by related organization(s) for expenses	1q	No
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	No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

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: 12000229
Software Version: 2012v2.0
EIN: 23-2899911
Name: WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation	

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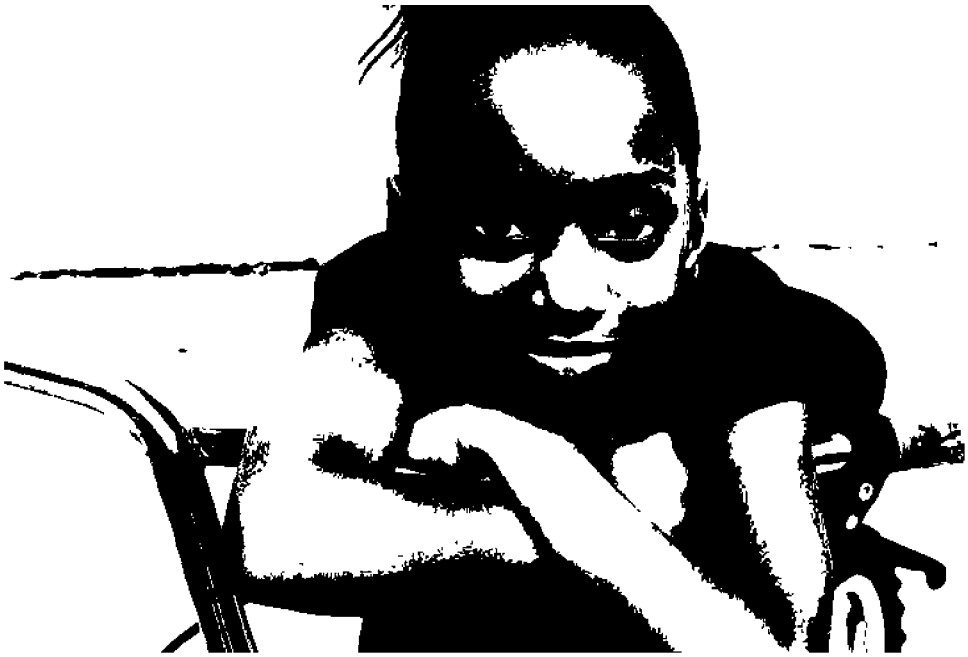
WELLSPAN®
HEALTH

2013 Community Benefit Report

Table of Contents:

How We Help



Every member of our community deserves the care they need

At WellSpan, it is our core belief that access to health care is one of the keys to a healthy community Yet, in York and Adams counties, there are nearly 40,000 individuals who live without adequate health insurance

This community health problem cannot be ignored and requires careful planning and forethought Fortunately, WellSpan has done both

We take measures to care for those who have no insurance and are unable to pay We offer discounted care to individuals whose income falls within 300 percent of federal poverty guidelines Additionally, all uninsured patients, regardless of whether they qualify for charity care, receive discounts similar to those offered by private insurance companies We offer free care to patients who participate in our charity care program

Together with our community partners, we support programs to take primary care and other services into urban and rural communities, improve access to oral health care and help people establish a “medical home” with a primary care physician

Helping the uninsured make community health connections

Wally, age 35, arrives at WellSpan's HealthConnect van at the York County School of Technology with a painfully swollen, bruised index finger on his right hand

The nail is dark and the finger is stiff Wally slammed the door shut on his finger as he tried to prevent a child from running into his car door

"No good deed goes unpunished," jokes Wally

Wally has no health insurance He works as a temp since losing his full-time job last year

Sarah, Wally's wife, does not work enough hours to afford a health insurance premium They do not pay for health insurance in order to meet their expenses for shelter, food and raising their 10-year-old son, Dennis

While Wally is being examined, Sarah talks with a care coordinator about her depression She realizes she would feel better if she took her antidepressant, but the cost is too high

She shares her worries about Wally not being able to work because of his injured finger, she worries that she might be late to work and that it could lead to her losing her job

The HealthConnect staff consists of physicians, nurse practitioners, care coordinators, drivers/clerks, volunteers, administrative and maintenance staff They provide care and help families make the health connections they need

Wally needs an antibiotic for his finger Wally and Sarah want to pay for the prescription because personal pride is important to them

The staff calls the Healthy Community Pharmacy, a program of Healthy York Network's community effort to address needs of people who are uninsured and underinsured The pharmacy is able to fill the prescription for an affordable fee and it will be ready in an hour

A Healthy York Network application is given to the family with instructions on where, when and how to complete and deliver it for review Wally and Sarah understand that it is not insurance, but a discount program for support

Wally takes the order to have an X-ray completed and is told that the provider will call him with results Wally knows that he can come back to HealthConnect for follow up, if needed The goal, however, is for Wally and Sarah to develop a relationship with a primary care provider for ongoing care

WellSpan can help them reach that goal

Before they leave the HealthConnect van, they receive information about the importance of good dental hygiene, toothbrushes and some kid-friendly reading materials about dental hygiene for Dennis Sarah also gets a phone number for Crisis Intervention, in case her depression and negative thoughts get worse

Staff members reinforce Wally and Sarah's positives—their parenting skills, their commitment to each other and their willingness to partner with HealthConnect to make a positive impact on their health

They also receive a card with the date of their visit to HealthConnect, the names of staff members they met and a phone number for non-urgent questions

Wally and Sarah are among the more than 800 patients the HealthConnect team treated from July 2012 through June 2013

"Our job is to help the uninsured make community health connections," said Kelly Osmolinski-Smith, manager of Community Health Connections "Our goal is a healthier community despite the individual's resources Our patients are our neighbors in York and Adams counties "

WellSpan's HealthConnect is a community-based medical outreach program designed to "connect" uninsured families with the medical services and health care programs that they need through a mobile service regularly provided in York and Adams counties.

In 2013, WellSpan Health provided over $205 million in care for the uninsured and underinsured

The net cost of care provided in 2013

- Charity Care $22 1 million in free care to patients who participated in our charity care program
- Medicare $88 9 million in cost greater than what was paid to WellSpan by Medicare
- Medicaid $68 million in cost greater than what was paid to WellSpan by Medicaid
- Uncompensated Care $26 million in services to patients who received care for which they did not pay and who did not participate in the charity care program
- Community Education and Outreach $6 5 million in free community education and outreach to children and at-risk groups, and the community at large (including adults)
- Medical, Dental and Pharmaceutical Care $15 1 million to support services that provided discounted medical, dental and pharmaceutical care to people in need

Programs for the uninsured that WellSpan supported in 2013

Initiatives we support	Who benefits?	Our progress in 2013
HealthConnect, a mobile health care program that provides basic primary care services and helps individuals find a medical home	Individuals who lack sufficient health insurance	812 visits 435 new patients 33 referrals to a primary care physician
Healthy York Network and Healthy Community Pharmacy, a collaborative effort that facilitates access to discounted health care services and prescription medication	Individuals who lack sufficient health insurance	$31 million of care provided to more than 8,294 members 9,215 new members enrolled 45,427 prescriptions filled
Community Health Workers, who help people navigate the health care system, enroll in public assistance programs and implement health outreach programs	Individuals who lack sufficient health insurance and people of disparate populations	331 individuals were assisted with access to healthcare and enrollment in health assistance programs such as Healthy York Network
Family First Health's Hannah Penn Health Center, a partnership of WellSpan York Hospital, Family First Health and the City of York School District	Underserved adults and children, including those who lack sufficient health insurance and those with Medicaid	3,071 acute and preventive medical visits 489 dental visits
York Hospital Community Health Center, which provides primary care services, women's health care, HIV care and pediatric care for medically complex conditions	Adults and children who lack sufficient health insurance	23,632 primary care visits and 15,303 obstetrics and gynecology visits

Initiatives we support	Who benefits?	Our progress in 2013
Thomas Hart Family Practice Center, which is staffed by resident and faculty physicians at WellSpan York Hospital and provides acute, chronic, preventive and obstetric care	Adults and children, many of whom lack sufficient health insurance	25,798 patient visits
Family First Health's Gettysburg Center, a federally qualified community health center that WellSpan supports to provide medical and dental services in Adams County	Underserved adults and children of Adams County, including those who lack sufficient health insurance and those with Medicaid	Actively supported the center and its ability to attract 5,342 patients during the past year Provided dental care to 2,536 patients who are uninsured and those with Medicaid
The George W T Bentzel, DDS Dental Center, which is staffed by licensed dentists and residents from the WellSpan York Hospital Dental Residency Program	Adults and children, many of whom lack sufficient dental insurance	14,237 outpatient visits
Hoodner Dental Center	Individuals who lack sufficient dental insurance and who qualify for Medical Assistance or the Healthy York Network	5,934 visits

Healthy Communities

Collaboration is vital to making an impact on our community health

At WellSpan, we wholeheartedly agree with the World Health Organization's assessment that health is "a state of complete physical, mental and social well-being, not merely the absence of disease or infirmity " And we recognize the dangers and issues facing a community that cannot achieve this level of health

To help our communities become healthy places to live, work and play, we are constantly planning for the future, developing partnerships, building community assets, engaging citizens, and sponsoring initiatives Our efforts are broad based and wide reaching, but so is the need We believe that our progress, on all fronts, continues to make a difference

Saving victims of sudden cardiac arrest through community action

A 19-year-old Gettysburg College student takes a routine jog through the battlefield Suddenly, she grows weak and collapses It's a sudden cardiac arrest

Each year, more than 350,000 Americans suffer the same experience Less than 10 percent survive

An automated external defibrillator (AED) can make all the difference It sends an electric shock to the victim's heart to restore a normal rhythm

"An AED's shock to the heart—when applied within six minutes after the event—significantly increases a person's chance of survival," said Deb Sheets, RN, WellSpan Community Health Improvement

Sheets is the coordinator of WellSpan's Operation Heartbeat program, which places AEDs across rural Adams County Operation Heartbeat AEDs can be found in a variety of public spaces, and inside every police cruiser in the county

"In many emergencies, police officers arrive on the scene first," Sheets explained "So we're placing AEDs in patrol cars and making sure the officers are trained on them "

Fortunately for the young college student, Operation Heartbeat also stocks the ranger vehicles at Gettysburg National Military Park As she lay unconscious, an alert ranger retrieved an AED and applied its two sticky pads to her chest The briefcase-sized device went to work, analyzing her abnormal heartbeat and delivering its lifesaving shock

The student made a full recovery She graduated in the spring of 2013 and returned to thank the rangers

At least five other people have been saved with Operation Heartbeat AEDs since the program's inception in 2001

"When one of our AEDs saves a life, we recognize the law enforcement officer or community member who played a part in that save," said Kevin Alvarnaz, director, WellSpan Community Health Improvement

Recently, Operation Heartbeat replaced its 70 aging AEDs with brand new units—and added a dozen new ones—thanks to funding from a federal grant Nancy Newton, a grants officer with WellSpan, said federal officials were impressed by public outpouring for the program

"All of the different police departments were so supportive of this project," Newton said "So were the Gettysburg Adams Chamber of Commerce and the national military park "

The federal grant also enabled Operation Heartbeat to begin offering free CPR and AED classes to the public

"It's not just about placing AEDs out there in the community," Alvarnaz said "It's about training lay people in AED use, so that they feel ready to respond in the case of an emergency "

For more information or to sign up for WellSpan's CPR and AED classes, contact Kevin Alvarnaz at (717) 851-3232

Community health initiatives WellSpan supported in 2013

Initiatives we support	Issues they address	Our progress in 2013
Healthy Adams County, a partnership of community members dedicated to continuing assessment, development and promotion of efforts toward improving physical, mental and social well-being	Health literacy, healthy lifestyles, oral health, depression, planning for end of life and access to affordable and nutritious foods	• Held the sixth annual Adams County Health Summit for nearly 100 health and human services professionals and community residents which focused on mental health issues • Established committee focused on end-of-life issues and provided community education • Food Policy Council completed second Healthy Options Program for families in the food gap in coordination with the Adams County Farmers Market Association and printed the third installment of the Local Foods Guide for Adams County
Healthy York County Coalition, an ongoing, independent collaborative effort dedicated to improving the health and wellness of York County	Health literacy, healthy lifestyles, oral health, quality health care for the chronically ill, school wellness	• Oral Health Task Force produced a brochure to educate mothers on the importance of oral health care for infants and toddlers
Reach Out and Read	Early childhood literacy	• 5,494 books distributed to children ages six months to five years
SAFE, teams of specially trained Emergency Department nurses at WellSpan York Hospital and WellSpan Gettysburg Hospital	Domestic violence and child abuse	• Provided care to more than 300 patients
Community sponsorships	Health and quality of life across south central Pennsylvania	• Over $500,000 in sponsorships to area organizations and contributions to local government and school districts

Initiatives we support	Issues they address	Our progress in 2013
Community Partnership Grants	Health and quality of life across south central Pennsylvania	$292,900 provided to support • York County Community Foundation • York College Department of Nursing – Nurse Managed Centers and WellSpan Health collaboration • York County Literacy Council • HACC York Campus (Nursing eLab) • United Way of Adams County • Healthy Adams County/Food Policy Council • Manos Unidas Hispanic-American Center • Junior Achievement (STEM Summit) • York Academy Regional Charter School (Simpson Station Playground) • YMCA of York County (LifeStrong Program) • Family First Health (Nurse Family Partnership Program) • Healthy Adams County (AmeriCorps VISTA) • Heathy Adams County (Empowerment through Exercise Program) • YMCA of York and York County • Healthy York County Coalition • York Hospital Community Health Center
Outreach to the Latino population	Childhood obesity, early prenatal care, Latino health	• Provided mammography screening education to 19 Latino women, including information regarding recommended preventive screenings • Educated 232 Latino community members on local resources for healthcare, including how to access services through Healthy York Network, where to go for a family doctor and how to access eye screening services and providers • Encouraged 57 Latino families to take a Smoke Free Home Pledge
Project SEARCH, a school-to-work program for area students with disabilities	Real-life work experience and preparation for employment	• Provided total immersion in the workplace for ten area students • Partnership with Lincoln Intermediate Unit (LIU), the Office of Vocational Rehabilitation (OVR) and York/Adams Mental Health/Mental Retardation

Lifelong Wellness

Sometimes healthier living starts with simple behavior changes

At WellSpan, we recognize that unhealthy behaviors can harm an individual, a family and an entire community We also recognize that simple behavior changes and access to the right information can make all the difference in promoting lifelong wellness That's why we create, support and contribute to numerous programs designed to lay the groundwork for healthier living

Annual leadership conferences inspire 7th-graders across York and Adams counties

The impact of bullying. Managing feelings of isolation. Lessons on Internet and cellphone safety. Self-discovery and goal setting. Avoiding unhealthy behaviors.

These are just a few of the important topics that seventh grade students across York and Adams counties receive during special one-day leadership conferences each October

Supported by WellSpan, the annual young women's and young men's leadership conferences in both counties are designed to educate, encourage and empower young people

Seventh grade girls and boys are the focus of the conferences for a reason Research shows that self-esteem among kids often declines around seventh-grade

"It's a really difficult time in their life as they're growing up," said Dianne Moore, RN, manager, Women's Health and Clinical Quality, WellSpan, who helps to coordinate events in both counties "We're trying to plant seeds with some positive messages about reaching their greatest potential and about the importance of being a leader "

At both young women's conferences, held respectively at Gettysburg College and York College, the girls listen to a keynote presentation on important topics and then attend workshops on issues ranging from health and body image to peer pressure and healthy relationships to career choices

The speeches and workshops give the students "take-home" messages Every topic is aimed at this age group Each presenter provides a take-home message that enhances the students' personal leadership and their wellness

Separate, same-day leadership events for the boys feature a keynote speaker and guests who discuss key issues aimed specifically to the male audience

The young people who experience the events have shared how it allowed them to talk openly about the common problems they face, like friendship and relationship issues, reaching their goals and overcoming self-consciousness

Students have shared personal stories on the challenges of breaking away from a crowd and forging their own path The conference teaches students about following their dreams and finding ways to make those dreams a reality

They also learn that their dreams can sometimes be clouded by unhealthy behavior - like using drugs or alcohol, developing eating disorders, joining a gang or being involved in unhealthy friendships or relationships

"The age group is mature enough to absorb the information and start building a foundation for lifetime skills and good decision-making," said John Wagner co-chair of the planning committee for the Adams County leadership conferences

Lifelong wellness initiatives WellSpan supported in 2013

Initiatives we support	Our progress in 2013
Adams County Young Women's/Young Men's Annual 7th Grade Leadership Conference	• More than 1,205 attended, topics included Internet safety, respect, healthy body image, stress management, movement, healthy choices and relationships, nutrition, careers, goal setting and leadership skills
The York County Young Women's Leadership Conference	• More than 1,120 seventh-grade girls attended, topics included social hierarchies and teen relationships, gender aggression, stress management, healthy body image and goal setting
Inpatient and outpatient tobacco education and cessation at WellSpan York Hospital and WellSpan Gettysburg Hospital	• More than 4,900 children and adults participated in programming ranging from distribution of education resources to one-on-one cessation counseling
Numerous programs that encourage healthy eating and physical activity among young people and adults	• 60 individuals completed an hour-long *Steps to a Healthier You* class, 53 people in York County and 5 in Adams County participated in the eight-week *A Healthy You* program focused on healthy weight management • Partnered with eight area middle schools to implement wellness policies that support healthy eating and physical activity • Awarded more than $1,700 in fitness equipment to seven schools in York and Adams counties, which will benefit approximately 3,000 students • Challenged approximately 3,340 students to accumulate 1,260 minutes of physical activity over a 21-day period through the Kids on the Move program • Distributed *Market Basket of the Month* resource kits to promote fresh produce items to participating schools and expanded offering at four community market sites in York County
Children's Wellness Days, sponsored by the WellSpan York Hospital Auxiliary	• More than 1,300 third-grade students from public and private schools attended
York County Countdown2Drive program participant	• Program promoted safe driving and being a safe passenger, and encourages communication to 300 students age 13-15 and their guardians

Initiatives we support	Our progress in 2013
SafeKids injury prevention programs for children and parents, and bicycle, car seat, home and pedestrian safety initiatives	• 1,631 children and adults participated in bike and pedestrian events • 849 children and adults participated in Buckle Up Community events • Provided inspection of 434 children car seats and provided 52 car seats to low income members of the community • 67 local law enforcement officers, health and human service professionals, and hospital personnel participated in child passenger safety training • 814 children and adults engaged in home safety events • 780 children and adults received educational information on safe sports
GO York community initiative to promote physical activity and summer reading	• An estimated 11,152 *GO and Search the Galaxy* program guides were distributed by York County libraries with 1,283 returned at the program's completion Participants who returned their guides collectively walked 14,970 miles
Roads to Freedom, a community initiative in Adams County to create active learning around 150th anniversary of the Battle of Gettysburg	• An estimated 1,368 program guides were distributed through local libraries and visitor's centers, with 184 returned at program completion to verify participation Participants who returned their program information walked a minimum of 1,582 miles at various locations throughout Adams County

Chronic Care

Living better with a chronic illness

For 125 million Americans, chronic illness is a never-ending problem that in many cases limits their lives, their sense of freedom and joy Yet, with prevention, education, detection, treatment and care, many of these chronic conditions can be managed and even alleviated Clearly, a better life is a better plan To help achieve it, WellSpan works with individuals across south central Pennsylvania and northern Maryland on a variety of services and programs conceived and designed to improve the lives of those with chronic illness

Heart disease patients learning the art of stress reduction

The future for patients suffering from heart disease is uncertain

They must cope with changes in lifestyle and limitations One question on the minds of many of these patients is, "How long do I have to live?"

"Heart disease patients often experience up and down times and this plays on their emotions," said Joann Smith, a nurse practitioner with the Heart Failure Clinic, WellSpan Gettysburg Hospital

"They often experience depression, anxiety, fatigue and pain "

Recognizing this, the WellSpan Center for Mind/Body Health collaborated with the Heart Failure Clinic, part of WellSpan Heart and Vascular, to develop a stress reduction class for cardiac outpatients The class was open to anyone in the community with a cardiac diagnosis, along with their family member or caregiver

Julie Falk, a nurse and yoga instructor who trained at the Center for Mindfulness at the University of Massachusetts Medical School, is teaching the eight-week class to 18 patients

She teaches meditation and gentle yoga as tools for relaxation and to identify conscious thought patterns that foster stress

"Once people mindfully evaluate the way they think and behave, they are able to reduce their sources of stress," offered Falk She said many patients with heart disease have difficulty keeping their mind in the present

"They are constantly projecting into the future," said Falk "We work with them to learn to live in the present moment, which is the only time we can ever influence anything Learning to use their breath to calm and re-orient themselves gives them some control "

Smith and Falk agree that patients have responded well to the stress reduction class

"Most patients realize that stress has had a big impact on their lives," said Smith "It can affect their sleep, their mood and their outlook on life

"Patients tell me that the class is helping them," added Smith "I can see a difference in their attitudes "

Smith, Falk and nurse Laura James are using a grant from the Beryl Institute to conduct a research project with the group

In preparing the research proposal, a lot of literature supporting this type of program for cancer patients was found There were, however, only a few published studies showing the benefits of mindfulness-based stress reduction training and its effect on cardiac patients

As part of the study, class participants had their depression, anxiety, fatigue and pain measured pre-class Those factors will be measured post-class

"We're giving patients the tools to help them reduce stress," said Smith "This is not just another pill "

Smith and Falk are optimistic that the study will show positive results

Plans are to offer the class again and to perhaps extend it to patients with other chronic diseases in the future

Chronic Care initiatives that WellSpan supported in 2013

Initiatives we support	Our progress in 2013
Aligning Forces for Quality (AF4Q), a community collaborative funded by the Robert Wood Johnson Foundation that engages leaders, consumers, physicians, nurses, employers and insurers to improve the quality of care	• Implementation of patient partner program with nearly 60 community members who work directly with WellSpan primary and specialty care providers in quality improvement activities, 36 physician offices and six clinics engaged in quality improvement collaborative and regional payment reform
For Heart's Sake, an outreach initiative for uninsured and underinsured African-Americans residing in York City	• Community Health Improvement held its seventh annual "For Heart's Sake" screening event in northeastern York City, 32 community members attended In addition, the lay health leader network assisted in the coordination of nutrition education classes which featured demonstrations of how to prepare traditional African American cuisine in a healthy way Lay health leaders brought 21 community members with them to the cooking classes
Stress Less, a program designed to help adults overcome daily stressors by learning to relax, breathe, and adapt to stress	• 77 attendees across programs in York and Adams counties
Camp Green Zone, a five-day event which teaches children ages 6-12 how to control their asthma	• 34 young people participated
Community screening programs in Adams County	• Screenings such as blood pressure and blood glucose were provided to 3,674 individuals in Adams County at multiple venues Additionally, flu vaccines were offered to community members, including free vaccine distributed by the Department of Health to underserved groups More than 1,000 flu and pneumonia vaccinations were given throughout Adams County

Learning

Care for the next generation of our community starts today

At WellSpan, we believe in the power of new ideas, new approaches, new discoveries and new people That's why we sponsor programs that train the next generation of physicians, nurses and other clinical professionals These programs allow us to stay abreast of new techniques to prevent, detect, diagnose and treat medical problems, and ensure an adequate supply of essential clinicians for the future

WellSpan's York Cancer Center is helping to lead the fight against Breast Cancer

Rita Allison, 59, of York, was in her last year of teaching at Dallastown's Loganville-Springfield Elementary when she was diagnosed with stage 1 breast cancer Her treatment plan required two surgeries followed by 33 radiation treatments

Prior to beginning radiation, the team at WellSpan's York Cancer Center informed her of her eligibility for a clinical breast trial to determine if radiation therapy is more effective with or without Herceptin in preventing subsequent occurrences of breast cancer Allison was selected to be part of the control group for the study

"I think it is great," says Allison "I am thrilled to be part of something that has the potential to advance breast cancer treatment "

As part of the clinical trial, Allison receives check ups and mammograms every six months for five years

"I feel safer because of the regular check ups," remarks Allison "Once you finish radiation, it's like—now what? But being part of this study has allowed me to help advance treatment and get very regular monitoring I feel safer "

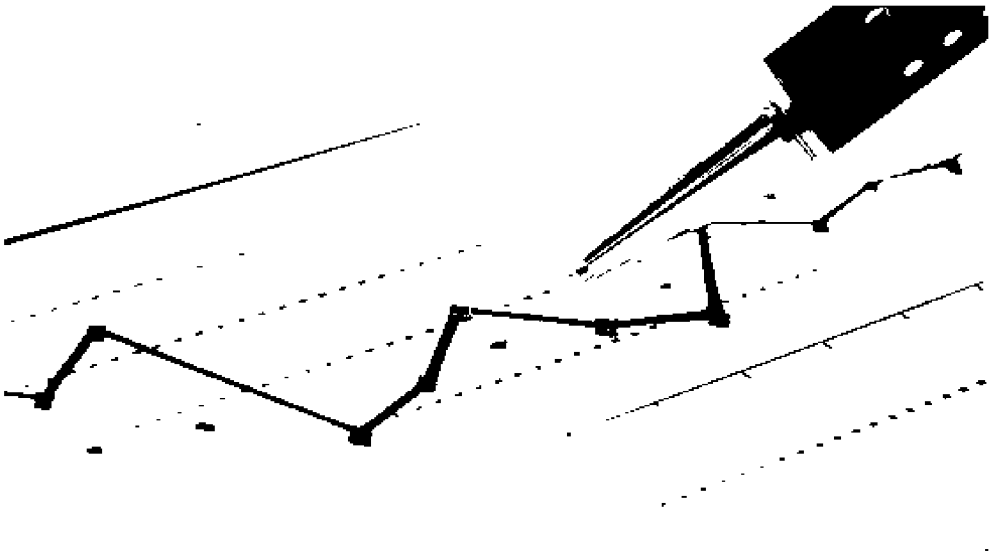
Allison was so grateful for the care that she received at the York Cancer Center that she and a friend started volunteering at WellSpan

"I am so fortunate to be where I am today and be able to give back I split my time between volunteering in pediatrics and at the cancer center I just love it I am blessed "

Learning initiatives that WellSpan supported in 2013

Initiatives we support	Our progress in 2013
Clinical Trials	More than 700 patients participated in the following trial categories breast cancer, prostate cancer, skin cancer, esophageal cancer, colon cancer, lung cancer, cancer of the head and neck, depression in cancer patients receiving radiotherapy, coronary artery disease, coronary artery stents, cardiac arrest, chronic heart disease, seizures in adults and pediatrics, cervical dystonia, facial paralysis, pneumonia, orthopedic treatment and prevention, lung function and pain management
Medical Education	More than 675 residents, visiting medical students and visiting residents cared for patients who don't have a primary care physician These professionals provide outreach and education for the community, and they often stay in our community long after their training is complete WellSpan York Hospital actively participated in training for nurses and allied health professionals, including clinical pastoral care, pharmacy residencies and internships, clinical laboratory science, nurse anesthetists, respiratory care, radiography, nuclear medicine technology and continuing education for emergency medical service personnel

2013 WellSpan Stats and Achievements



Who We Are

At WellSpan Health, we are proud to be part of the communities of Central Pennsylvania That's why we are committed to understanding local health care needs and working with physicians, community leaders and area residents to establish services and programs where people live, work and play

By offering a vast array of inpatient, outpatient, home health and physician services and by partnering with other organizations and community physicians, we make it possible for people to find and access the health services that they need, without having to travel far from home

By working as one coordinated health care organization, we are transforming care through sophisticated clinical information technology and creating innovative new models as a means to create a high quality, exceptional patient experience

Our charitable, non-profit mission:
Working as one to improve health through exceptional care for all, lifelong wellness and healthy communities

Our health system at a glance:

- **A valuable community resource** that provides more than $30 million each year in uncompensated medical and outreach services

- **More than 11,000 employees, volunteers and physicians**

- **Highly skilled primary care and specialty physicians and providers**, including more than 660 members of the WellSpan Medical Group

- **47 outpatient health care locations**, which offer diagnostic imaging, laboratory, rehabilitation, primary care, retail pharmacy,walk-in health care and other essential services

- **A regional home care organization**, WellSpan VNA Home Care

- **Four respected hospitals** WellSpan York Hospital, WellSpan Gettysburg Hospital, WellSpan Surgery & Rehabilitation Hospital and Ephrata Community Hospital

- **Regional referral services** in heart and vascular care, oncology, women and children services, orthopedics and spine care,neurosciences and behavioral health

- **WellSpan Pharmacy**, a retail pharmacy with five locations across York and Adams counties

- **Community based philanthropy** efforts in Gettysburg, York and Ephrata, dedicated to improving the health of their local communities by generating charitable contributions

- **Partnerships with respected organizations**, including Good Samaritan Health System, Hanover Hospital, Summit Health, and Hospice & Community Care (formerly Hospice of Lancaster County), as well as hundreds of private-practice community physicians

- **Healthy York Network/Healthy Community Pharmacy**, a collaborative effort of WellSpan Health, Memorial Hospital, Family First Health, the York City Bureau of Health, Hanover Hospital, the Community Progress Council, United Way and the York County Assistance Office through which uninsured members of the York community receive discounted care and services and discounted prescription drugs

Achievements

In 2013, WellSpan continued its efforts to create a health system that supports the changing needs of individuals and families in south central Pennsylvania and northern Maryland

These efforts have been recognized with the following achievements:

- WellSpan York Hospital received the Get with the Guidelines—Resuscitation Gold Quality Achievement Award from the American Heart Association

- WellSpan received a $125,000 grant from the Highmark Foundation to form a regional learning collaborative around "super utilizers" of health care

- WellSpan York Hospital participated in a national clinical trial that was named The Clinical Trial of the Year by The Society for Clinical Trials The clinical trial aimed to find out whether anti-seizure medication works better when given as an I V directly into a vein or when given as shot in the muscle

- WellSpan York Hospital was one of 15 Pennsylvania hospitals to receive a Silver Medal of Honor from the U S Department of Health and Human Services (HHS) for their successful donation and organ transplant outcomes

- WellSpan York Hospital's Level 1 Trauma Program was ranked among the best in the country for traumatic brain injury (TBI) and shock patient outcomes, according to the Trauma Quality Improvement Program

- WellSpan Gettysburg Hospital received recognition from The Leapfrog Group and VHA Mid-Atlantic APEX (Achieving Patient Care Excellence) for its patient safety efforts

- WellSpan York Hospital, was one of five hospitals in central Pennsylvania, recognized by U S News and World Report as one of the Best Regional Hospitals in its 2012-13 Best Hospitals publication

- Facing Cancer Together, an interactive community education partnership of WellSpan Health and WITF Public Media, earned a Mid-Atlantic Emmy Award for Outstanding Achievement in Community Service

- WellSpan Gettysburg Hospital's breast cancer program received a three-year accreditation from the National Accreditation Program for Breast Cancers (NAPBC) The breast cancer program is one of only 30 accredited centers in Pennsylvania It is the only one in Adams, Franklin and York counties and northern Maryland

- WellSpan York Hospital maintained its Joint Commission-designated Primary Stroke Center for two additional years

- WellSpan was named the winner of the 2012 Most Improved Safety Award by Walsh Integrated

- Received a NRC Picker symposium award as one of two "Most Improved Organizations" in the pediatric category The award recognized York Pediatric Medicine and Springdale Pediatric Medicine's significant increase in the percentage of patients rating their doctor a 9 or 10 on the NRC Picker patient survey

- WellSpan York Hospital's Family Medicine Residency program, which operates Tar Wars in York County, received an award at the national conference Tar Wars educates children about the benefits of being tobacco-free

- Implemented a mandatory flu vaccine policy for all of its staff members, volunteers, physicians, vendors, contractors and health care students

- Announced a partnership with the City of York that will establish a WellSpan Police Training Center, a facility that will enhance the skills and competencies of area police officers as well as provide secure storage of evidence for crime investigations

- WellSpan York Hospital received a three-star rating, the highest possible, in cardiac surgery performance by The Society of Thoracic Surgeons

- WellSpan York Hospital named as a Blue Distinction Center for Spine Surgery and Knee and Hip Replacement by Capital Blue Cross

- The York Cancer Center was reaccredited for three years, including six commendations, by the American College of Surgeons Committee on Cancer

WellSpan remained steadfast in its focus on building a healthy community and providing care to all, including the most vulnerable citizens, by:

- Continuing to sponsor innovative outreach efforts and providing $22 1 million in free care and an additional $26 million in services which were not reimbursed

- Providing a safety net of care for uninsured and underinsured individuals through such services as Healthy York Network, HealthConnect, WellSpan York Hospital Community Health Center, and WellSpan Medical Group

- Sponsoring the annual Adams County Community Health Summit, which addressed key mental health issues facing people of all ages in our local communities

- WellSpan co-sponsored the Go Local for Health Summit held in Gettysburg which addressed issues of affordable and accessible healthy eating and recreational opportunities in south central Pennsylvania

- Developing a wide range of educational opportunities for today's healthcare professionals while working to prepare the next generation of physicians, nurses and healthcare workers

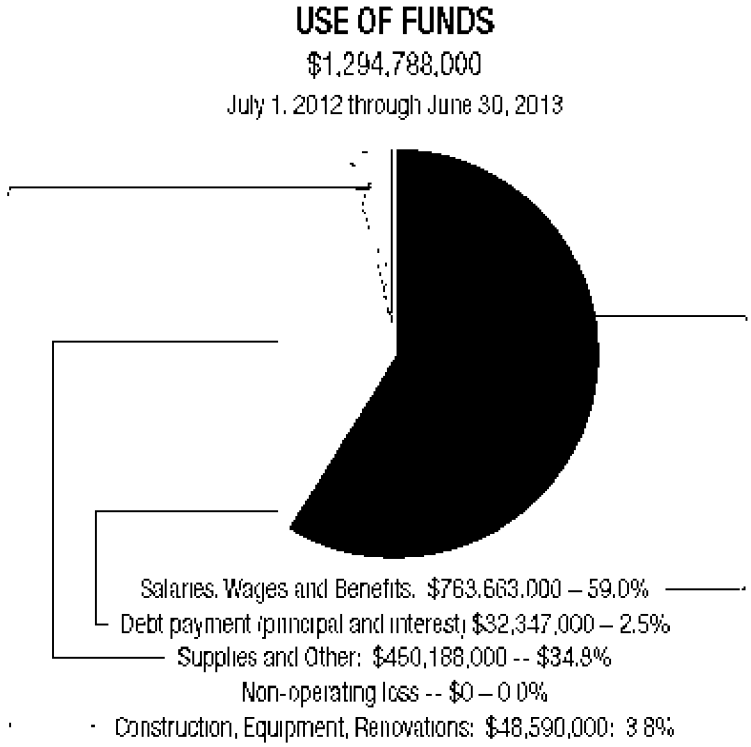
WellSpan worked to create a more coordinated, efficient and viable health care system by:

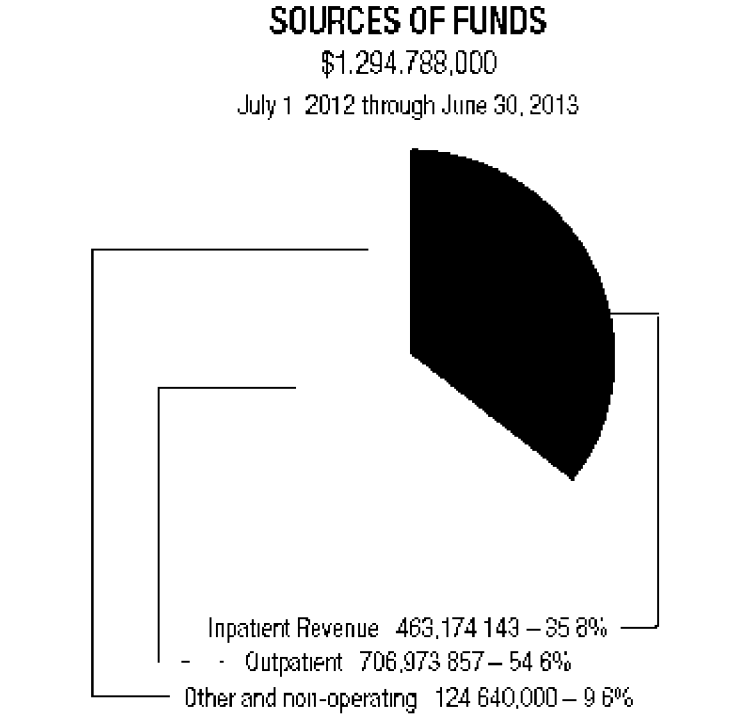
- Continuing to develop an electronic health record as a means to coordinate care among physicians and enhance the patient's ability to access their personal health care information

- Enrolling more than 35,000 patients in the MyWellSpan patient portal which allows patients to access their health care information in a convenient and timely manner

Statistics

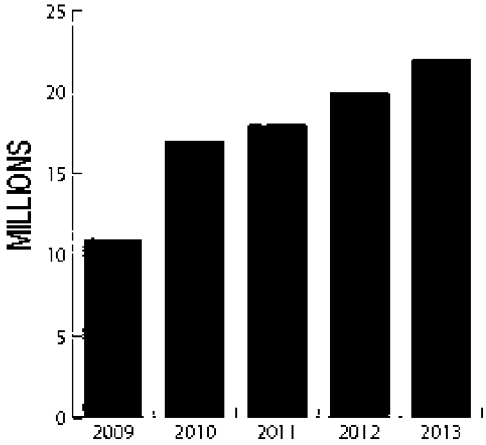
In 2013 WellSpan's charitable purpose brought more benefit to more people than ever before Our bottom line, as detailed in this report, remains the pursuit of more coordinated, convenient, comprehensive and community focused health care services for the journey that is life





FREE CARE*: CHARITY CARE

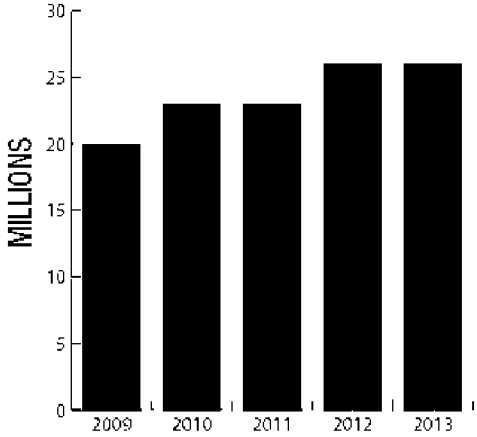
2009: $10,717,000
2010: $16,867,000
2011: $18,427,000
2012: $20,210,000
2013: $22,117,000



*Charity care is the total cost to provide medical services to those patients who have demonstrated their inability to pay. This is the cost of providing charity care, not the charge associated with that care.

FREE CARE*: BAD DEBT

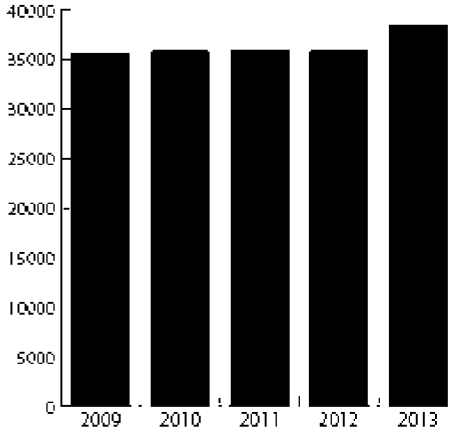
2009. $19,917,000
2010 $22,851,000
2011: $23,387,000
2012: $26,212,000
2013: $26,023,000



TOTAL HOSPITAL ADMISSIONS*

*WellSpan Gettysburg Hospital, WellSpan York Hospital and WellSpan Surgery & Rehabilitation Hospital

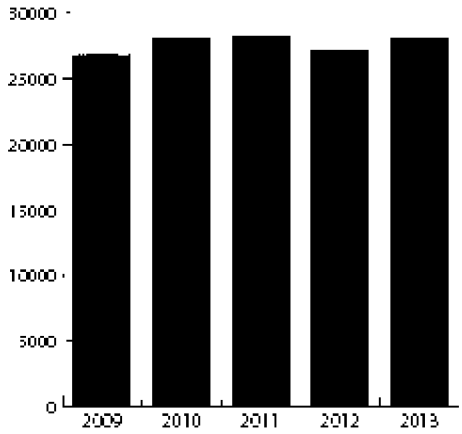
2009: 35,559
2010: 35,849
2011: 35,968
2012: 35,870
2013: 38,379



TOTAL SURGERY CASES

(Gettysburg Hospital, York Hospital, Apple Hill Surgical Center and WellSpan Surgery & Rehabilitation Hospital)

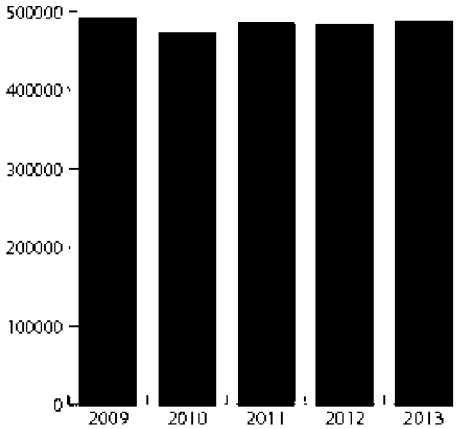
2009: 26,797
2010: 28,055
2011: 28,244
2012: 27,173
2013: 28,096



TOTAL PRIMARY CARE VISITS

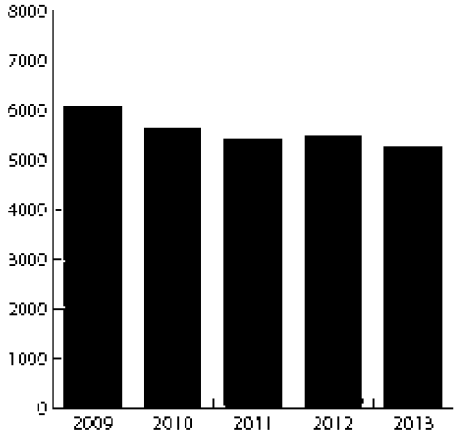
(WellSpan Medical Group)

2009: 492,765
2010: 472,637
2011: 485,374
2012: 483,443
2013: 488,627



TOTAL HOME HEALTH PATIENTS

(WellSpan VNA Home Health)

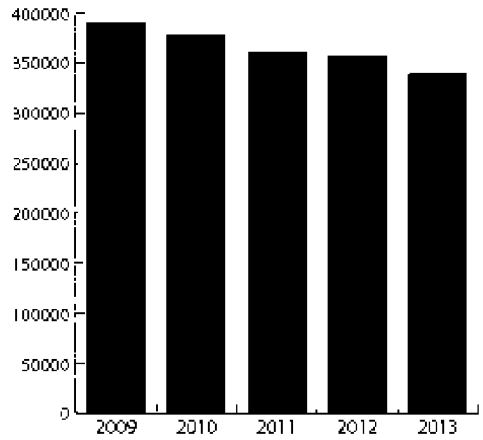


	Total	Home Care	Hospice	Community Service
2009:	6,082	5,512	300	270
2010:	5,648	5,130	332	186
2011:	5,412	4,888	351	173
2012:	5,489	4,982	402	105
2013:	5,252	5,161	NA	91

TOTAL PRESCRIPTIONS

(WellSpan Pharmacy, 6 locations)

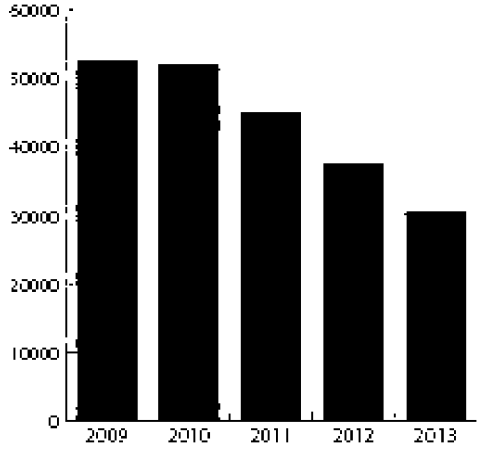
2009: 390,063
2010: 378,329
2011: 359,918
2012: 357,152
2013: 344,958



SOUTH CENTRAL Preferred

Covered Lives

2009: 52,674
2010: 51,883
2011: 44,927
2012: 37,414
2013: 30,533



Generous Supporters

From board members to hospital greeters to hospice aides, community members have for more than a century served WellSpan Likewise, thousands of individuals and businesses have advanced WellSpan Health's mission with financial contributions to its two local foundations Our community's continued generosity supports our charitable mission of service and enables WellSpan to continue preparing and planning to support the future health needs of our region

In fiscal year 2013, funds raised by WellSpan's philanthropic organizations allowed WellSpan to

- Help the most vulnerable children in our community, those who have been victims of sexual abuse, through funding of the Sexual Assault Forensic Examiner program by both our Kids First Campaign and Book Nook Bonanza event
- Fund WellSpan VNA Home Care through the Monopoly Tournament, as well as through the Dedi Sykes Educational Endowment, which provides opportunities for VNA staff to further their clinical education
- Fund patient assistance through the Cancer Patient Help Fund, Joe Jerardi Fund, and Dialysis Patient Help Fund, providing critical support for rent, food, transportation, and utilities for financially qualified patients over and above any charity care provided to them
- Provide funding for multiple years of support for the Cribs for Kids program, which provides a safe sleeping environment for families and their newborns who could not otherwise afford a crib
- Promote community health and wellness, provided outreach and education, and helped give free screenings through WellSpan's Community Health Improvement efforts
- Fund the operation of York Hospital Community Health Clinic, the Hoodner and Bentzel Dental Clinics, Healthy York Network, Healthy Community Pharmacy and the HealthConnect mobile healthcare van

Gettysburg Hospital Foundation

In fiscal year 2013, Gettysburg Hospital Foundation participated in securing donations, grants and bequests totaling $668,120 $271,677 of these gifts came from grants $86,719 came from fundraising events, and the remainder came from individuals, corporations and organizations in the community Our generous donors supported a range of projects and programs, including the placement of AEDs in the community, the Cancer Patient Help Fund, Children's Health Fund, free Mammography Fund, educational lectureships and WellSpan's HealthConnect mobile healthcare van

York Health Foundation

The York Health Foundation helps ensure that WellSpan York Hospital, as well as the many specialty and critical care services offered by WellSpan remain strong community resources, able to provide the highest level of health care In fiscal year 2013, the foundation raised $3,042,183

- $1,351,776 for WellSpan York Hospital
- $473,036 for WellSpan VNA Home Care and WellSpan Specialty Services, including the WellSpan Surgery and Rehabilitation Hospital
- $910,119 for WellSpan Health
- $76,070 for the WellSpan Medical Group
- $231,182 for other medical care, community health and education and outreach activities across York County

York Hospital Auxiliary and the Gettysburg Hospital Auxiliary

WellSpan Health gratefully acknowledges the generosity and commitment of active auxiliaries at WellSpan Gettysburg Hospital and WellSpan York Hospital They continue to support their organizations' missions through innovative programs, preventive health education, community partnerships and fundraising

Gettysburg Hospital Auxiliary completed a $99,000 pledge made towards the Care Path Campaign in support of patient-centered facility improvements within WellSpan Gettysburg Hospital It also began raising funds for the future development of a healing garden on the hospital campus

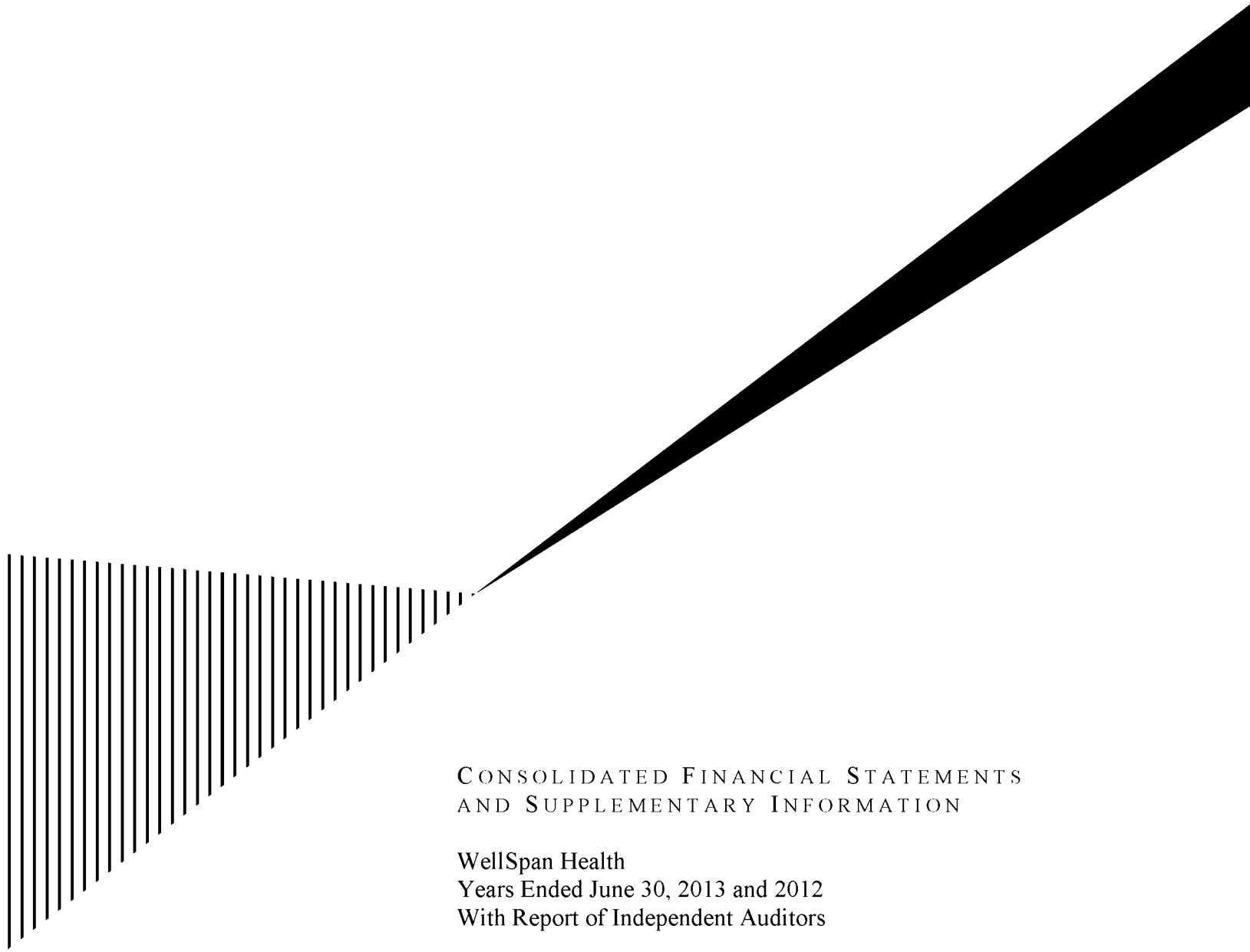
In fiscal year 2013, the York Hospital Auxiliary raised over $60,000 at the Book Nook Bonanza to assist the Forensic Examiner Team SAFE Program at WellSpan York Hospital It also sponsored the 32nd annual Children's Wellness Days with more than 1,300 York County third graders in attendance The Auxiliary awarded over $28,000 to WellSpan Health for programs and equipment in York County, including an autism program, bililights for the NICU, positioning equipment for Rehabilitation Medicine, education classes for oncology patients, Young Women's Leadership Conference, special armbands for the IV Team, medication totes and pillboxes for Preventive Cardiology and ceiling lifts for Radiation Oncology

Volunteerism

In 2013, approximately 1,800 individuals volunteered a total of 137,000 hours of service at WellSpan facilities across York and Adams counties The value of these volunteer hours totals over $3,033,000

WellSpan Health Leadership

For a complete listing of WellSpan Health board members and leadership, please visit http //www wellspan org/about-wellspan/who-we-are



CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

WellSpan Health
Years Ended June 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

WellSpan Health

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2013 and 2012

Contents

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Report of Independent Auditors

Board of Directors
WellSpan Health

We have audited the accompanying consolidated financial statements of WellSpan Health, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 the entity'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 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of the WellSpan Health as of June 30, 2013 and 2012, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating details appearing in conjunction with the consolidated financial statements are presented for purposes of additional analysis and are not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Ernst + Young LLP

October 8, 2013

WellSpan Health

Consolidated Balance Sheets
(In Thousands)

	June 30 2013	June 30 2012
Assets		
Current assets		
Cash and cash equivalents	**$ 97,541**	$ 73,334
Assets limited as to use	**7,236**	5,890
Patient accounts receivable, net of allowance for uncollectible accounts of $42,593 and $37,907 in 2013 and 2012, respectively	**160,116**	145,396
Other receivables	**19,188**	12,149
Inventories	**11,274**	9,843
Prepaid expenses	**18,385**	15,767
Total current assets	**313,740**	262,379
Investments limited as to use		
Board-designated	**661,708**	624,661
Self-insurance trust	**7,115**	9,113
Temporarily restricted investments	**7,360**	6,720
Permanently restricted investments	**2,999**	2,868
Beneficial interest in perpetual trusts	**16,071**	15,128
	695,253	658,490
Pledges receivable, net	**1,571**	1,747
Property and equipment, net	**462,913**	475,025
Investments in joint ventures	**718**	675
Deferred financing costs, net	**2,858**	3,014
Other assets	**22,486**	21,758
Total assets	**$ 1,499,539**	$ 1,423,088

	June 30	
	2013	**2012**
Liabilities and net assets		
Current liabilities		
Current portion of capital lease obligations	**$ 4,015**	$ 3,931
Current portion of long-term debt	**7,666**	7,635
Accounts payable and accrued expenses	**34,166**	39,787
Accrued interest payable	**1,583**	2,160
Accrued salaries and wages	**73,493**	67,286
Advances from third-party payors	**4,046**	3,065
Professional and general liability reserves and postretirement benefits	**24,694**	21,922
Third-party payor settlements	**4,691**	7,306
Total current liabilities	**154,354**	153,092
Professional and general liability reserves	**42,164**	42,052
Capital lease obligations, less current portion	**9,030**	13,046
Long-term debt, less current portion	**402,745**	407,448
Accrued retirement benefits	**188,544**	300,562
Interest rate swap agreements	**42,012**	68,103
Other noncurrent liabilities	**1,511**	1,511
Total liabilities	**840,360**	985,814
Net assets		
Unrestricted	**620,302**	399,010
Temporarily restricted	**13,992**	13,601
Permanently restricted	**19,175**	18,041
WellSpan Health net assets	**653,469**	430,652
Noncontrolling interest	**5,710**	6,622
Total net assets	**659,179**	437,274
Total liabilities and net assets	**$ 1,499,539**	$ 1,423,088

See accompanying notes.

WellSpan Health

Consolidated Statements of Operations
(In Thousands)

	Year Ended June 30	
	2013	**2012**
Unrestricted revenues, gains, and other support		
Net patient service revenue	**$ 1,218,503**	$ 1,146,282
Provision for uncollectible accounts	**(53,753)**	(53,932)
Net patient service revenue less provision for uncollectible accounts	**1,164,750**	1,092,350
Capitation revenue	**5,398**	5,793
Other revenue	**63,744**	56,369
Net assets released from restrictions used for operations	**3,297**	5,475
Total revenues, gains, and other support	**1,237,189**	1,159,987
Expenses		
Salaries and wages	**562,293**	521,662
Employee benefits	**201,370**	180,348
Professional fees	**15,356**	13,542
Supplies and other	**334,640**	321,131
Depreciation and amortization	**59,709**	55,223
Interest	**20,735**	19,181
Total operating expenses	**1,194,103**	1,111,087
Operating income	**43,086**	48,900
Other (expense) income		
Contributions	**520**	954
Investment income (loss), net	**60,169**	(263)
Equity loss of joint ventures	**(7)**	(28)
(Loss) gain on sale of assets/other	**(1,035)**	97
Other expense, net	**(1,439)**	(443)
Change in fair value of interest rate swap agreements	**21,641**	(31,633)
Total other income (expense)	**79,849**	(31,316)
Excess of revenues over expenses before noncontrolling interest	**122,935**	17,584
Noncontrolling interest	**(609)**	(1,100)
Excess of revenues over expenses	**122,326**	16,484
Other changes in unrestricted net assets		
Change in unrealized (loss) gains on assets limited as to use and investments – other-than-trading securities	**(508)**	314
Net assets released from restrictions for purchase of property and equipment	**1,480**	604
Other change in accrued retirement benefits	**97,994**	(128,082)
Increase (decrease) in unrestricted net assets	**$ 221,292**	$ (110,680)

See accompanying notes

WellSpan Health

Consolidated Statements of Changes in Net Assets

(In Thousands)

	Year Ended June 30 2013	2012
Unrestricted net assets		
Excess of revenues over expenses	**$ 122,326**	$ 16,484
Other changes in unrestricted net assets		
Change in unrealized (losses) gains on assets limited as to use and investments – other-than-trading securities	**(508)**	314
Net assets released from restrictions for purchase of property and equipment	**1,480**	604
Other change in accrued retirement benefits	**97,994**	(128,082)
Increase (decrease) in unrestricted net assets	**221,292**	(110,680)
Temporarily restricted net assets		
Net realized and unrealized gains (losses) on restricted investments	**568**	(170)
Net investment income	**173**	295
Contributions	**4,427**	6,432
Net assets released from restrictions	**(4,777)**	(6,079)
Increase in temporarily restricted net assets	**391**	478
Permanently restricted net assets		
Net investment income	**866**	658
Net realized and unrealized gains (losses) on investments	**1,044**	(882)
Contributions	**33**	32
Net assets released from restrictions	**(809)**	(658)
Increase (decrease) in permanently restricted net assets	**1,134**	(850)
Increase (decrease) in net assets	**222,817**	(111,052)
Net assets		
Beginning of year	**430,652**	541,704
End of year	**$ 653,469**	$ 430,652

See accompanying notes.

WellSpan Health

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended June 30 2013	2012
Cash flows from operating activities		
Increase (decrease) in net assets	**$ 222,817**	$ (111,052)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Gain on disposal of fixed assets	**1,035**	(97)
Noncontrolling interest in earnings of consolidated entities, net of distributions	**(912)**	(85)
Depreciation and amortization	**59,709**	55,223
Net realized and unrealized (gain) loss on assets limited as to use and investments	**(51,157)**	14,973
Change in fair value of interest rate swap agreements	**(21,641)**	31,633
Amortization of original issue discount	**207**	208
Undistributed loss of investments in joint ventures	**7**	38
Change in beneficial interest in perpetual trusts	**(943)**	741
Provision for bad debts	**53,753**	53,932
Temporarily restricted net contributions and investment income received	**(4,600)**	(6,727)
Change in cash due to changes in assets and liabilities		
Patient accounts receivable and other receivables	**(75,512)**	(60,816)
Inventories, pledges receivable, prepaid expenses and other assets	**(4,601)**	(2,974)
Accounts payable and accrued expenses and accrued interest payable	**(10,648)**	2,231
Accrued salaries and wages	**6,207**	9,181
Advances from third-party payors	**981**	(49)
Estimated third-party payor settlements	**(2,615)**	5,987
Estimated self-insurance costs	**2,884**	4,265
Accrued retirement benefits	**(112,018)**	101,013
Net cash provided by operating activities before change in trading securities	**62,953**	97,625
Sales of trading securities, net	**18,432**	57,532
Net cash provided by operating activities	**81,385**	155,157

WellSpan Health

Consolidated Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30	
	2013	**2012**
Cash flows from investing activities		
Capital expenditures	**$ (48,590)**	$ (98,931)
Proceeds on sale of property and equipment	**114**	182
Gross purchases of assets limited as to use and investments – other than trading	**(4,441)**	(19,712)
Change in investments in joint ventures	**(50)**	–
Net cash used in investing activities	**(52,967)**	(118,461)
Cash flows from financing activities		
Temporarily restricted net contributions and investment income received	**4,600**	6,727
Principal repayments on long-term debt and notes payable	**(11,612)**	(17,961)
Proceeds from issuance of notes payable and long-term debt	**2,801**	5,439
Net cash used in financing activities	**(4,211)**	(5,795)
Increase in cash and cash equivalents	**24,207**	30,901
Cash and cash equivalents, beginning of year	**73,334**	42,433
Cash and cash equivalents, end of year	**$ 97,541**	$ 73,334
Supplemental cash flow information		
Cash paid for interest, net of capitalized interest	**$ 21,312**	$ 19,330
Cash paid for income taxes	**$ 534**	$ 371

See accompanying notes.

1. Organization

WellSpan Health (WSH) is a not-for-profit corporation and has the following sole-member corporations, equity investments and other affiliates

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Hospitals			
York Hospital (YH)	Sole member	1880	A not-for-profit corporation that operates a hospital
Gettysburg Hospital (GH)	Sole member	1919	A not-for-profit corporation that operates a hospital
WellSpan Specialty Services (WSS)	Sole member	April 1997	A not-for-profit corporation that operates a hospital and other operations
Foundations			
Gettysburg Hospital Foundation (GHF)	GH is the sole member of GHF	July 1983	A not-for-profit foundation formed to raise funds to further support the operations of GH
York Health Foundation (YHF)	Sole member	March 2000	A not-for-profit foundation formed to raise funds to further support the operations of YH
Other not-for-profit organizations engaged in health services			
WellSpan Medical Group (WMG)	Sole member	June 1993	A not-for-profit corporation that operates medical practices and a counseling practice
VNA Home Health Services (VNAHHS)	WSS is the sole member of VNAHHS	February 1911	A not-for-profit corporation that provides home health and hospice care services

1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Other not-for-profit organizations engaged in health services (continued)			
VNA Community Services (VNACS)	WSS is the sole member of VNACS	August 1984	A not-for-profit corporation that provides home personal care services
Healthy Community Pharmacy, Inc (HCP)	WHCS is the sole member of HCP	December 2003	A not-for-profit corporation that dispenses pharmaceuticals to the uninsured population
WellSpan Properties, Inc (WP)	WHCS is the sole member of WP	April 1987	A not-for-profit corporation that developed the Apple Hill Medical Center and other outpatient facilities that are leased to affiliates
WellSpan Health Care Services (WHCS)	Sole member	January 1986	A not-for-profit corporation that engages in health-related activities in the service area
Apple Hill Surgical Center, Inc (AHSCI)	WHCS is the sole member of AHSCI	May 1987	A not-for-profit corporation that serves as general partner of AHSCP
York Health Plan d/b/a South Central Preferred (SCP)	Sole member	November 1991	A not-for-profit corporation that administers a Preferred Provider Organization
WellSpan Provider Network (WPN)	Sole member	February 1997	A not-for-profit corporation that coordinates managed care risk contracting and care management activities within WSH WPN had no accounting transactions through June 30, 2013

(In Thousands)

1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Taxable corporations engaged in taxable activities that support our mission			
WellSpan Pharmacy, Inc (WRx)	WHCS owns 100% of WRx's outstanding stock	April 1985	A corporation that dispenses pharmaceuticals and provides intravenous therapy services
WellSpan Reciprocal Risk Retention Group (WRRRG)	Sole member	June 2003	A risk retention group that provides coverage for the primary layer of professional and general liability, beginning July 1, 2003
Apple Hill Condominium Association (AHCA)	WP and AHSCP own 41.8% and 15.0% interest in AHCA, respectively	March 1988	A homeowners' association that oversees the Apple Hill Medical Center building
Apple Hill Surgical Center Partners (AHSCP)	WSH has 64.9% ownership in the partnership units	February 1988	A limited partnership that operates a surgical center
Cherry Tree Cancer Center (CTCC)	WHCS has a 50% partnership interest in CTCC	April 1997	A limited liability partnership that operates a radiation therapy center
Q-WH, LLC (Q-WH), formerly known as York-Memorial MRI Corp	WHCS has a 100% and 50% interest in Q-WH at June 30, 2013 and 2012, respectively	January 1987	A limited liability company that serves as the general partner in CHIP
Community Healthcare Imaging Partners (CHIP), d/b/a MRI of York	WSH and WHCS have 100% and 50% interest in CHIP at June 30, 2013 and 2012, respectively	January 1987	A limited partnership that operates a magnetic resonance imaging center
Littlestown Health Care Partnership (LHCP)	WHCS has a 50% interest in LHCP	September 1996	A Pennsylvania partnership that leases outpatient medical facilities

(In Thousands)

1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Other joint ventures not consolidated			
Central Pennsylvania Alliance Laboratory (CPAL)	20% membership interest	March 1997	A limited liability corporation that operates a regional reference laboratory The investment is accounted for on the equity basis
Quest Behavioral Health, Inc (QUEST)	20% membership interest	March 1997	A not-for-profit corporation that provides behavioral health managed care services The investment is accounted for on the equity basis
Downtown Renaissance Fund, LLC (DRF)	WSH has a 33 33% interest	December 2009	A limited liability company that operates to advance the charitable, community development, scientific and educational purposes of its members The investment is accounted for on the equity basis
Physician Hospital Organization of Gettysburg, Inc (PHO)	GH has a 50% interest in PHO	May 1994	A not-for-profit corporation that educates and provides a health network for managed care The investment is accounted for on the equity basis
Central Pennsylvania Healthcare Alliance (CPHA)	20% membership interest	March 1997	A not-for-profit corporation that provides the infrastructure for overseeing the joint operation of health services in Central Pennsylvania The investment is accounted for on the equity basis

Certain board members of YH, GH, SCP, WMG, WHCS, and WSS also serve as Board members of WSH

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of WSH and its sole member corporations and equity investments, with the exception of the joint ventures where WSH has less than 50% control Joint ventures where WSH has 50% control or more and total management responsibilities are included in the consolidated financial statements All significant intercompany transactions have been eliminated

Use of Estimates

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

Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, patient accounts receivable, investments and assets limited as to use, accounts payable and accrued expenses, interest rate swap agreements and long-term debt The carrying amounts reported in the consolidated balance sheets for financial instruments (except investments in certain limited partnerships and long-term debt) approximate fair value As prescribed by GAAP, long-term debt is carried at historical cost and investments in limited partnerships are carried at fair value or at cost depending upon the extent of WSH's influence and control

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less The carrying amount approximates fair value because of the short maturity of these instruments Cash balances are principally uninsured and are subject to normal credit risks At June 30, 2013 and 2012, and at various times during the year, WSH maintained cash-in-bank balances in excess of the $250 general deposit federally insured limits

2. Significant Accounting Policies (continued)

Allowance for Doubtful Accounts

WSH provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness or inability of patients who do not qualify for charity care to make payments for services The allowance is determined by analyzing specific accounts and historical data and trends Patient accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and WSH ceases collection efforts Losses have been consistent with management's expectations in all material respects

Investments and Assets Limited as to Use

Assets limited as to use primarily include assets held by trustee under bond indenture agreements, self-insurance trust and designated assets set aside by the Board of Directors Investment income from these assets is available for current operations of WSH Certain bond indentures require funds to be deposited with a trustee for future debt service requirements The assets have been classified as current or long-term to match the designation of the obligation they are intended to satisfy Investments in debt and equity securities, mutual funds and money market funds, with readily determinable fair values are measured at fair value based on quoted market prices WSH has investments in limited partnerships (LP) as a conduit for investing that are not actively traded, for which the ownership interest is less than 5% and are recorded on the cost basis

WSH's board-designated and other unrestricted investments are designated as a "trading" portfolio in accordance with the AICPA Audit and Accounting Guide Health Care Organizations (the Guide) The Guide requires that changes in unrealized gains and losses on marketable securities designated as trading be reported within excess of revenues over expenses

Investment income, realized gains and losses, unrealized gains and losses on trading securities and other-than-temporary losses on investment transactions (for other-than-trading securities) are included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law Realized gains and losses for all investments sold are determined on a specific-identification basis Unrealized gains and losses on other-than-trading investments and assets limited as to use are excluded from the excess of revenues over expenses, and are included as a component of other changes in unrestricted net assets, to the extent that such losses are considered temporary Investments designated as other-than-trading are periodically reviewed for

(In Thousands)

2. Significant Accounting Policies (continued)

impairment conditions, including the magnitude and duration of the decline that indicate the occurrence of an other-than-temporary decline If such conditions exist, the investment's cost is then written down to its current market value

Amounts required to meet current debt service and self-insured liabilities are presented as current in the consolidated balance sheets Donated securities are recorded at their fair market value

Investment securities and limited partnerships, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks Due to the level of risks associated with certain investment securities and limited partnerships, it is reasonably possible that changes in the value of investments could occur in the short-term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value and are comprised of the following

	June 30	
	2013	**2012**
Pharmaceutical drugs	**$ 6,629**	$ 6,195
Medical supplies	**4,543**	3,502
Computer supplies	**102**	146
	$ 11,274	$ 9,843

Property and Equipment

Property and equipment acquisitions are recorded at cost Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets Capitalized net interest was $0 and 2,562 for the years ended June 30, 2013 and 2012, respectively

2. Significant Accounting Policies (continued)

Expenditures for renewals and improvements are charged to the property accounts Replacements, maintenance and repairs that do not improve or extend the life of the respective assets are expensed when incurred WSH removes the cost and the related accumulated depreciation from the accounts for assets sold or retired, and resulting gains or losses are included in the accompanying consolidated statements of operations

Donated assets are recorded at their fair value at the date of donation Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Depreciation and amortization is provided over the estimated useful life of each class of depreciable asset and is computed by the straight-line method Equipment under capital leases is amortized on a straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements

Deferred Financing Costs

Financing costs incurred in connection with long-term financing have been deferred and are being amortized on a straight-line basis over the life of the related debt

Self-Insurance Costs

The provision for estimated medical malpractice, workers' compensation, and employee health claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported

2. Significant Accounting Policies (continued)

Derivative Financial Instruments

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

WSH recognizes the interest rate swap agreements in the consolidated balance sheets at fair value Management has determined that WSH's interest rate swap agreements do not qualify as hedges for financial reporting purposes Consequently, the changes in the fair value of WSH's interest rate swap agreements are included as a component of excess of revenues over expenses in the consolidated statements of operations

Temporarily and Permanently Restricted Investments and Net Assets

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 the purpose for the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

Permanently restricted net assets represent WSH's beneficial interest in perpetual trusts recorded at fair value Beneficial interests in perpetual trusts are reported at fair value, with WSH's share determined by its interest percentage in the trust Annual changes in fair value are reported as increases or decreases in permanently restricted net assets

2. Significant Accounting Policies (continued)

Endowments

WSH's endowments consist of individual funds established for specific purposes and consist solely of donor-restricted endowment funds As required by U S generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions

WSH classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment and, (3) 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 that is not classified in permanently restricted net assets is characterized as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization WSH considers the following factors in making a determination to appropriate or accumulate donor-restricted funds

- The duration and preservation of the fund
- The purposes of WSH and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of WSH
- The investment policies of WSH

WSH has adopted investment policies for its endowment assets that are consistent with the policies and objectives of its overall investments The assets are invested in a manner that is intended to produce a positive rate of return while assuming a low level of risk From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor requires WSH to maintain in perpetual duration Deficiencies of this nature are reported in unrestricted net assets in accordance with U S generally accepted accounting principles

2. Significant Accounting Policies (continued)

Excess of Revenues over Expenses

The consolidated statements of operations include the excess of revenues over expenses Changes in unrestricted net assets that are excluded from the excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on other-than-trading assets limited as to use and investments to the extent losses are deemed temporary, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets) and changes in accrued retirement benefits

Net Patient Service Revenue

WSH has agreements with third-party payors that provide for payments to WSH at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, discounted charges, per diem payments and reimbursed costs Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered

WSH's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

2. Significant Accounting Policies (continued)

Electronic Health Record Incentive Program

The Centers for Medicare and Medicaid Services (CMS) have implemented provisions for the American Recovery and Reinvestment Act of 2009 that provide incentive payments for the meaningful use of certified electronic health record (EHR) technology CMS has defined meaningful use as meeting certain objectives and clinical quality measures based on current and updated technology capabilities over predetermined reporting periods as established by CMS The Medicare EHR incentive program provides annual incentive payments to eligible professionals and hospitals that demonstrate meaningful use of certified EHR technology The Medicaid EHR incentive program provides annual incentive payments to eligible professionals and hospitals that adopt, implement, and meaningfully use certified EHR technology WSH utilizes a grant accounting model to recognize EHR incentive revenues WSH records EHR incentive revenue ratably throughout the incentive reporting period when WSH is reasonably assured that it will meet the meaningful use objectives for the required reporting period and the grants will be received The EHR reporting period for eligible hospitals is based on the federal fiscal year which runs from October 1 to September 30 WSH believes that the hospitals that met the meaningful use objectives for the calendar year ended December 31, 2012 will continue to meet those meaningful use objectives for the calendar year ended December 31, 2013 Accordingly, for the years ended June 30, 2013 and 2012, WSH recorded EHR incentive revenues of $9,690 and $3,190, respectively For the year ended June 30, 2013, the EHR incentive revenues are comprised of $8,034 of Medicare revenues and $1,656 of Medicaid revenues, for the year ended June 30, 2012, the EHR incentive revenues are comprised entirely of Medicaid revenues EHR incentive revenues are included in other revenue in the accompanying consolidated statements of operations EHR incentive receivables from Medicaid, which are included in third-party payor settlements, were $1,034 and $0 at June 30, 2013 and 2012, respectively

Other Revenue

Other revenue for the years ended June 30, 2013 and 2012 consists primarily of WRx's prescription sales of $31,849 and $34,010, respectively Investment income from assets limited as to use under bond indenture agreements, cafeteria sales, grant revenues, EHR incentive revenues, and other non-patient service revenue are also included in other revenue

2. Significant Accounting Policies (continued)

Charity Care

For patients who meet certain criteria under its charity care policy, WSH provides care without charge or at amounts less than its established rates Because WSH does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

Federal and State Income Taxes

WSH, sole member corporations and equity investments, with the exception of WRx, SCP, AHSCP, PHO, CHIP, Q-WH, CPAL, CTCC, LHCP, WRRRG, and WPN are tax-exempt organizations in accordance with Section 501(c)(3) of the Internal Revenue Code and are not subject to federal or state income taxes for activities related to their exempt purposes The estimated taxes for the taxable income of WRx, SCP, QUEST, WRRRG, PHO, and WPN are not significant and are provided for in the consolidated statements of operations No federal or state income taxes have been provided for AHSCP, CHIP, CTCC, and LHCP in the accompanying consolidated financial statements, as they are not payable by these entities The partners are to include their respective share of these entities' profits or losses in their individual tax returns As limited liability corporations, CPAL, Q-WH, and DRF are subject to state income taxes, the partners of CPAL, Q-WH, and DRF are subject to federal taxes related to earnings of the respective corporations

Recent Accounting Pronouncements

The Financial Accounting Standards Board has issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurements* (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* The amendments in ASU 2011-04 change the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011 WSH has adopted the provisions of ASU 2011-04 in 2013 The adoption did not have a material impact on the consolidated financial statements

2. Significant Accounting Policies (continued)

Reclassifications

Certain reclassifications have been made to the consolidated financial statements of the prior year to conform to the current-year presentation, which had no impact on previously reported excess of revenues over expenses or net assets

3. Net Patient Service Revenue

WSH has agreements with third-party payors that provide for payments to WSH at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

- **Medicare and Medicaid.** Net revenue from the Medicare and Medicaid programs accounted for approximately 39% and 38% of WSH's net patient service revenue for each of the years ended June 30, 2013 and 2012, respectively Inpatient acute care services provided to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors WSH is reimbursed for certain cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by WSH and audits thereof by Medicare WSH's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with WSH Medicare reimburses for most outpatient services on the Outpatient Prospective Payment System (OPPS) Medicaid outpatient services are paid based on a fee schedule YH's and GH's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2009 YH's and GH's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2009 For the years ended June 30, 2013 and 2012, net patient service revenue reflects an increase of approximately $1,009 and $366, respectively, due to estimate changes Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

3. Net Patient Service Revenue (continued)

In December 2010, the Department of Public Welfare (DPW) received approval from Centers for Medicare and Medicaid Services (CMS) for the Pennsylvania state plan amendments pursuant to Pennsylvania Act 49 of 2010 that, among other things, established a new inpatient hospital fee-for-service payment system (using APR-DRG), established enhanced hospital payments through the state's Medical Assistance managed care program and secured additional matching Medicaid funds through the establishment of the Quality Care Assessment (QCA) In February 2011, the DPW received the approvals necessary from CMS on the final technical language for the DPW contracts with managed care organizations The Hospital and Healthcare Association of Pennsylvania issued hospital-specific impacts of the Medicaid (MA) payment modernization for fiscal year 2011 WSH recorded an operating income impact of approximately $5,492 and $4,681 in its consolidated statements of operations and changes in net assets for the years ended June 30, 2013 and 2012, respectively

- **Blue Cross.** Net revenue for services provided under Blue Cross & Blue Shield contracts accounted for approximately 32% of WSH net patient service revenues for the years ended June 30, 2013 and 2012, respectively Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed primarily on a discount from established charge basis

- **Capitation Revenue.** WMG has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing patients Under these agreements, WMG receives monthly capitation payments based on the number of each HMO's participants, regardless of services actually performed by WMG's physicians In addition, WMG may receive additional compensation for services not covered under the capitation payment as defined in the agreements Under the agreements, certain funds are set aside to cover hospital and other costs To the extent that these funds are not used, WMG shares in the excess with the HMOs WMG records the capitation payments as income in the period to which the services relate and records any additional payments at such time as the amounts can be reasonably estimated

  WSH has also entered into payment agreements with certain other commercial insurance carriers, HMOs, and preferred provider organizations The basis for payment to WSH under these agreements is primarily on a discount from established charges but also includes prospectively determined daily rates and prospectively determined fee schedules

(In Thousands)

3. Net Patient Service Revenue (continued)

For patient receivables associated with self-pay patients, including patients with deductible and copayment balances, for which third-party coverage provides for a portion of the services provided, WSH records an estimate for uncollectible accounts in the year of service Overall, the total write-offs of uncollectible accounts and allowances as a percent of accounts receivable on self-pay patient accounts have not changed significantly since June 30, 2012

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

	June 30	
	2013	**2012**
Medicare	**33%**	30%
Medicaid	**15**	13
Blue Cross/Blue Shield	**11**	12
Other third-party payors	**23**	25
Self-pay	**18**	20
	100%	100%

4. Charity Care and Community Service

WSH's tax-exempt organizations' patient acceptance policies are based upon their mission statements and charitable purposes Accordingly, WSH accepts all patients regardless of their ability to pay For patients who meet the criteria of its charity service policy, WSH provides services without charge or at amounts less than the established rates Criteria for charity care consider the patient's family income, family size, and ability to pay This policy results in WSH's assumption of higher-than-normal patient receivable credit risk To the extent that WSH realizes additional losses resulting from such higher credit risks and patients are not identified or do not meet WSH's defined charity care policy, such additional losses are included in the provision for bad debts

4. Charity Care and Community Service (continued)

WSH maintains records to identify and monitor the level of charity care and community service it provides These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity care and community service policies and the estimated cost of those services The amount of charity care provided based on WSH's direct and indirect costs was approximately $22,117 and $20,210 for the years ended June 30, 2013 and 2012, respectively

Additionally, WSH sponsors certain other service programs and charity services which provide substantial benefit to the greater community Such programs include patient visits in outpatient clinics, mental health services, other outpatient clinical services and health care education programs These programs serve a large portion of the indigent, elderly, diabetic and other underserved patient populations The estimated unreimbursed cost of providing these programs and services was approximately $20,994 and $19,322 for the years ended June 30, 2013 and 2012, respectively

WSH participates in the Medicare program Medicare is a federally funded program which provides health insurance coverage for individuals who are 65 or older, or who meet other special criteria Payments from Medicare as described in Note 3 are generally less than WSH's costs of providing the service to Medicare beneficiaries Unpaid costs in excess of payments received for the Medicare program were approximately $88,913 and $64,792 for the years ended June 30, 2013 and 2012, respectively

WSH also participates in the Pennsylvania Medical Assistance (PMA) program which makes payment for services provided to families with dependent children, the aged, the blind, and the permanently and totally disabled, whose income and resources are insufficient to meet the costs of necessary medical services Payments from the PMA as described in Note 3 are generally less than WSH's costs of providing the service Unpaid costs in excess of payments received for the PMA program were approximately $68,033 and $58,884 for the years ended June 30, 2013 and 2012, respectively

(In Thousands)

5. Investments

Investments Limited as to Use

The composition of assets limited as to use is set forth in the following table

	June 30 2013	2012
Board-designated		
WSH Master Trust	**$ 591,436**	$ 553,806
Money market fund	**3,482**	1,182
Mutual funds	**6,234**	5,825
Land investment, at cost	**5,059**	5,059
Swap collateral[(1)]	**–**	3,472
Government-sponsored enterprise mortgage-backed securities	**12,346**	11,238
Corporate debt securities	**14,310**	13,523
Debt securities issued by the U S Treasury and other U S government corporations and agencies	**28,841**	30,556
	$ 661,708	$ 624,661

[(1)] Swap collateral held by the counterparty is principally uninsured and is subject to normal credit risks

	June 30 2013	2012
Self-insurance trust investments		
Government-sponsored enterprise mortgage-backed securities	**$ 2,390**	$ 2,941
Corporate debt securities	**4,831**	5,048
Debt securities issued by the U S Treasury and other U S government corporations and agencies	**7,122**	7,006
Less Trustee-held assets for current self-insurance	**(7,228)**	(5,882)
	$ 7,115	$ 9,113

(In Thousands)

5. Investments (continued)

	June 30 2013	2012
Temporarily restricted investments		
Cash and short-term investments	**$ 437**	$ 9
Mutual funds	**789**	1,055
WSH Master Trust	**6,134**	5,656
	$ 7,360	$ 6,720
Permanently restricted investments		
WSH Master Trust	**$ 2,999**	$ 2,868
Beneficial interest in perpetual trusts		
Mutual funds held by other trustees	**$ 16,071**	$ 15,128

WSH Master Trust

WSH maintains the WSH Master Trust for certain funds classified in investments and assets limited as to use in the accompanying consolidated balance sheets The WSH Master Trust is comprised of the following, by restriction category

	June 30 2013	2012
Board-designated	**$ 591,436**	$ 553,806
Temporarily restricted	**6,134**	5,656
Permanently restricted	**2,999**	2,868
	$ 600,569	$ 562,330

(In Thousands)

5. Investments (continued)

A summary of the assets of the WSH Master Trust is as follows

	June 30	
	2013	**2012**
Investments, at fair value		
Debt securities issued by the U S Treasury and other U S government corporations and agencies	**$ 59,557**	$ 54,471
Government-sponsored enterprise mortgage-backed securities	**5,232**	11,178
Other asset-backed securities	**29,696**	23,784
Corporate debt securities	**31,333**	35,158
Aggregate bond index fund	**11,857**	11,949
Commodities/real return	**24,556**	27,930
Equity securities	**156,421**	143,892
Stock index fund	**39,031**	38,655
Collective mutual funds and investment trusts	**105,318**	85,835
Absolute return, limited partnership	**20,149**	–
Real estate, limited partnerships	**14,643**	8,200
	497,793	441,052
Investments, recorded at cost		
Absolute return, limited partnerships	**56,180**	73,589
Real estate, limited partnerships	**21,613**	20,718
Private equity, limited partnerships	**24,983**	26,971
	102,776	121,278
	$ 600,569	$ 562,330

(In Thousands)

5. Investments (continued)

Most real estate, private equity, and absolute return limited partnership investments are adjusted to and are carried at cost because WSH does not have a controlling interest in the related partnerships and the fair value is not readily determinable The unaudited fair value of these limited partnership investments exceeded the cost basis of these investments by $34,896 and $27,341 as of June 30, 2013 and 2012, respectively

Allocations of assets from the WSH Master Trust to participating funds are as follows

	June 30			
	2013		2012	
	Amount	Percent	Amount	Percent
York Hospital				
YH Renewal and Replacement Fund	**$ 481,744**	**80%**	$ 451,293	80%
YH Auxiliary	**566**	*	512	*
YH Endowment	**2,466**	*	2,187	*
Gettysburg Hospital				
GH Renewal and Replacement Fund	**81,883**	**14**	74,564	14
GH Foundation	**1,020**	*	873	*
York Health Foundation Charitable Trust	**4,531**	**1**	4,239	1
WellSpan Specialty Services				
WSS Restricted	**18,075**	**3**	18,304	3
WSS	**10,284**	**2**	10,358	2
	$ 600,569	**100%**	$ 562,330	100%

*Less than 0 5% of total

(In Thousands)

5. Investments (continued)

Interest and dividend income, net of investment expenses and gains (losses) for assets limited as to use, cash equivalents and investments are comprised of the following

	Year Ended June 30	
	2013	**2012**
Other income		
Interest and dividend income	**$ 9,186**	$ 14,854
Change in unrealized gains and losses on trading securities	**36,905**	(20,658)
Net realized gain on sales of securities	**14,078**	5,541
	$ 60,169	$ (263)
Other changes in unrestricted net assets		
Change in unrealized gains and losses on assets limited as to use and investments – other-than-trading securities	**$ (508)**	$ 314

6. Fair Value Measurements

WSH utilizes various methods of calculating the fair value of its financial assets and liabilities, when applicable Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Fair value measurements are applied based on the unit of account from WSH's perspective The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) The fair value hierarchy is comprised of three levels based on the source of inputs as follows

- Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities The fair value hierarchy gives the highest priority to Level 1 inputs

- Level 2 – Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data

- Level 3 – Unobservable inputs are used when little or no market data is available The fair value hierarchy gives the lowest priority to Level 3 inputs

(In Thousands)

6. Fair Value Measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement In determining fair value, WSH uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value Financial assets carried at fair value are classified in the table below in one of the three categories described above

	June 30, 2013			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
WSH Master Trust				
Debt securities issued by the U S agencies Treasury and other U S government corporations and agencies	**$ 59,557**	**$ –**	**$ 59,557**	**$ –**
Government-sponsored enterprise mortgage-backed securities	**5,232**	**–**	**5,232**	**–**
Other asset-backed securities	**29,696**	**–**	**29,696**	**–**
Corporate debt securities	**31,333**	**–**	**31,333**	**–**
Aggregate bond index fund	**11,857**	**–**	**11,857**	**–**
Commodities/real return	**24,556**	**24,556**	**–**	**–**
Equity securities				
Consumer discretionary and services	**28,372**	**28,372**	**–**	**–**
Consumer staples	**6,410**	**6,410**	**–**	**–**
Financial services	**28,453**	**28,453**	**–**	**–**
Healthcare	**19,770**	**19,770**	**–**	**–**
Materials and processing	**19,053**	**19,053**	**–**	**–**
Other energy	**14,810**	**14,810**	**–**	**–**
Producer durables	**6,899**	**6,899**	**–**	**–**
Technology	**30,268**	**30,268**	**–**	**–**
Utilities	**2,386**	**2,386**	**–**	**–**
Total equity securities	**156,421**	**156,421**	**–**	**–**
Stock index fund	**39,031**	**–**	**39,031**	**–**
Collective mutual funds and investment trusts	**105,318**	**7,985**	**97,333**	**–**
Absolute return, limited partnership[2]	**20,149**	**–**	**–**	**20,149**
Real estate, limited partnerships[1]	**14,643**	**–**	**–**	**14,643**
Total WSH Master Trust	**497,793**	**188,962**	**274,039**	**34,792**

(In Thousands)

6. Fair Value Measurements (continued)

	June 30, 2013			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
Other assets				
Cash and cash equivalents agencies	**$ 97,541**	**$ 97,541**	**$ –**	**$ –**
Money market fund	**3,482**	**–**	**3,482**	**–**
Mutual funds	**7,023**	**4,623**	**2,400**	**–**
Beneficial interest in perpetual trusts*	**16,071**	**10,474**	**5,597**	**–**
Government-sponsored enterprise mortgage-backed securities	**14,739**	**–**	**14,739**	**–**
Debt securities issued by the U S agencies Treasury and other U S government corporations and agencies	**35,963**	**–**	**35,963**	**–**
Corporate debt securities	**19,141**	**–**	**19,141**	**–**
Total other assets	**193,960**	**112,638**	**81,322**	
	691,753	**301,600**	**355,361**	**34,792**
Liabilities				
Interest rate swap agreements	**(42,012)**	**–**	**(42,012)**	**–**
	$ 649,741	**$ 301,600**	**$ 313,349**	**$ 34,792**

(In Thousands)

6. Fair Value Measurements (continued)

	June 30, 2012			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
WSH Master Trust				
Debt securities issued by the U S agencies Treasury and other U S government corporations and agencies	$ 54,471	$	$ 54,471	$ –
Government-sponsored enterprise mortgage-backed securities	11,178	–	11,178	–
Other asset-backed securities	23,784	–	23,784	–
Corporate debt securities	35,158	–	35,158	–
Aggregate bond index fund	11,949	–	11,949	–
Commodities/real return	27,930	27,930	–	–
Equity securities				
Consumer discretionary and services	25,050	25,050	–	–
Consumer staples	8,979	8,979	–	–
Financial services	22,051	22,051	–	–
Healthcare	15,980	15,980	–	–
Materials and processing	13,805	13,805	–	–
Other energy	13,704	13,704	–	–
Producer durables	8,198	8,198	–	–
Technology	33,046	33,046	–	–
Utilities	3,079	3,079	–	–
Total equity securities	143,892	143,892	–	–
Stock index fund	38,655	–	38,655	–
Collective mutual funds and investment trusts	85,835	4,839	80,996	–
Real estate, limited partnerships[1]	8,200	–	–	8,200
Total WSH Master Trust	441,052	176,661	256,191	8,200

(In Thousands)

6. Fair Value Measurements (continued)

	June 30, 2012			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
Other assets				
Cash and cash equivalents agencies	$ 73,350	$ 73,350	$ –	$ –
Money market fund	1,182	–	1,182	–
Mutual funds	6,880	3,260	3,620	–
Beneficial interest in perpetual trusts*	15,128	7,167	7,961	–
Swap collateral	3,472	3,472	–	–
Government-sponsored enterprise mortgage-backed securities	14,179	–	14,179	–
Debt securities issued by the U S agencies Treasury and other U S government corporations and agencies	37,562		37,562	–
Corporate debt securities	18,571	–	18,571	–
Total other assets	170,324	87,249	83,075	–
	611,376	263,910	339,266	8,200
Liabilities				
Interest rate swap agreements	(68,103)	–	(68,103)	–
	$ 543,273	$ 263,910	$ 271,163	$ 8,200

*Beneficial interest in perpetual trusts consists of investments in various securities not under WSH control

In 2012, the fair value of certain money market securities and Debt securities issued by the U S agencies Treasury and other U S government corporations and agencies were reported as Level 1 The prior-period disclosure has been adjusted to reflect these investments as Level 2 The total Level 1 securities as previously reported were $357,125 The total Level 2 securities as previously report were $177,948 The revision of this disclosure is not considered material to the consolidated financial statements of WSH

(In Thousands)

6. Fair Value Measurements (continued)

The following table sets forth a summary of changes in the fair value of the Level 3 assets for the years ended June 30, 2013 and 2012

	Level 3 Assets Absolute and Real Estate, Limited Partnerships
Balance, beginning of year as of June 30, 2011	$ –
Investments converted to market	–
Realized gains (losses)	(18)
Unrealized gains (losses)	(4)
Purchases	9,643
Sales, issuances and settlements	(1,421)
Balance, beginning of year as of June 30, 2012	8,200
Investments converted to market	**20,311**
Realized gains (losses)	**4**
Unrealized gains (losses)	**903**
Purchases	**5,677**
Sales, issuances and settlements	**(303)**
Balance, end of year as of June 30, 2013	**$ 34,792**

(1) This asset is an investment in Siguler Guff Distressed Real Estate Opportunities Fund, LP (Siguler Guff) The estimated fair market value of this investment is determined by the total net assets of the fund attributable to common shares, divided by the number of common shares outstanding The total net asset value of the fund is determined by the market value of the underlying investments if they are securities listed on a national securities exchange or traded over the counter For those securities not openly traded, the investment manager generally utilizes the most recent relevant information or performance reports of such managed account or investment partnership, unless the investment manager determines some other valuation is more appropriate On an annual basis, Siguler Guff provides audited financial statements from independent audit firms for review This company has an unfunded commitment of $6,400 This investment has redemption restrictions at the discretion of the General Partner

(In Thousands)

6. Fair Value Measurements (continued)

(2) This asset is an investment in Common Sense, LP (Common Sense) The estimated fair market value of this investment is determined by the total net assets of the fund attributable to common shares, divided by the number of common shares outstanding The total net asset value of the fund is determined by the market value of the underlying investments if they are securities listed on a national securities exchange or traded over the counter For those securities not openly traded, the investment manager generally utilizes the most recent relevant information or performance reports of such managed account or investment partnership, unless the investment manager determines some other valuation is more appropriate On an annual basis, Common Sense provides audited financial statements from independent audit firms for review This investment has redemption restrictions at the discretion of the General Partner

The fair value of investments carried at cost excluding land are the following

	Total Fair Value June 30		Unfunded Commitments	Redemption	
	2013	**2012**	**June 30, 2013**	**Frequency**	**Notice Period**
Absolute return					
Multi-strategy [b]	**$ 60,887**	$ 56,432	**$ –**	Quarterly	90 days
Long/short equity [a]	**–**	20,311	**–**	Annual	100 days
Long/short equity [a]	**14,547**	12,742	**–**	Quarterly	65 days
	75,434	89,485	**–**		
Real estate					
Core [c]	**26,839**	23,010	**–**	Quarterly	90 days
Opportunistic [d]	**3,421**	3,857	**1,132**	N/A	N/A
	30,260	26,867	**1,132**		
Private equity [e]	**31,978**	32,267	**7,539**	N/A	N/A
	$ 137,672	$ 148,619	**$ 8,671**		

6. Fair Value Measurements (continued)

(a) This class includes investments in hedge funds of funds that invest both long and short primarily in U S common stocks The fund of funds manager has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to net short position The fair values of the investments in this class have been estimated using the net asset value per share of the investments

(b) This class includes investments in hedge fund of funds that invest in multiple strategies including long and short equity, other non-directional, distressed securities, convertible arbitrage and fixed income arbitrage The fair values of the investments in this class have been estimated using the net asset value per share of the investments

(c) This class includes public and private real estate funds that invest primarily in U S commercial real estate The fair values of the investments in this class have been estimated using the net asset value of WSH's ownership interest in the partners' capital The investments can be redeemed, however, distributions are at the fund manager's discretion

(d) This class includes real estate funds that invest primarily in U S commercial real estate The fair values of the investments in this class have been estimated using the net asset value of WSH's ownership interest in the partners' capital Distributions from the fund will be received as the underlying investments of the funds are liquidated and distributed by the fund manager It is estimated that the underlying assets of the fund will be liquidated over 7 to 10 years from the inception of the fund

(e) This class includes several private equity funds that invest primarily in domestic companies Distributions are received through the liquidation of the underlying assets of the fund It is estimated that the underlying assets of the fund will be liquidated over 5 to 10 years from the fund's inception

(In Thousands)

7. Property and Equipment

The following is a summary of property and equipment

	Estimated Useful Life	June 30 2013	2012
Land		**$ 15,435**	$ 14,437
Land improvements	5 to 20 years	**13,284**	13,129
Buildings and building equipment	10 to 40 years	**491,193**	474,568
Fixed equipment	5 to 25 years	**60,241**	60,213
Major movable equipment	5 to 20 years	**380,589**	376,957
Construction-in-progress		**10,719**	12,069
		971,461	951,373
Less accumulated depreciation		**(508,548)**	(476,348)
Property and equipment, net		**$ 462,913**	$ 475,025

Depreciation expense for the years ended June 30, 2013 and 2012 was $59,553 and $55,071, respectively

WSH has outstanding purchase commitments related to various construction projects of approximately $14,157 and $10,274 at June 30, 2013 and 2012, respectively

(In Thousands)

8. Long-Term Debt

Long-term debt consists of the following

	June 30 2013	2012
Fixed rate debt		
2008 General Authority of South Central Pennsylvania Revenue Refunding Bonds, Series A, fixed rate interest, maturing in June 2037, collateralized by certain assets and gross receipts of YH and GH, net of unamortized discount of $4,636 and $4,829 at June 30, 2013 and 2012, respectively	**$ 163,339**	$ 169,950
GH Note Payable, fixed interest rate, dated December 29, 2010, uncollateralized	**615**	887
Variable rate debt		
2008 General Authority of South Central Pennsylvania Revenue Bonds, Series B1-D, variable rate demand bond interest, collateralized by certain assets and gross receipts of YH and GH	**211,701**	211,701
YH 1993 Hospital Revenue Refunding Bonds, auction rate interest on Series B, collateralized by YH's gross receipts until July 2021, net of unamortized discount of $112 and $126 at June 30, 2013 and 2012, respectively	**24,458**	24,444
AHSCP M&T Bank Loan, variable interest rate, dated August 15, 2000 collateralized by certain assets	**2,021**	2,271
WP M&T Bank Loan, variable interest rate, dated March 28, 2011, uncollateralized	**5,366**	4,365
GH Bank Loan, variable interest rate, dated March 30, 2007, collateralized by certain assets	**1,156**	1,465
GH M&T Bank Loan, variable interest rate, dated December 7, 2012, uncollateralized	**1,755**	–
	410,411	415,083
Less current portion	**(7,666)**	(7,635)
	$ 402,745	$ 407,448

(In Thousands)

8. Long-Term Debt (continued)

Long-term capital lease obligations consist of the following

	June 30 2013	2012
WSH Capital Lease Obligations, fixed interest rates, collateralized by leased property	**$ 13,045**	$ 16,977
Less current portion	**(4,015)**	(3,931)
	$ 9,030	$ 13,046

WSH uses quoted market prices in estimating the fair value of the revenue bonds and the carrying values of the other long-term obligations' approximate fair value The fair value of WSH's long-term debt, excluding capital lease obligations, was $428,170 and $440,902 at June 30, 2013 and 2012, respectively

On November 12, 2008, the General Authority of South Central Pennsylvania (General Authority) issued the Revenue Refunding Bonds, Series 2008A-D to a "Borrower Group" of WP and an Obligated Group consisting of YH and GH The proceeds from this bond issuance were $412,230 The 2008 Series were issued by the General Authority of South Central Pennsylvania pursuant to a Trust Indenture dated as of November 1, 2008 with Manufacturers and Traders Trust Company, as Trustee The 2008 Series A-D Bonds will be paid by YH, GH and WP based on their allocated amounts, however, the payments are secured equally by the Borrower Group pursuant to a Loan Agreement dated as of November 1, 2007 among the Issuer, the Borrower Group and a Series 2008 Master Note issued by the members of the Borrower Group under a Master Trust Indenture dated as of June 15, 2001, between the Borrower Group and Manufacturers and Traders Trust Company, as Master Trustee The 2008 A Series are fixed rate bonds with interest rates ranging from 2 85% – 6 50% The interest rate for the 2008 B-D Variable Rate Demand Obligations for any week may not exceed the lesser of 12% per annum or the maximum rate of interest on the obligation permitted by applicable law

8. Long-Term Debt (continued)

On February 2, 2011, the Series B-D Bonds were restructured through an amendment to the Master Trust Indenture Under the terms of the restructuring, these bonds are now non-bank qualified loans and letters of credit are not required During the 2013 year, the Series B-C issued continuing covenant agreements with various banks Interest is paid monthly and terms range from 5 – 10 years as follows

- Series B was split into Series B-1 and B-2
  - On December 1, 2012, WSH issued Series B-1 to US Bank N A in the amount of $40,025 for a term of 7 years The interest rate ranged from 0 83% to 0 88% in 2013 The rate at June 30, 2013 and 2012 was 0 83% and 0 88%, respectively
  - On June 1, 2013, WSH issued Series B-2 to TD Bank in the amount of $34,000 for a term of 7 years The interest rate ranged from 0 17% to 1 20% in 2013 The rate at June 30, 2013 and 2012 was 0 76% and 1 20%, respectively
  - On December 1, 2012, WSH issued Series C to US Bank N A in the amount of $56,740 for a term of 7 years The interest rate ranged from 0 83% to 1 23% in 2013 The rate at June 30, 2013 and 2012 was 0 83% and 1 23%, respectively
- WSH issued Series D to PNC, N A in the amount of $80,935 for a term of 10 years The interest rate ranged from 1 03% to 1 07% in 2013 The rate at June 30, 2013 and 2012 was 1 04% and 1 07%, respectively

A minimum of 365 days' notice of non-renewal is required by the banks prior to end of the term

8. Long-Term Debt (continued)

On June 23, 1993, the Authority issued the Hospital Revenue Refunding Bonds, Series 1993 (the 1993 Bonds) to YH The Obligated Group for the 1993 Bonds consists only of YH The proceeds from this bond issuance were $38,850, consisting of Select Auction Variable Rate Securities (SAVRS) Series B of 1993 (the Variable Rate Bonds) The 1993 Bonds were issued to refund the Hospital Revenue Refunding Bonds, Series 1991 (the 1991 Bonds) The interest rate for the 1993 Variable Rate Bonds for any 35-day auction period may not exceed the lesser of 12% or the maximum rate permitted by applicable law The interest rate on the 1993 Variable Rate Bonds was 0 081% and 0 35% at June 30, 2013 and 2012, respectively Interest rates for the 1993 bonds are no longer determined by auctions Interest rates on the 1993 bonds are set by the auction agent based on a municipal commercial paper rate and multiplied by 1 75%, as described in the documents as the Applicable Percentage Interest rates are reset every 35 days The 1993 Variable Rate Bonds have a final maturity of July 1, 2021 Annual principal payments range from $1,950 to $3,700 The bonds have been insured by AMBAC On July 1, 2011, $4,280 of the bonds were repurchased

The 2008 and 1993 Bond indentures and related agreements contain certain restrictive covenants which, among other things, require the Obligated Group and YH, respectively, to maintain debt service coverage of 110% on all long-term indebtedness The Obligated Group and YH have complied with all financial covenants at June 30, 2013 and 2012

On August 15, 2000, AHSCP obtained a mortgage in the amount of $5,000 from a bank for the construction of the surgery center expansion and other capital equipment The interest rate is variable, and the rates at June 30, 2013 and 2012 were 0 84% and 0 89%, respectively Repayment is in monthly payments through June 1, 2015 A balloon payment of $1,548 is due on June 1, 2015 All principal and interest payments on the loan have been collateralized by AHSCP assets

(In Thousands)

8. Long-Term Debt (continued)

On March 30, 2007, Gettysburg Ambulatory Surgical Center, LLC (the Center) obtained financing in the amount of $2,750 from M&T Bank The interest is equal to the one-month LIBOR plus 1 40% The interest rate at June 20, 2013 and 2012 was 1 59% and 1 64%, respectively Repayment is in monthly payments through April 2017 The note is secured by substantially all of the Center's assets The Center is required to maintain a cash flow coverage ratio of 1 25 to 1 0 and a minimum tangible net worth of $300 On May 31, 2009, GH assumed the loan and all assets of the Center and renegotiated the note The interest rate remained consistent with the original note, however, the covenants were changed to be the same as the already-existing Master Trust indenture

On December 7, 2012, GH obtained financing in the amount of $1,800 from M&T Bank The interest rate is variable and the rate at June 30, 2013 was 2 65% The note is uncollateralized

On August 1, 2010, WSH, YH, and GH entered into a master lease agreement and tax-exempt financing arrangement with Philips Medical Capital (Philips), a third party Through the master lease agreement, WSH, YH, and GH will lease equipment from Adams County Industrial Development Authority, a third party, which in turn serves as the lessee of Philips The master lease agreement is comprised of four groups of equipment, for which WSH, YH, and GH will receive title at the end of the respective lease terms WSH, YH, and GH may also receive title to the equipment at an earlier date if they exercise their purchase rights per the terms of the master lease agreement WSH has accounted for this transaction as a capital lease in accordance with ASC 840, *Leases*

Each group of equipment is financed through a separate tranche (Schedule) with a 6-year term under the tax-exempt financing arrangement, as follows

Tranche	Close Date	Amount	Interest Rate
Schedule 1	August 31, 2010	$ 6,672	3 15%
Schedule 2	December 10, 2010	4,163	3 29%
Schedule 3	March 23, 2011	4,419	3 39%
Schedule 4	June 24, 2011	1,646	3 15%
		$ 16,900	

(In Thousands)

8. Long-Term Debt (continued)

On December 29, 2010, GH closed a purchase agreement for the acquisition of a physical therapy facility The interest rate is fixed at 2 75% The note is in the amount of $1,159 for which repayment is in yearly payments through December 29, 2015 The note is uncollateralized

On March 25, 2011, February 29, 2012, and January 31, 2013, WP obtained financing in the amount of $2,032, $2,332, and $1,002, respectively, from M&T Bank The financing was obtained from an available line of credit of $15,000 The line of credit has $9,634 available at June 30, 2013 The interest rate is variable and the rate at June 30, 2013 and 2012 was 1 75% and 1 75%, respectively The note is uncollateralized

Maturities of Long-Term Debt

Maturities of the long-term debt outstanding including capital leases, as of June 30, 2013, net of $4,748 in unamortized discount, are as follows

2014	$ 11,681
2015	15,475
2016	14,561
2017	18,792
2018	12,005
2019 and thereafter	350,942
	$ 423,456

WSH has entered into interest rate swap agreements with the intent of mitigating cash flow risk relating to change in the variable interest rates Under the swap agreements, WSH pays interest at fixed rates and receives interest at variable rates The swap settles on a monthly basis The following schedule outlines the terms and fair market values of the interest rate swap agreements that are included in other liabilities on the accompanying consolidated balance sheets

(In Thousands)

8. Long-Term Debt (continued)

Swap Contracts

	June 30, 2013			
	Series 1993	**Series 2005**	**Series 2007**	**M & T Note**
Notional amount	**$ 24,570**	**$ 102,675**	**$ 140,000**	**$ 1,171**
Effective date	**6/23/1993**	**5/17/2005**	**6/05/2007**	**9/21/2007**
Termination date	**5/14/2013**	**5/15/2031**	**6/01/2037**	**4/03/2017**
Fixed rate	**5.540%**	**3.600%**	**3.636%**	**5.000%**
Variable rate basis	**SAVRS Rate**	**USD-Libor-BBA-1MT *.624 + .0029**	**USD-Libor-BBA-1MT *.617 + .0031**	**USD-Libor-BBA-1MT *.617**
Recorded liability	**$ –**	**$ (14,963)**	**$ (26,951)**	**$ (98)**

	June 30, 2012			
	Series 1993	**Series 2005**	**Series 2007**	**M & T Note**
Notional amount	$ 24,570	$ 105,935	$ 140,000	$ 1,477
Effective date	6/23/1993	5/17/2005	6/05/2007	9/21/2007
Termination date	7/13/2021	5/15/2031	6/01/2037	4/03/2017
Fixed rate	5 540%	3 600%	3 636%	5 000%
Variable rate basis	SAVRS Rate	USD-Libor-BBA-1MT * 624 + 0029	USD-Libor-BBA-1MT * 617 + 0031	USD-Libor-BBA-1MT * 617
Recorded liability	$ (4,473)	$ (22,512)	$ (40,960)	$ (158)

On June 29, 2012, WSH executed an agreement to novate the 2005 and 2007 Swap contracts from Citigroup Financial Products to Wells Fargo Bank N A Wells Fargo N A , as the new counterparty, increased the collateral threshold from $20,000 to $60,000 for the combined notional amounts for both swaps All of the other original terms remained the same

(In Thousands)

8. Long-Term Debt (continued)

The fair value and the presentation of the Company's swap contracts in the consolidated balance sheets are as follows

Derivatives Not Designated as Hedging Instruments Under ASC 815	Balance Sheet Location	June 30 2013	2012
Series 1993		**$ –**	$ (4,473)
Series 2005		**(14,963)**	(22,512)
Series 2007		**(26,951)**	(40,960)
M & T Note		**(98)**	(158)
Total	Interest rate swaps agreements	**$ (42,012)**	$ (68,103)

The effect and the presentation of the Company's swap contracts on the consolidated statements of operations are as follows

Derivatives Not Designated as Hedging Instruments Under ASC 815	Location of Gain (Loss) in Income on Derivatives	Amount of Gain (Loss) in Income on Derivative Year Ended June 30 2013	2012
Series 1993		**$ 23**	$ –
Series 2005		**7,549**	(10,064)
Series 2007		**14,009**	(21,592)
M & T Note		**60**	23
Total	Change in fair value of interest rate swap agreements	**$ 21,641**	$ (31,633)

YH entered into an interest rate swap agreement with Lehman Brothers Special Financing, Inc (Lehman) to reduce the impact of changes in interest rates on its 1993 Variable Rate Auction Bonds The interest rate swap agreement was scheduled to mature at the time the 1993 Variable Rate Bonds mature, however, Lehman failed to perform certain activities under the agreement in the second half of 2008 and WSH concluded Lehman to be in default of the swap agreement WSH filed a termination notice under the provisions of the swap agreement on May 20, 2009

(In Thousands)

8. Long-Term Debt (continued)

Lehman had not agreed to the termination and the matter is further complicated because of Lehman's bankruptcy filing on September 15, 2008 As of May 14, 2013, YH settled its obligation with Lehman Brothers Special Financing in the amount of $4,450, which was paid in June 2013

9. Amounts Available Under Line and Letters of Credit

At June 30, 2013, WSH collectively, maintained three lines of credit totaling $42,500 of which $37,134 was unused at June 30, 2013 At June 30, 2013, WSH had unused, unsecured standby letters of credit with a bank totaling $19,342

10. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	June 30	
	2013	**2012**
Health care services		
Professional education	**$ 1,441**	$ 1,691
Health care promotion	**12,551**	11,910
	$ 13,992	$ 13,601

For the years ended June 30, 2013 and 2012, $4,777 and $6,079 of net assets were released from donor restrictions, respectively, by incurring expenses satisfying the restricted purposes relating to the purchase of property and equipment, providing professional education and health care promotion

Permanently restricted net assets were restricted to

	June 30	
	2013	**2012**
Permanent endowment funds, the income of which was permitted to be used to support health care services	**$ 2,999**	$ 2,868
Funds held in trust by others	**16,176**	15,173
	$ 19,175	$ 18,041

(In Thousands)

10. Temporarily and Permanently Restricted Net Assets (continued)

WSH is named as a beneficiary under several perpetual trusts WSH's beneficiary interest allocation in each of these trusts varies by trust

11. Professional and General Liability Reserves

The estimated liability for professional and general liability reserves consists of

	June 30	
	2013	**2012**
Professional liability	**$ 41,396**	$ 40,370
Health benefits	**10,969**	10,597
Short-term disability	**378**	405
Workers' compensation	**10,432**	9,508
	63,175	60,880
Less current portion	**(21,011)**	(18,828)
	$ 42,164	$ 42,052

For the years ended June 30, 2013 and 2012, malpractice claims up to $500 were paid through WRRRG WSH obtains excess coverage from the Medical Care Availability and Reduction of Error Fund (MCARE Fund) for claims between $500 and $1,000 Claims between $1,000 and $5,000 in 2013 and 2012 were self-insured by WSH Excess coverage of losses between $5,000 and $35,000 was commercially insured At June 30, 2013 and 2012, estimated professional liability reserve requirements for WSH have been discounted at 3%

As noted above, WSH participates in the MCARE Fund to purchase excess medical malpractice insurance coverage The MCARE Fund levies health care provider surcharges to pay claims and pay administrative expenses on behalf of MCARE Fund participants These surcharges are recognized as expenses in the period incurred The MCARE Act provides for the gradual phase-out of MCARE Fund coverage The actuarially computed liability for all health care providers (hospital, physicians, and others) participating in the MCARE Fund at June 30, 2012 (the latest date for which such information is available) was $1 16 billion Even though the MCARE Fund coverage will be phased out, the Commonwealth has indicated that the unfunded liability will be funded through assessments in future years as MCARE Fund-covered claims are eventually settled and paid

11. Professional and General Liability Reserves (continued)

WSH's annual premiums for participation in the MCARE Fund were $2,105 and $1,704 for the years ended June 30, 2013 and 2012, respectively No provision has been made for any future MCARE Fund assessments in the accompanying consolidated financial statements as WSH's portion of the MCARE Fund unfunded liability cannot be reasonably estimated

WSH is self-insured for workers' compensation and most employee health benefit claims up to program-specific limitations Claims in excess of these limitations are covered by a comprehensive insurance policy on an occurrence basis At June 30, 2013 and 2012, the reserve for workers' compensation claims, discounted at 3%, respectively, was $10,432 and $9,508, respectively At June 30, 2013 and 2012, the reserve for medical claims incurred but not reported was $10,969 and $10,597, respectively

The self-insurance liabilities are presented gross including $8,445 and $8,530 of estimated insurance recoveries as of June 30, 2013 and 2012, respectively There is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

12. Retirement Benefits

Defined Benefit Plan

WSH has a qualified defined benefit pension plan (the WSH Plan) covering all eligible WSH employees hired prior to August 19, 2007 WSH makes contributions to the WSH Plan as determined by the actuary At June 30, 2013 and 2012, the accrued pension liability of the WSH Plan is included in accrued retirement benefits The measurement date of the WSH Plan is June 30

WellSpan Health also offers a Retirement Savings Plan to eligible active employees who are not eligible for the defined benefit plan Any existing employee who met certain eligibility requirements and was hired prior to August 19, 2007 had the option to stay within the existing defined benefit plan and continue to accrue benefits or opt out and receive benefits under the new defined contribution plan with matching contributions If an individual opted out of the defined benefit plan, any benefits accrued through December 31, 2007 were frozen All employees hired after August 19, 2007 are automatically enrolled in the defined contribution plan

(In Thousands)

12. Retirement Benefits (continued)

Retired employees of WSH, who have met the requirements to become vested under the terms of the WSH Plan and are over 55 years of age at the time of their retirement, are provided health and life insurance benefits (Other Benefits) The measurement date of the Other Benefits is June 30

The following table summarizes information about the Plans

	Pension Benefits		Other Benefits	
	June 30			
	2013	**2012**	**2013**	**2012**
Changes in benefit obligations				
Benefit obligation at beginning of year	**$ 714,312**	$ 567,247	**$ 27,066**	$ 23,484
Service cost, net	**22,137**	18,587	**1,117**	1,005
Interest cost	**34,105**	32,830	**1,307**	1,400
Change due to assumption change	**–**	–	**(989)**	1,860
Actuarial (gain) loss	**(54,307)**	107,875	**89**	1,188
Loss recognized due to temporary deviation in substantive plan	**–**	–	**223**	319
Benefits paid	**(14,558)**	(12,227)	**(2,229)**	(2,190)
Benefit obligation at end of year	**$ 701,689**	$ 714,312	**$ 26,584**	$ 27,066
Accumulated benefit obligation	**$ 607,635**	$ 607,467	**6,356**	6,211
Changes in plan assets				
Fair value of plan assets at beginning of year	**$ 437,722**	$ 390,678	**$ –**	$ –
Actual return on plan assets	**58,407**	7,701	**–**	–
Contributions by WSH	**54,477**	51,570	**2,425**	2,190
Benefits and expenses paid	**(14,558)**	(12,227)	**(2,425)**	(2,190)
Fair value of plan assets at end of year	**$ 536,048**	$ 437,722	**$ –**	$ –
Funded status at end of year	**$ (165,641)**	$ (276,590)	**$ (26,584)**	$ (27,066)
Amounts recognized in the consolidated balance sheets consist of				
Accrued retirement benefits	**$ (165,641)**	$ (276,590)	**$ (26,584)**	$ (27,066)

(In Thousands)

12. Retirement Benefits (continued)

	Pension Benefits		Other Benefits	
	June 30			
	2013	2012	2013	2012
Amounts recognized in accumulated unrestricted net assets consist of				
Prior service cost	$ –	$ 478	$ 2,982	$ 3,390
Net actuarial loss (gain)	186,704	282,847	(2,212)	(1,247)
	$ 186,704	$ 283,325	$ 770	$ 2,143
Components of net periodic benefit cost				
Service cost	$ 22,137	$ 18,587	$ 1,117	$ 1,005
Interest cost	34,104	32,830	1,307	1,400
Expected return on assets	(40,406)	(36,887)	–	–
Loss recognized due to temporary deviation in substantive plan	–	–	223	319
Amortization of prior service cost	478	736	409	409
Amortization of unrecognized net actuarial loss (gain)	23,835	11,105	65	(223)
Net periodic benefit cost	40,148	26,371	3,121	2,910
Other changes in retirement benefits recognized in unrestricted net assets consist of				
Current-year actuarial (gain) loss	(72,308)	137,061	(899)	3,025
Recognized actuarial (gain) loss	(478)	(736)	(65)	223
Prior service cost	–	–	–	23
Amortization of prior service cost	(23,835)	(11,105)	(409)	(409)
Total recognized in unrestricted net assets	(96,621)	125,220	(1,373)	2,862
Total recognized in net periodic benefit cost and unrestricted net assets	$ (56,473)	$ 151,591	$ 1,748	$ 5,772

(In Thousands)

12. Retirement Benefits (continued)

The estimated amounts of net actuarial loss (gain) and the prior service cost that are expected to be amortized from other changes in unrestricted net assets into net periodic benefit cost for the next fiscal year are as follows

	Pension Benefits	Other Benefits	Total
Prior service cost	$ –	$ 409	$ 409
Net loss (gain)	13,183	(85)	13,098
Total	$ 13,183	$ 324	$ 13,507

	Pension Benefits		Other Benefits	
	June 30			
	2013	2012	2013	2012
Assumptions				
Weighted-average assumptions used to determine benefit obligations at June 30				
Discount rate	**5.30%**	4 82%	**5.30%**	4 82%
Rate of increase in future compensation levels	**4.00%**	4 00%	**N/A**	N/A
Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30				
Discount rate	**4.82%**	5 85%	**4.82%**	5 85%
Rate of increase in future compensation levels	**4.00%**	4 00%	**N/A**	N/A
Expected long-term rate of return on assets	**8.00%**	8 50%	**N/A**	N/A

To develop the expected long-term rate of return on assets assumption, WSH considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio

(In Thousands)

12. Retirement Benefits (continued)

The WSH Plan weighted-average asset allocations by asset category are as follows

	Asset Allocation			June 30	
	Minimum	**Target**	**Maximum**	**2013**	**2012**
Asset category					
Equity securities	45%	50%	55%	**55%**	49%
Debt securities	15	20	25	**20**	24
Other	25	30	35	**25**	27
				100%	100%

The above allocation reflects policies that are established to ensure that the portfolio is invested according to modern portfolio theory The asset allocation is developed to generate growth in asset value by utilizing higher-returning asset classes and proper diversification

	June 30	
	2013	**2012**
Effect of 1% increase/decrease in health care cost trend rates on		
Postretirement benefit obligation	**$ 18**	$ 33
Total of service cost and interest cost component	**2**	2

The health care cost trend rate for purposes of determining the net periodic benefit cost and disclosure was 5 25% in 2013 and 2012

Cash Flows

Contributions

WSH expects to contribute during the 2014 fiscal year approximately $59,500 related to the pension plan and $3,682 related to the other benefits

(In Thousands)

12. Retirement Benefits (continued)

Fair Value Measurements

The following tables set forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of June 30, 2013 and 2012

	June 30, 2013			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	**$ 4,384**	**$ 4,384**	**$ –**	**$ –**
Commodities/real return	**21,797**	**21,797**	**–**	**–**
Stock index fund	**66,931**	**–**	**66,931**	**–**
Private investment funds[1]	**93,512**	**–**	**–**	**93,512**
Real estate partnerships[2],[3]	**17,194**	**–**	**–**	**17,194**
Collective mutual funds and investment trusts	**160,285**	**–**	**160,285**	**–**
Guaranteed annuity contracts	**4,272**	**–**	**4,272**	**–**
Equity securities				
Consumer discretionary and services	**36,962**	**36,962**	**–**	**–**
Consumer staples	**6,834**	**6,834**	**–**	**–**
Financial services	**25,148**	**25,148**	**–**	**–**
Healthcare	**22,541**	**22,541**	**–**	**–**
Materials and processing	**16,802**	**16,802**	**–**	**–**
Other energy	**15,705**	**15,705**	**–**	**–**
Producer durables	**6,879**	**6,879**	**–**	**–**
Technology	**34,800**	**34,800**	**–**	**–**
Utilities	**2,002**	**2,002**	**–**	**–**
Total equity securities	**167,673**	**167,673**	**–**	**–**
	$ 536,048	**$ 193,854**	**$ 231,488**	**$ 110,706**

(In Thousands)

12. Retirement Benefits (continued)

	June 30, 2012			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 5,141	$ 5,141	$ –	$ –
Aggregate bond index fund	15,104	–	15,104	–
Commodities/real return	20,000	20,000	–	–
Stock index fund	49,183	–	49,183	–
Private investment funds[(1)]	81,993	–	–	81,993
Real estate partnerships[(2),(3)]	15,891	–	–	15,891
Collective mutual funds and investment trusts	132,112	–	132,112	–
Guaranteed annuity contracts	4,356	–	4,356	–
Equity securities				
Consumer discretionary and services	20,072	20,072	–	–
Consumer staples	7,352	7,352	–	–
Financial services	15,920	15,920	–	–
Healthcare	12,675	12,675	–	–
Materials and processing	11,106	11,106	–	–
Other energy	11,418	11,418	–	–
Producer durables	6,368	6,368	–	–
Technology	26,906	26,906	–	–
Utilities	2,125	2,125	–	–
Total equity securities	113,942	113,942	–	–
	$ 437,722	$ 139,083	$ 200,755	$ 97,884

12. Retirement Benefits (continued)

(1) The Plan also maintains investments in private investment funds, these include investments in Common Sense Offshore Ltd (Common Sense), Quellos Institutional Partners (Quellos), Siguler Guff Opportunities III (Siguler Guff), Private Advisors, and Portfolio Advisors Secondary Fund LP (Portfolio Advisors) The estimated fair market value of these investments is determined by the total net assets of the fund attributable to common shares, divided by the number of common shares outstanding The total net asset value of the fund is determined by the market value of the underlying investments if they are securities listed on a national securities exchange or traded over the counter For those securities not openly traded, the investment manager generally utilizes the most recent relevant information or performance reports of such managed account or investment partnership, unless the investment manager determines some other valuation is more appropriate On an annual basis, Common Sense, Quellos, Siguler Guff, Private Advisors, and Portfolio Advisors provide audited financial statements from independent audit firms for review

(2) The Plan's investments in the Guggenheim Real Estate Commingled Trust include interests in a collection of publicly traded securities, property funds, direct property investments, and mezzanine financings The publicly traded securities and property funds are valued at the last reported sales price on the last day of the period The direct property investments are initially recorded at the total cost to acquire the properties and subsequently these values are adjusted based on the opinions of value obtained quarterly from independent real estate investment managers The mezzanine financings are valued based on fair market values determined by the Guggenheim Real Estate Commingled Trust based upon an estimate of realized proceeds from hypothetical liquidation On an annual basis, the Guggenheim Real Estate Commingled Trust provides a copy of its audited financial statements from an independent audit firm for review

(3) The Plan's investment in AEW Partners, LP (AEW) includes interests in direct property investment, joint ventures, and debt or real estate-related securities The investments are initially recorded at the total cost to acquire the properties and related security interests Annually, the General Partner submits a proposal to the Limited Partners on the method to determine the valuation of each asset Valuation methods are based on a report by an independent appraiser, a current market price (in the case of marketable securities) or the General Partner's good faith estimate of value On an annual basis, AEW provides a copy of its audited financial statements from an independent audit firm for review

(In Thousands)

12. Retirement Benefits (continued)

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended June 30, 2013

	Level 3 Assets	
	Private Investment and Absolute Return Funds	**Real Estate Partnerships**
Balance, beginning of year as of June 30, 2011	$ 64,618	$ 14,385
Realized gains	1,164	90
Unrealized gains	848	2,189
Purchases	16,137	236
Sales, issuances and settlements	(774)	(1,009)
Balance, beginning of year as of June 30, 2012	81,993	15,891
Realized gains	**1,602**	**1,498**
Unrealized gains	**6,377**	**661**
Purchases	**7,310**	–
Sales, issuances and settlements	**(3,770)**	**(856)**
Balance, end of year as of June 30, 2013	**$ 93,512**	**$ 17,194**

(In Thousands)

12. Retirement Benefits (continued)

Estimated Future Benefit Payments

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

	Pension Benefits	Other Benefits
Fiscal year		
2014	$ 16,781	$ 3,682
2015	21,880	825
2016	24,676	914
2017	27,840	863
2018	31,076	874
2019 and thereafter	205,337	14,591

Defined Contribution Plans

WSH sponsors two defined contribution plans the WellSpan Health 401(k) Plan which is for the benefit of eligible employees of SCP, AHSCP, and WRx, and the WellSpan Health 403(b) Plan which is for the benefit of WSH, YH, WMG, HCP, WSS, VNAHHS, VNACS, and GH WSH began matching contributions to the plans on January 1, 2008, and employer contributions are based on a formula as defined by the plan document

The amount of expense related to these plans was $15,154 and $12,805 for the years ended June 30, 2013 and 2012, respectively

(In Thousands)

13. Non-controlling Interest

In 2013 and 2012, WSH accounted for the following non-controlling interests in joint ventures controlled by WSH based on the non-controlling partner's share of the related income and (loss) of the venture and the ending equity balance of the venture

	Non-controlling Interest %	Non-controlling Interest at June 30 2013	2012	Income (Loss) on Non-controlling Interest for the Year Ended June 30 2013	2012
AHSCP	32%	**$ 2,142**	$ 1,955	**$ 716**	$ 828
Q-WH	50%*	**–**	15	**(1)**	(1)
CHIP	49%*	**–**	856	**(128)**	(53)
CTCC	50%	**1,402**	1,570	**(43)**	189
LHCP	50%	**1,501**	1,554	**72**	68
AHCA	43%	**665**	672	**(7)**	69
		$ 5,710	$ 6,622	**$ 609**	$ 1,100

*WHCS acquired the remaining shares as of January 1, 2013 and, therefore, as of June 30, 2013, WSH was a 100% owner of these two joint ventures

14. Investments in Joint Ventures

In 2013 and 2012, WSH accounted for the following investments in joint ventures on the equity method of accounting, and recorded the related equity in (loss) and income on joint ventures

	Ownership %	Investment at June 30 2013	2012	Equity in Income (Loss) on Investments for the Year Ended June 30 2013	2012
DRF	33%	**$ 233**	$ 233	**$ –**	$ (27)
PHO	50%	**72**	86	**(14)**	(12)
QUEST	20%	**62**	6	**6**	10
CPAL	20%	**351**	350	**1**	1
		$ 718	$ 675	**$ (7)**	$ (28)

(In Thousands)

15. Commitments and Contingencies

Health Care Regulatory Environment and Reliance on Government Programs

The health care industry in general and the services that WSH provides are subject to extensive federal and state laws and regulations Additionally, a portion of WSH's revenue is from payments by government-sponsored health care programs, principally Medicare and Medicaid, and is subject to audit and adjustments by applicable regulatory agencies Failure to comply with any of these laws or regulations, the results of regulatory audits and adjustments, or changes in the amounts payable for WSH's services under these programs could have a material adverse effect on WSH's consolidated financial position and results of operations

Operating Leases

WSH leases office space and medical practice sites under operating leases The following is a summary of future minimum rental payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2013

2014	$	6,555
2015		5,724
2016		5,134
2017		4,181
2018		3,521
2019 and thereafter		9,038
Total minimum payments required	$	34,153

Rent expense under operating leases was $7,050 and $6,617 for the years ended June 30, 2013 and 2012, respectively, and is included in supplies and other expenses in the consolidated statements of operations Some of the rental agreements include clauses for rent escalation

Commitment

In August 2011, WSH entered into a $9,389 two-year fixed technology fee arrangement with its primary inpatient electronic health record (EHR) software vendor This vendor is one of the industry's leading suppliers of healthcare information technology solutions and already supplies WSH with the operating system for its EHR, and many of the key clinical applications already in place or currently being implemented

(In Thousands)

15. Commitments and Contingencies (continued)

The two-year agreement is for a total of $9,389 and will be paid over the contract term in equal yearly payments It provides for the acquisition of a specific set of software subscriptions from the EHR's catalogue of products, a given amount of implementation support services and software maintenance support over the contract period

Litigation

WSH is involved in litigation and regulatory investigations arising in the normal course of business After consultation with legal counsel, management believes that these matters will be resolved without material adverse effect on WSH's future consolidated financial position or results of operations

16. Functional Expenses

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

	Year Ended June 30	
	2013	**2012**
Program activities	**$ 1,010,059**	$ 949,126
General and administrative	**184,044**	161,961
	$ 1,194,103	$ 1,111,087

17. Income Taxes

Accounting principles generally accepted in the United States require management to evaluate uncertain tax positions taken by WSH The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service Management has concluded that as of June 30, 2013, there are no uncertain positions taken or expected to be taken WSH has recognized no interest or penalties related to uncertain tax positions WSH is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress Management believes that WSH is no longer subject to income tax examinations for years prior to 2009

18. Subsequent Events

The Company has evaluated subsequent events that have occurred for recognition or disclosure through October 8, 2013, the date the financial statements were available to be issued

On March 23, 2013, WellSpan Health (WellSpan) and Ephrata Community Hospital (Ephrata) executed a definitive affiliation agreement defining the terms and intention of aligning the two organizations, as a means to address changes in health care and improve the health of individuals and communities across Adams and York counties and parts of Lancaster County

Ephrata Community Hospital was formed in 1940 to serve the residents of Northern Lancaster County Today, the organization has grown to provide care to patients from across Lancaster County and neighboring counties through Ephrata Community Hospital – a 130-bed acute care hospital, 11 Outpatient Centers, the Ephrata Cancer Center and the 19 practices of the Northern Lancaster County Medical Group

Ephrata will join WellSpan on October 1 when Ephrata amends its articles of incorporation and bylaws such that WellSpan becomes sole corporate member of the organization

As of the date of this report, the initial accounting for this acquisition was being assessed and subject to external valuation Accordingly, disclosures for the amounts recognized as of the acquisition date have not been presented

Supplementary Information (2013 Only)

WellSpan Health

Consolidating Balance Sheet
(In Thousands)

June 30, 2013

	WellSpan Health	York Hospital	WellSpan Health Care Services Consolidated	WellSpan Medical Group	York Health Plan	Apple Hill Surgical Center Partners	WellSpan Reciprocal Risk Retention Group	WellSpan Specialty Services Consolidated	Gettysburg Hospital Consolidated	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Assets												
Current assets												
Cash and cash equivalents	$ 6,091	$ 60,909	$ 8,541	$ 1,537	$ 1,590	$ 2,061	$ 1,830	$ 3,509	$ 14,739	$ 930	$ (4,196)	$ 97,541
Due from affiliates	–	3,257	157	–	342	89	–	100	123	–	(4,068)	–
Assets limited as to use	–	8	–	–	–	–	7,228	–	–	–	–	7,236
Patient accounts receivable, net	–	114,805	3,358	13,838	–	1,098	–	6,865	20,152	–	–	160,116
Other receivables	7,813	6,194	237	3,137	63	12	117	414	1,201	–	–	19,188
Inventories	102	5,483	3,136	430	–	530	–	689	904	–	–	11,274
Prepaid expenses	14,190	1,651	474	1,072	99	70	107	190	530	2	–	18,385
Total current assets	28,196	192,307	15,903	20,014	2,094	3,860	9,282	11,767	37,649	932	(8,264)	313,740
Investments limited as to use												
Board-designated	10,789	532,027	5,059	–	–	–	–	24,518	89,315	–	–	661,708
Self-insurance trust	–	–	–	–	–	–	7,115	–	–	–	–	7,115
Temporarily restricted investments	–	388	–	–	–	–	–	1,215	815	4,942	–	7,360
Permanently restricted investments	–	373	–	–	–	–	–	2,626	–	–	–	2,999
Beneficial interest in perpetual trusts	–	6,694	–	–	–	–	–	2,999	6,378	–	–	16,071
	10,789	539,482	5,059	–	–	–	7,115	31,358	96,508	4,942	–	695,253
Pledges receivable, net	–	–	–	–	–	–	–	30	85	1,456	–	1,571
Property and equipment, net	29,109	217,828	85,209	13,660	164	4,874	–	69,160	42,905	4	–	462,913
Investments in joint ventures	4,425	274	182	63	–	5	–	8	126	–	(4,365)	718
Notes receivable – affiliates	31,683	54,644	–	–	–	–	–	–	–	–	(86,327)	–
Deferred financing costs, net	–	1,875	413	–	–	8	–	374	188	–	–	2,858
Interest in net assets of Foundation	–	4,942	–	–	–	–	–	–	–	–	(4,942)	–
Other assets	15,886	–	124	9	–	237	–	–	6,230	–	–	22,486
Total assets	$ 120,088	$ 1,011,352	$ 106,890	$ 33,746	$ 2,258	$ 8,984	$ 16,397	$ 112,697	$ 183,691	$ 7,334	$ (103,898)	$ 1,499,539

WellSpan Health

Consolidating Balance Sheet (continued)
(In Thousands)

June 30, 2013

	WellSpan Health	York Hospital	WellSpan Health Care Services Consolidated	WellSpan Medical Group	York Health Plan	Apple Hill Surgical Center Partners	WellSpan Reciprocal Risk Retention Group	WellSpan Specialty Services Consolidated	Gettysburg Hospital Consolidated	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Liabilities and net assets												
Current liabilities												
Current portion of capital lease obligations	$ 817	$ 3,076	$ –	$ –	$ –	$ –	$ –	$ –	$ 122	$ –	$ –	$ 4,015
Current portion of long-term debt	41	4,358	1,026	–	–	250	–	800	1,191	–	–	7,666
Accounts payable and accrued expenses	12,614	14,456	1,880	738	99	392	609	978	2,393	7	–	34,166
Bank payable	3,783	–	413	–	–	–	–	–	–	–	(4,196)	–
Accrued interest payable	–	1,576	–	–	–	1	–	–	6	–	–	1,583
Accrued salaries and wages	14,682	28,073	607	22,120	509	471	–	2,151	4,851	29	–	73,493
Advances from third-party payor	84	2,391	–	948	72	–	–	125	423	3		4,046
Self-insurance costs and postretirement benefits	16,682	784	–	–	–	–	7,228	–	–	–	–	24,694
Estimated third-party payor settlements	–	4,762	–	–	–	–	–	–	(71)	–	–	4,691
Due to affiliates	897	–	2,399	529	–	–	–	–	35	208	(4,068)	–
Total current liabilities	49,600	59,476	6,325	24,335	680	1,114	7,837	4,054	8,950	247	(8,264)	154,354
Estimated self-insurance costs	34,418	–	–	–	–	–	7,746	–	–	–	–	42,164
Long-term capital lease obligations, less current portion	2,575	6,071	–	–	–	–	–	–	384			9,030
Long-term debt, less current portion	2,348	242,509	63,276	–	–	1,771	–	58,749	34,092	–	–	402,745
Accrued retirement benefits	170,864	17,680	–	–	–	–	–	–	–	–	–	188,544
Note payable – affiliates	54,644	–	–	–	–	–	–	31,683	–	–	(86,327)	–
Interest rate swap agreements	–	25,391	11,550	–	–	–	–	–	5,071	–	–	42,012
Other noncurrent liabilities	–	1,511	–	–	–	–	–	–	–	–	–	1,511
Total liabilities	314,449	352,638	81,151	24,335	680	2,885	15,583	94,486	48,497	247	(94,591)	840,360
Net assets												
Unrestricted	(194,873)	641,737	22,171	9,388	1,578	6,099	814	11,251	127,918	726	(6,507)	620,302
Temporarily restricted	512	4,869	–	23	–	–	–	1,336	891	6,361	–	13,992
Permanently restricted	–	7,166	–	–	–	–	–	5,624	6,385	–	–	19,175
Interest in net assets of Foundation	–	4,942	–	–	–	–	–	–	–	–	(4,942)	–
WellSpan Health net assets	(194,361)	658,714	22,171	9,411	1,578	6,099	814	18,211	135,194	7,087	(11,449)	653,469
												–
Noncontrolling interest	–	–	3,568	–	–	–	–	–	–	–	2,142	5,710
Total net assets	(194,361)	658,714	25,739	9,411	1,578	6,099	814	18,211	135,194	7,087	(9,307)	659,179
Total liabilities and net assets	$ 120,088	$ 1,011,352	$ 106,890	$ 33,746	$ 2,258	$ 8,984	$ 16,397	$ 112,697	$ 183,691	$ 7,334	$ (103,898)	$ 1,499,539

WellSpan Health

Consolidating Statement of Operations
(In Thousands)

Year Ended June 30, 2013

	WellSpan Health	York Hospital	WellSpan Health Care Services Consolidated	WellSpan Medical Group	York Health Plan	Apple Hill Surgical Center Partners	WellSpan Reciprocal Risk Retention Group	WellSpan Specialty Services Consolidated	Gettysburg Hospital Consolidated	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted revenues, gains, and other support												
Net patient service revenue	$ –	$ 857,338	$ 3,208	$ 154,529	$ –	$ 13,125	$ –	$ 41,245	$ 149,309	$ –	$ (251)	$ 1,218,503
Provision for uncollectible accounts	–	(35,979)	(137)	(5,276)	–	(289)	–	(667)	(11,405)	–	–	(53,753)
Net patient service revenue less provision for uncollectible accounts	–	821,359	3,071	149,253	–	12,836	–	40,578	137,904	–	(251)	1,164,750
Capitation revenue	–	–	–	5,398	–	–	–	–	–	–	–	5,398
Other revenue	266,868	16,845	49,156	74,166	7,329	22	6,676	367	3,024	846	(361,555)	63,744
Net assets released from restrictions used for operations	549	2,048	–	10	–	–	–	140	72	478	–	3,297
Total revenues, gains, and other support	267,417	840,252	52,227	228,827	7,329	12,858	6,676	41,085	141,000	1,324	(361,806)	1,237,189
Expenses												
Salaries and wages	63,298	254,370	6,163	165,786	3,785	3,490	–	20,157	44,824	420	–	562,293
Employee benefits	148,324	101,933	2,621	46,319	1,648	1,401	–	7,467	16,706	146	(125,195)	201,370
Professional fees	1,317	110,288	1,238	2,602	701	953	179	1,315	18,718	19	(121,974)	15,356
Supplies and other	61,929	255,781	34,527	35,163	1,452	4,231	3,423	13,573	37,614	737	(113,790)	334,640
Depreciation and amortization	11,270	29,357	3,820	3,903	94	622	–	5,030	5,611	2	–	59,709
Interest	4,297	12,573	3,438	–	–	19	–	4,541	1,836	–	(5,969)	20,735
Total operating expenses	290,435	764,302	51,807	253,773	7,680	10,716	3,602	52,083	125,309	1,324	(366,928)	1,194,103
Operating income (loss)	(23,018)	75,950	420	(24,946)	(351)	2,142	3,074	(10,998)	15,691	–	5,122	43,086
Other income (expense)												
Contributions	–	193	87	3	–	–	–	110	45	82	–	520
Investment income, net	1,781	52,858	4	105	–	10	479	3,140	7,757	4	(5,969)	60,169
Equity in income of joint ventures	1,450	2,371	44	542	–	45	–	73	456	–	(4,988)	(7)
Gain (loss) on sale of assets other	(21)	45	(1,054)	(8)	–		–	–	3	–	–	(1,035)
Other income (expense)	(518)	(1,752)	(68)	–	(1)	(46)	–	–	99	–	847	(1,439)
Change in fair value of interest rate swap agreements	–	13,008	6,004	–	–	–	–	–	2,629	–	–	21,641
Total other income (expense)	2,692	66,723	5,017	642	(1)	9	479	3,323	10,989	86	(10,110)	79,849
Excess (deficiency) of revenues over expenses before noncontrolling interest	(20,326)	142,673	5,437	(24,304)	(352)	2,151	3,553	(7,675)	26,680	86	(4,988)	122,935
Noncontrolling interest	–	–	107	–	–	–	–	–	–	–	(716)	(609)
Excess (deficiency) of revenues over expenses	(20,326)	142,673	5,544	(24,304)	(352)	2,151	3,553	(7,675)	26,680	86	(5,704)	122,326
Other changes in unrestricted net assets												
Change in unrealized gains and losses on assets limited as to use and investments	–	–	–	–	–	–	(508)	–	–	–	–	(508)
Net assets released from restrictions for purchase of property and equipment	81	779	125	6	–	–	–	201	288	–	–	1,480
Distributions to partners	–	–	–	–	–	(2,132)	(3,145)	–	–	–	5,277	–
Other change in retirement liability	97,240	754	–	–	–	–	–	–	–	–	–	97,994
Transfers with affiliates	20,060	(40,700)	7,150	19,290	2,000	–	–	–	(7,800)			–
Increase (decrease) in unrestricted net assets	$ 97,055	$ 103,506	$ 12,819	$ (5,008)	$ 1,648	$ 19	$ (100)	$ (7,474)	$ 19,168	$ 86	$ (427)	$ 221,292

WellSpan Health

Consolidating Statement of Changes in Net Assets
(In Thousands)

Year Ended June 30, 2013

	WellSpan Health	York Hospital	WellSpan Health Care Services Consolidated	WellSpan Medical Group	York Health Plan	Apple Hill Surgical Center Partners	WellSpan Reciprocal Risk Retention Group	WellSpan Specialty Services Consolidated	Gettysburg Hospital Consolidated	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted net assets												
Excess (deficiency) of revenues over expenses	$ (20,326)	$ 142,673	$ 5,544	$ (24,304)	$ (352)	$ 2,151	$ 3,553	$ (7,675)	$ 26,680	$ 86	$ (5,704)	$ 122,326
Other changes in unrestricted net assets												
Change in unrealized gains and losses on assets limited as to use and investments	–	–	–	–	–	–	(508)	–	–	–	–	(508)
Net assets released from restrictions for purchase of property and equipment	81	779	125	6	–	–		201	288	–	–	1,480
Distributions to partners	–	–	–	–	–	(2,132)	(3,145)	–	–	–	5,277	–
Other change in retirement liability	97,240	754	–	–	–	–	–	–	–	–	–	97,994
Transfers with affiliates	20,060	(40,700)	7,150	19,290	2,000	–	–	–	(7,800)	–	–	–
Increase (decrease) in unrestricted net assets	97,055	103,506	12,819	(5,008)	1,648	19	(100)	(7,474)	19,168	86	(427)	221,292
Temporarily restricted net assets												
Net realized and unrealized gains and losses on investments	–	25	–	–	–	–	–	52	45	446	–	568
Net investment income	–	16	–	–	–	–	–	72	–	85		173
Change in net assets of Foundation	–	322	–	–	–	–	–	–	–	–	(322)	–
Contributions	725	2,858	125	6	–	–	–	158	400	155		4,427
Net assets released from restrictions	(630)	(2,827)	(125)	(16)	–	–	–	(341)	(360)	(478)	–	(4,777)
Increase (decrease) in temporarily restricted net assets	95	394	–	(10)	–	–	–	(59)	85	208	(322)	391
Permanently restricted net assets												
Net investment income	–	304	–	–	–	–	–	421	141	–	–	866
Net realized and unrealized gains and losses on investments	–	447	–	–	–	–	–	(84)	681	–	–	1,044
Contributions	–	25	–	–	–	–	–	–	8	–	–	33
Net assets released from restrictions	–	(291)	–	–	–	–	–	(121)	(397)	–	–	(809)
Increase in permanently restricted net assets	–	485	–	–	–	–	–	216	433	–	–	1,134
Increase (decrease) in net assets	97,150	104,385	12,819	(5,018)	1,648	19	(100)	(7,317)	19,686	294	(749)	222,817
Net assets												
Beginning of year	(291,511)	554,329	9,352	14,429	(70)	6,080	914	25,528	115,508	6,793	(10,700)	430,652
End of year	$ (194,361)	$ 658,714	$ 22,171	$ 9,411	$ 1,578	$ 6,099	$ 814	$ 18,211	$ 135,194	$ 7,087	$ (11,449)	653,469

WellSpan Health Care Services

Consolidating Balance Sheet
(In Thousands)

June 30, 2013

	WellSpan Health Care Services	WellSpan Properties, Inc.	Apple Hill Surgical Center Inc.	WellSpan Pharmacy, Inc.	Healthy Community Pharmacy, Inc.	Community Healthcare Imaging Partners	Q–WH, LLC	Cherry Tree Cancer Center	Apple Hill Condominium Association	Littlestown Health Care Partnership	Consolidating Eliminations	Consolidated Totals
Assets												
Current assets												
Cash and cash equivalents	$ –	$ 6,631	$ –	$ 461	$ –	$ –	$ –	$ 499	$ 765	$ 185	$ –	$ 8,541
Due from affiliates	–	–	62	–	84	–	11	–	–	–	–	157
Patient accounts receivable, net	–	–	–	3,063	8	10	–	277	–	–	–	3,358
Other receivables	–	62	–	157	1	–	–	–	6	11		237
Inventories	–	–	–	3,111	25	–	–	–	–	–	–	3,136
Prepaid expenses	–	200	–	24	8	3	–	229	9	1	–	474
Total current assets	–	6,893	62	6,816	126	13	11	1,005	780	197	–	15,903
Board-designated investments	–	5,059	–	–	–	–	–	–	–	–	–	5,059
Property and equipment, net	–	77,796	–	1,031	197	155	–	2,162	1,059	2,809	–	85,209
Investments in joint ventures	8,954	–	183	–	–	–	–	–	–	–	(8,955)	182
Notes receivable – affiliates	–	–	280	–	–	574	–	–	–	–	(854)	–
Deferred financing costs, net	–	413	–	–	–	–	–	–	–	–	–	413
Other assets	–	69	–	55	–	–	–	–	–	–	–	124
Total assets	$ 8,954	$ 90,230	$ 525	$ 7,902	$ 323	$ 742	$ 11	$ 3,167	$ 1,839	$ 3,006	$ (9,809)	$ 106,890
Liabilities and net assets												
Current liabilities												
Current portion of long-term debt	$ –	$ 1,026	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 1,026
Accounts payable and accrued expenses	–	1,140	4	64	5	272	–	93	298	4		1,880
Bank payable	–	–	–	–	11	402	–	–	–	–	–	413
Accrued salaries and wages	–	–	–	469	64	19	–	55	–	–	–	607
Due to affiliates	499	312	–	1,321	–	49	–	216	2	–	–	2,399
Total current liabilities	499	2,478	4	1,854	80	742	–	364	300	4	–	6,325
Long-term debt, less current portion	–	63,276	–	–	–	–	–	–	–	–	–	63,276
Note payable – affiliates	848	–	–	–	–	–	6	–	–	–	(854)	–
Interest rate swap contracts	–	11,550	–	–	–	–	–	–	–	–	–	11,550
Total liabilities	1,347	77,304	4	1,854	80	742	6	364	300	4	(854)	81,151
Net assets												
Unrestricted	7,607	12,926	521	6,048	243	–	5	2,803	1,539	3,002	(12,523)	22,171
WellSpan Health net assets	7,607	12,926	521	6,048	243	–	5	2,803	1,539	3,002	(12,523)	22,171
Noncontrolling interest	–	–	–	–	–	–	–	–	–	–	3,568	3,568
Total net assets	7,607	12,926	521	6,048	243	–	5	2,803	1,539	3,002	(8,955)	25,739
Total liabilities and net assets	$ 8,954	$ 90,230	$ 525	$ 7,902	$ 323	$ 742	$ 11	$ 3,167	$ 1,839	$ 3,006	$ (9,809)	106,890

WellSpan Health Care Services

Consolidating Statement of Operations
(In Thousands)

Year Ended June 30, 2013

	WellSpan Health Care Services	WellSpan Properties, Inc.	Apple Hill Surgical Center Inc.	WellSpan Pharmacy, Inc.	Healthy Community Pharmacy, Inc.	Community Healthcare Imaging Partners	Q–WH, LLC	Cherry Tree Cancer Center	Apple Hill Condominium Association	Littlestown Health Care Partnership	Consolidating Eliminations	Consolidated Totals
Unrestricted revenues, gains, and other support												
Net patient service revenue	$ –	$ –	$ –	$ –	$ –	$ 920	$ –	$ 2.288	$ –	$ –	$ –	$ 3.208
Provision for uncollectible accounts	–	–	–	(35)	–	(102)	–	–	–	–	–	(137)
Net patient service revenue less provision for uncollectible accounts	–	–	–	(35)	–	818	–	2.288	–	–	–	3.071
Other revenue	–	15.155	385	31.884	463	4	–	–	1.153	285	(173)	49.156
Total revenues, gains, and other support	–	15.155	385	31.849	463	822	–	2.288	1.153	285	(173)	52.227
Expenses												
Salaries and wages	–	–	–	4.153	463	842	–	705	–	–	–	6.163
Employee benefits	–	–	–	1.688	237	377	–	319	–	–	–	2.621
Professional fees	–	164	416	327	22	126	–	130	49	4	–	1.238
Supplies and other	–	4.006	11	27.775	471	712	–	685	1.003	37	(173)	34.527
Depreciation and amortization	–	2.790	–	172	46	61	–	538	113	100	–	3.820
Interest	–	3.290	–	141	7	–	–	–	–	–		3.438
Total operating expenses	–	10.250	427	34.256	1.246	2.118	–	2.377	1.165	141	(173)	51.807
Operating income (loss)	–	4.905	(42)	(2.407)	(783)	(1.296)	–	(89)	(12)	144	–	420
Other income (expense)												
Contributions	–	–	–	–	87	–	–	–	–	–	–	87
Investment income, net	–	–	–	1	–	1	–	–	2	–	–	4
Equity in income of joint ventures	(4.553)	–	44	–	–	–	(26)	–	–	–	4.579	44
Loss on sale of assets/other	–	(49)	–	1	–	(1.009)	–	3	–	–	–	(1.054)
Change in fair value of interest rate swap agreement	–	6.004	–	–	–	–	–	–	–	–	–	6.004
Other expense, net	(60)	–	–	(3)	–	–	–	–	(5)	–	–	(68)
Other income (expense)	(4.613)	5.955	44	(1)	87	(1.008)	(26)	3	(3)	–	4.579	5.017
Excess (deficiency) of revenues over expenses before noncontrolling interest	(4.613)	10.860	2	(2.408)	(696)	(2.304)	(26)	(86)	(15)	144	4.579	5.437
Noncontrolling interest	–	–	–	–	–	–	–	–	–	–	107	107
Excess (deficiency) of revenues over expenses	(4.613)	10.860	2	(2.408)	(696)	(2.304)	(26)	(86)	(15)	144	4.686	5.544
Other changes in unrestricted net assets												
Net assets released from restrictions for purchase of property and equipment	–	125	–	–	–	–	–	–	–	–	–	125
Dividends paid/stock issued	50	–	(50)	6.600	–	574	–	(250)	–	(250)	(6.674)	–
Transfers with affiliates	6.600	–	–	–	550	–	–	–	–	–	–	7.150
Increase (decrease) in unrestricted net assets	$ 2.037	$ 10.985	$ (48)	$ 4.192	$ (146)	$ (1.730)	$ (26)	$ (336)	$ (15)	$ (106)	$ (1.988)	$ 12.819

WellSpan Health Care Services

Consolidating Statement of Changes in Net Assets
(In Thousands)

Year Ended June 30, 2013

	WellSpan Health Care Services	WellSpan Properties, Inc.	Apple Hill Surgical Center Inc.	WellSpan Pharmacy, Inc.	Healthy Community Pharmacy, Inc.	Community Healthcare Imaging Partners	Q–WH, LLC	Cherry Tree Cancer Center	Apple Hill Condominium Association	Littlestown Health Care Partnership	Consolidating Eliminations	Consolidated Totals
Unrestricted net assets												
Excess (deficiency) of revenues over expenses	$ (4,613)	$ 10,860	$ 2	$ (2,408)	$ (696)	$ (2,304)	$ (26)	$ (86)	$ (15)	$ 144	$ 4,686	$ 5,544
Other changes in unrestricted net assets												
Net assets released from restrictions for purchase of property and equipment	–	125	–	–	–	–	–	–	–	–	–	125
Dividends received (paid)	50	–	(50)	6,600	–	574	–	(250)	–	(250)	(6,674)	–
Transfers with affiliates	6,600	–	–	–	550	–	–	–	–	–	–	7,150
Increase (decrease) in unrestricted net assets	2,037	10,985	(48)	4,192	(146)	(1,730)	(26)	(336)	(15)	(106)	(1,988)	12,819
Temporarily restricted net assets												
Contributions	–	125	–	–	–	–	–	–	–	–	–	125
Net assets released from restrictions	–	(125)	–	–	–	–	–	–	–	–	–	(125)
Increase (decrease) in temporarily restricted net assets	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in net assets	2,037	10,985	(48)	4,192	(146)	(1,730)	(26)	(336)	(15)	(106)	(1,988)	12,819
Net assets												
Beginning of year	5,570	1,941	569	1,856	389	1,730	31	3,139	1,554	3,108	(10,535)	9,352
End of year	$ 7,607	$ 12,926	$ 521	$ 6,048	$ 243	$ –	$ 5	$ 2,803	$ 1,539	$ 3,002	$ (12,523)	$ 22,171

WellSpan Specialty Services

Consolidating Balance Sheet
(In Thousands)

June 30, 2013

	WellSpan Specialty Services	VNA Home Health Services	VNA Community Services	Consolidating Eliminations	Consolidated Totals
Assets					
Current assets					
Cash and cash equivalents	$ 1,339	$ 1,980	$ 190	$ –	$ 3,509
Patient accounts receivable, net	5,082	1,717	66	–	6,865
Due from affiliates	17	70	13	–	100
Other receivable	254	160	–	–	414
Inventory	682	7	–	–	689
Prepaid expenses	151	39	–	–	190
Total current assets	7,525	3,973	269	–	11,767
Investments limited as to use					
Board-designated	–	23,544	974	–	24,518
Temporarily restricted investments	–	1,215	–	–	1,215
Permanently restricted investments	–	2,626	–	–	2,626
Beneficial interest in perpetual trusts	–	2,999	–	–	2,999
	–	30,384	974	–	31,358
Pledges receivable, net	–	30	–	–	30
Property and equipment, net	68,628	529	3	–	69,160
Investment in joint ventures	–	8	–	–	8
Deferred financing cost, net	374	–	–	–	374
Total assets	$ 76,527	$ 34,924	$ 1,246	$ –	$ 112,697
Liabilities and net assets					
Current liabilities					
Current portion of long-term debt	$ 800	$ –	$ –	$ –	$ 800
Accounts payable and accrued expense	613	334	31	–	978
Accrued salaries and wages	1,249	857	45	–	2,151
Advances from third-party payors	125	–	–	–	125
Total current liabilities	2,787	1,191	76	–	4,054
Long-term debt, less current portion	58,749	–	–	–	58,749
Note payable – affiliates	31,683	–	–	–	31,683
Total liabilities	93,219	1,191	76	–	94,486
Net assets					
Unrestricted	(16,692)	26,773	1,170	–	11,251
Temporarily restricted	–	1,336	–	–	1,336
Permanently restricted	–	5,624	–	–	5,624
Total net assets	(16,692)	33,733	1,170	–	18,211
Total liabilities and net assets	$ 76,527	$ 34,924	$ 1,246	$ –	$ 112,697

WellSpan Specialty Services

Consolidating Statement of Operations and Changes in Net Assets
(In Thousands)

Year Ended June 30, 2013

	WellSpan Specialty Services	VNA Home Health Services	VNA Community Services	Consolidating Eliminations	Consolidated Totals
Unrestricted revenues, gains, and other support					
Net patient service revenue	$ 30,185	$ 10,612	$ 448	$ –	$ 41,245
Provision for uncollectible accounts	(619)	(47)	(1)	–	(667)
Net patient service revenue less provision for uncollectible accounts	29,566	10,565	447	–	40,578
Other revenue	311	270	–	(214)	367
Net assets released from restrictions used for operations	90	50	–	–	140
Total revenues, gains, and other support	29,967	10,885	447	(214)	41,085
Expenses					
Salaries and wages	11,926	7,760	471	–	20,157
Employee benefits	4,344	2,939	184	–	7,467
Professional fees	959	351	219	(214)	1,315
Supplies and other	11,822	1,716	35	–	13,573
Depreciation	4,913	117	–	–	5,030
Interest	4,541	–	–	–	4,541
Total operating expenses	38,505	12,883	909	(214)	52,083
Operating loss	(8,538)	(1,998)	(462)	–	(10,998)
Other income (expense)					
Contributions	–	110	–	–	110
Investment income, net	4	2,978	158	–	3,140
Equity in income of joint ventures	–	73	–	–	73
Total other income	4	3,161	158	–	3,323
(Deficiency) excess of revenues over expenses	(8,534)	1,163	(304)	–	(7,675)
Net assets released from restrictions for purchase of property and equipment	201	–	–	–	201
Transfers	–	(261)	261	–	–
(Decrease) increase in unrestricted net assets	$ (8,333)	$ 902	$ (43)	$ –	$ (7,474)

WellSpan Specialty Services

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended June 30, 2013

	WellSpan Specialty Services	VNA Home Health Services	VNA Community Services	Consolidating Eliminations	Consolidated Totals
Unrestricted net assets					
(Deficiency) excess of revenues over expenses	$ (8,534)	$ 1,163	$ (304)	$ –	$ (7,675)
Net assets released from restriction for purchase of property and equipment	201	–	–	–	201
Transfers	–	(261)	261	–	–
(Decrease) increase in unrestricted net assets	(8,333)	902	(43)	–	(7,474)
Temporarily restricted net assets					
Net realized and unrealized gains and losses on investments	–	52	–	–	52
Investment income, net	–	72	–	–	72
Contributions	55	103	–	–	158
Net assets released from restrictions	(291)	(50)	–	–	(341)
(Decrease) increase in temporarily restricted net assets	(236)	177	–	–	(59)
Permanently restricted net assets					
Net realized and unrealized gains on investments	–	421	–	–	421
Investment income, net	–	(84)	–	–	(84)
Net assets released from restrictions	–	(121)	–	–	(121)
Increase in permanently restricted net assets	–	216	–	–	216
Change in net assets	(8,569)	1,295	(43)	–	(7,317)
Net assets					
Beginning of year	(8,123)	32,438	1,213	–	25,528
End of year	$ (16,692)	$ 33,733	$ 1,170	$ –	$ 18,211

York Hospital and Gettysburg Hospital (Obligated Group)

Combining Balance Sheet

(In Thousands)

June 30, 2013

	York Hospital	Gettysburg Hospital (Only)	Combining Eliminations	Combined Totals
Assets				
Current assets				
Cash and cash equivalents	$ 60,909	$ 14,366	$ –	$ 75,275
Due from affiliates	3,257	123	–	3,380
Assets limited as to use	8	–	–	8
Patient accounts receivable, net	114,805	20,152	–	134,957
Other receivables	6,194	1,197	–	7,391
Inventories	5,483	904	–	6,387
Prepaid expenses	1,651	524	–	2,175
Total current assets	192,307	37,266	–	229,573
Investments limited as to use				
Board-designated	532,027	81,882	–	613,909
Temporarily restricted investment	388	181	–	569
Permanently restricted investment	373	–	–	373
Beneficial interest in perpetual trusts	6,694	–	–	6,694
	539,482	82,063	–	621,545
Property and equipment, net	217,828	42,900	–	260,728
Investments in joint ventures	274	126	–	400
Notes receivable – affiliates	54,644	–	–	54,644
Deferred financing costs, net	1,875	188	–	2,063
Interest in net assets of the Foundation	4,942	15,023	–	19,965
Other assets	–	6,059	–	6,059
Total assets	$ 1,011,352	$ 183,625	$ –	$ 1,194,977

	York Hospital	Gettysburg Hospital (Only)	Combining Eliminations	Combined Totals
Liabilities and net assets				
Current liabilities				
Current portion of capital lease obligations	$ 3,076	$ 122	$ –	$ 3,198
Current portion of long-term debt	4,358	1,191	–	5,549
Accounts payable and accrued expenses	14,456	2,331	–	16,787
Accrued interest payable	1,576	6	–	1,582
Accrued salaries and wages	28,073	4,851	–	32,924
Advances from third-party payor	2,391	423	–	2,814
Estimated third-party payor settlements	4,762	(71)	–	4,691
Estimated self-insurance costs and postretirement benefits	784	–	–	784
Total current liabilities	59,476	8,853	–	68,329
Long-term capital lease obligations, less current portion	6,071	384	–	6,455
Long-term debt, less current portion	242,509	34,092	–	276,601
Accrued retirement benefits	17,680	–	–	17,680
Interest rate swap contracts	25,391	5,071	–	30,462
Other noncurrent liabilities	1,511	–	–	1,511
Total liabilities	352,638	48,400	–	401,038
Net assets				
Unrestricted	641,737	120,024	–	761,761
Temporarily restricted	4,869	178	–	5,047
Permanently restricted	7,166	–	–	7,166
Interest in net assets of the Foundation	4,942	15,023	–	19,965
Total net assets	658,714	135,225	–	793,939
Total liabilities and net assets	$ 1,011,352	$ 183,625	$ –	$ 1,194,977

York Hospital and Gettysburg Hospital (Obligated Group)

Combining Statement of Operations
(In Thousands)

Year Ended June 30, 2013

	York Hospital	Gettysburg Hospital (Only)	Combining Eliminations	Combined Totals
Unrestricted revenues, gains, and other support				
Net patient service revenue	$ 857,338	$ 149,309	$ –	$ 1,006,647
Provision for uncollectible accounts	(35,979)	(11,405)	–	(47,384)
Net patient service revenue less provision for uncollectible accounts	821,359	137,904	–	959,263
Other revenue	16,845	3,024	(234)	19,635
Net assets released from restrictions used for operations	2,048	57	–	2,105
Net revenues, gains, and other support	840,252	140,985	(234)	981,003
Expenses				
Salaries and wages	254,370	44,635	–	299,005
Employee benefits	101,933	16,636	–	118,569
Professional fees	110,288	18,685	–	128,973
Supplies and other	255,781	37,521	(234)	293,068
Depreciation and amortization	29,357	5,609	–	34,966
Interest	12,573	1,836	–	14,409
Total operating expenses	764,302	124,922	(234)	888,990
Operating income	75,950	16,063	–	92,013
Other income (expense)				
Contributions	193	5	–	198
Investment income, net	52,858	7,204	–	60,062
Equity in income of joint ventures	2,371	456	–	2,827
Loss on sale of assets/other	45	3	–	48
Change in fair value of interest rate swap agreements	13,008	2,629	–	15,637
Other expense, net	(1,752)	(275)	–	(2,027)
Total other income	66,723	10,022	–	76,745
Excess of revenues over expenses	142,673	26,085	–	168,758
Other changes in unrestricted net assets				
Net assets released from restrictions used for purchase of property and equipment	779	97	–	876
Other change in retirement liability	754	–	–	754
Transfers with affiliates	(40,700)	(7,800)	–	(48,500)
Increase in unrestricted net assets	$ 103,506	$ 18,382	$ –	$ 121,888

Gettysburg Hospital

Consolidating Balance Sheet

(In Thousands)

June 30, 2013

	Gettysburg Hospital	Gettysburg Hospital Foundation	Consolidating Eliminations	Consolidated Totals
Assets				
Current assets				
Cash and cash equivalents	$ 14,366	$ 373	$ –	$ 14,739
Due from affiliates	123	–	–	123
Patient accounts receivable, net	20,152	–	–	20,152
Other receivables	1,197	4	–	1,201
Inventories	904	–	–	904
Prepaid expenses	524	6	–	530
Total current assets	37,266	383	–	37,649
Investments limited as to use				
Board-designated	81,882	7,433	–	89,315
Temporarily restricted investment	181	634	–	815
Beneficial interest in perpetual trusts	–	6,378	–	6,378
	82,063	14,445	–	96,508
Pledges receivable, net	–	85	–	85
Property and equipment, net	42,900	5	–	42,905
Investments in joint ventures	126	–	–	126
Deferred financing costs, net	188	–	–	188
Interest in net assets of the Foundation	15,023		(15,023)	–
Other assets	6,059	171	–	6,230
Total assets	$ 183,625	$ 15,089	$ (15,023)	$ 183,691

	Gettysburg Hospital	Gettysburg Hospital Foundation	Consolidating Eliminations	Consolidated Totals
Liabilities and net assets				
Current liabilities				
Current portion of capital lease obligations	$ 122	$ –	$ –	$ 122
Current portion of long-term debt	1,191	–	–	1,191
Accounts payable and accrued expenses	2,331	62	–	2,393
Accrued interest payable	6	–	–	6
Accrued salaries and wages	4,851	–	–	4,851
Advances from third-party payor	423	–	–	423
Estimated third-party payor settlements	(71)	–	–	(71)
Due to affiliates	–	35	–	35
Total current liabilities	8,853	97	–	8,950
Capital lease obligations, less current portion	384	–	–	384
Long-term debt, less current portion	34,092	–	–	34,092
Interest rate swap contracts	5,071	–	–	5,071
Total liabilities	48,400	97	–	48,497
Net assets				
Unrestricted	120,024	7,894	–	127,918
Temporarily restricted	178	713	–	891
Permanently restricted	–	6,385	–	6,385
Interest in net assets of the Foundation	15,023	–	(15,023)	–
Total net assets	135,225	14,992	(15,023)	135,194
Total liabilities and net assets	$ 183,625	$ 15,089	$ (15,023)	$ 183,691

Gettysburg Hospital

Consolidating Statement of Operations and Changes in Net Assets
(In Thousands)

Year Ended June 30, 2013

	Gettysburg Hospital	Gettysburg Hospital Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted revenues, gains, and other support				
Net patient service revenue	$ 149,309	$ –	$ –	$ 149,309
Provision for uncollectible accounts	(11,405)	–	–	(11,405)
Net patient service revenue less provision for uncollectible accounts	137,904	–	–	137,904
Other revenue	3,024	374	(374)	3,024
Net assets released from restrictions used for operations	57	15	–	72
Net revenues, gains, and other support	140,985	389	(374)	141,000
Expenses				
Salaries and wages	44,635	189	–	44,824
Employee benefits	16,636	70	–	16,706
Professional fees	18,685	33	–	18,718
Supplies and other	37,521	93	–	37,614
Depreciation and amortization	5,609	2	–	5,611
Interest	1,836	–	–	1,836
Total operating expenses	124,922	387	–	125,309
Operating income	16,063	2	(374)	15,691
Other income (expense)				
Contributions	5	40	–	45
Investment income, net	7,204	553	–	7,757
Equity in income of joint ventures	456	–	–	456
Gain on sale of assets/other	3	–	–	3
Change in fair value of interest rate swap agreements	2,629	–	–	2,629
Other income (expense), net	(275)	–	374	99
Total other income	10,022	593	374	10,989
Excess of revenues over expenses	26,085	595	–	26,680
Other changes in unrestricted net assets				
Net assets released from restrictions used for purchase of property and equipment	97	191	–	288
Transfers with affiliates	(7,800)	–	–	(7,800)
Increase in unrestricted net assets	$ 18,382	$ 786	$ –	$ 19,168

Gettysburg Hospital

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended June 30, 2013

	Gettysburg Hospital	Gettysburg Hospital Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted net assets				
Excess of revenues over expenses	$ 26,085	$ 595	$ –	$ 26,680
Net assets released from restriction for purchase of property and equipment	97	191	–	288
Transfers	(7,800)	–	–	(7,800)
Increase in unrestricted net assets	18,382	786	–	19,168
Temporarily restricted net assets				
Net realized and unrealized gains and losses on investments	(5)	50	–	45
Change in net assets of Foundation	1,316	–	(1,316)	–
Contributions	178	222	–	400
Net assets released from restrictions	(154)	(206)	–	(360)
Increase (decrease) in temporarily restricted net assets	1,335	66	(1,316)	85
Permanently restricted net assets				
Net realized and unrealized gains on investments	–	681	–	681
Investment income, net	–	141	–	141
Contributions	–	8	–	8
Net assets released from restrictions	–	(397)	–	(397)
Increase in permanently restricted net assets	–	433	–	433
Change in net assets	19,717	1,285	(1,316)	19,686
Net assets				
Beginning of year	115,508	13,707	(13,707)	115,508
End of year	$ 135,225	$ 14,992	$ (15,023)	$ 135,194

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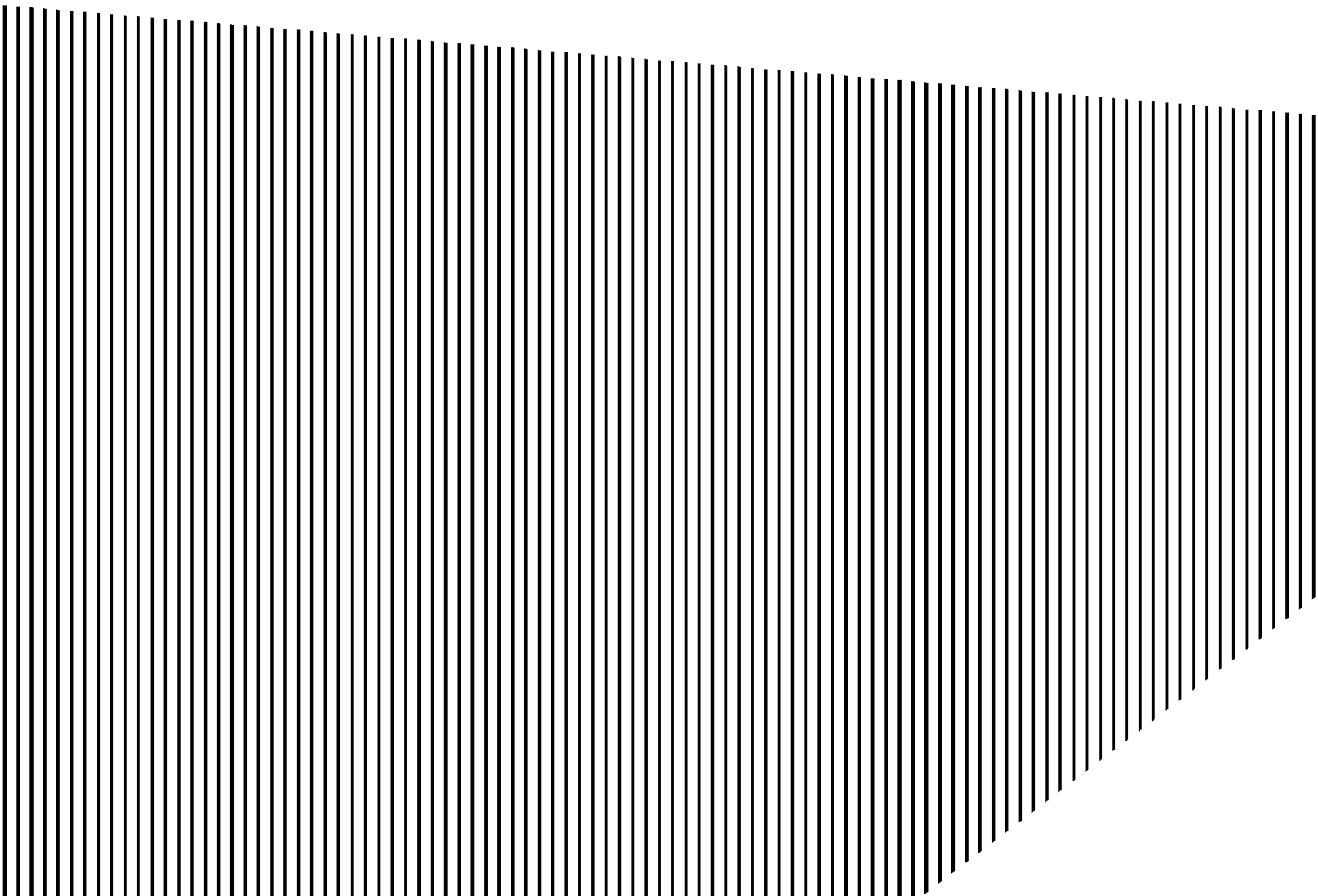
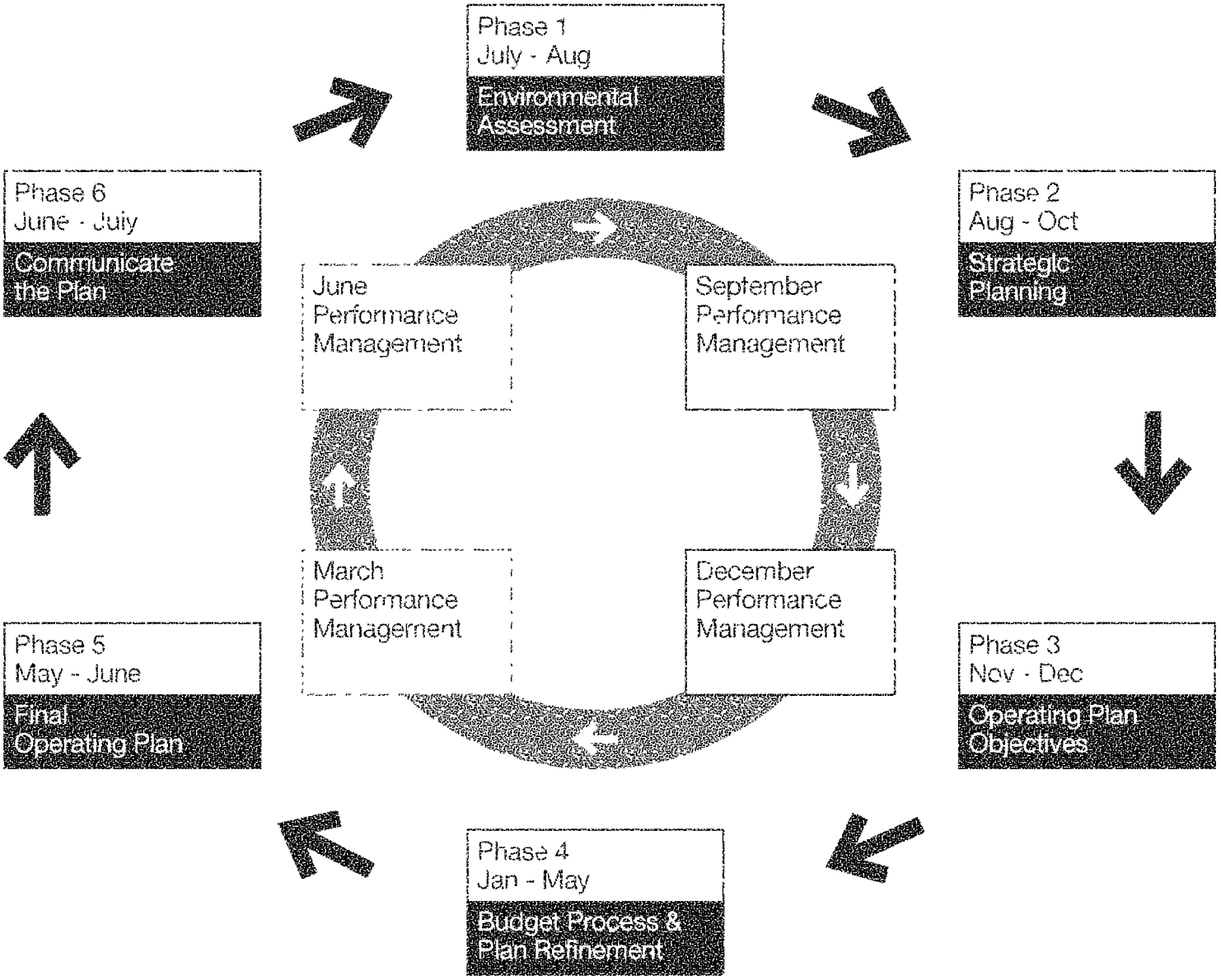


The WellSpan Community Health Improvement Plan

A continuous cycle of assessment, planning, implementation & accountability



WellSpan's Mission

Working as one to improve health through exceptional care for all, lifelong wellness and healthy communities.

Introduction

Like many regions across the United States, south central Pennsylvania has its share of challenges. Families lack sufficient health insurance coverage. Young people are making choices that could adversely impact their health and their futures. And, increased longevity and chronic illnesses translate to significant challenges for individuals and caregivers. While this list of issues is long, longer still is the list of organizations and people who work collaboratively with WellSpan Health to make the communities of south central Pennsylvania healthier, better places to live, work and play.

WellSpan's journey in community health spans decades. What began in the early 1990s as a simple idea to establish a closer relationship with these communities has evolved into a core WellSpan value, a network of innovative programs, and a sustainable model for community health improvement that has a strategic, continuous focus.

WellSpan's commitment to its communities is explicit and can be seen in its mission, governance, planning strategies and processes, as well as its organizational structure. For example, improving community health and serving local communities are embedded into the nine core strategies of the organization's strategic plan. Through these strategies and a cyclical planning process, board members, community members, managers and physicians engage in community health assessment processes, develop priorities for meeting the communities' most significant needs, and review community health performance at least twice a year. Leaders are incentivized to achieve results. In order to ensure that interventions are impactful, integrated and sustainable, they have required change, investment, partnerships and long-term development. This commitment has been championed by the system's Board of Directors, which has held management accountable, designated resources and become actively involved in our mission-driven programs.

The Patient Protection and Affordable Care Act of 2010 (PPACA) strengthens the community health work WellSpan Health has led in local communities since the early 1990s. Additional assessment and reporting guidelines enable the further integration of community health priorities into strategic planning processes and system-wide adoption by various WellSpan entities.

Community Health Needs Assessment (CHNA) Methodology

History of the Community Health Needs Assessment

WellSpan Health conducted its first Community Health Needs Assessments (CHNA) in York County in 1994 and in Adams County in 1996. Initially led by WellSpan entities - York and Gettysburg Hospitals (in their respective counties), these assessments were developed to enable WellSpan and its various entities to better understand the health needs of the communities it serves. A Community Health Needs Assessment is one method for collecting diverse information on a community and involves surveying a large quantity of residents on health, lifestyle behaviors, finances, access to health services, and other related topics. Since it began conducting CHNAs in the early 1990s, WellSpan Health has partnered with Healthy Adams County and the Healthy York County Coalition to conduct an assessment every three to four years. The CHNA process including survey development, data collection and analysis, and result dissemination is led by both county-level health coalitions with financial and staff support from WellSpan. Although CHNAs are not new to WellSpan and the communities it serves, the Patient Protection and Affordable Care Act of 2010 (PPACA) required that all non-profit, tax exempt hospitals in the United States conduct an assessment every three years, determine health priorities, and prepare a multi-year strategic plan to address selected priorities. WellSpan's nearly two decade history of conducting CHNAs has ably prepared it to respond to these new requirements.

Planning for the 2012 CHNA

A task force of community organizations, led by the executive directors of Healthy Adams County and the Healthy York County Coalition, planned the 2012 CHNA. Conducting a community-wide CHNA requires input from diverse stakeholders and a commitment to the overall process. The following community organizations partnered to provide guidance and support:

- Adams-Hanover Counseling Services
- Family First Health
- Gettysburg College
- Hanover Hospital
- Memorial Hospital
- United Way - Adams County
- United Way of York County
- WellSpan Health
- York City Health Bureau
- York College of Pennsylvania
- York County Community Foundation

Implementation of the CHNA occurred through a contract with the Floyd Institute for Public Policy at Franklin and Marshall College. Dr. Berwood Yost, director of the institute and project consultant for the 2012 CHNA, has an extensive background conducting and analyzing community and corporate surveys, and was well-positioned to lead the 2012 Adams and York County CHNA. This collaboration of community stakeholders determined the battery of survey questions, discussed data collection methodology, including sample size and method of obtaining data, reviewed the raw data and supporting charts and graphs, and identified the priority setting process to be utilized in community forums.

Planning for the 2012 CHNA included processes that captured community interests, reflected industry standards and were consumer friendly. Committee members initially listed topics of interest (Table 1) and reviewed related questions primarily derived from the Behavioral Risk Factor Surveillance System (BRFSS). These questions were previously validated and utilized by the Centers for Disease Control and Prevention (CDC) in national and statewide survey instruments. Selected questions were then organized into four key areas – access, health behaviors, health conditions, and prevention behaviors – as determined by the CHNA planning committee.

Survey Implementation and Data Analysis

A total of 809 adults from Adams County and 1,004 adults from York County were interviewed between September 26 and November 9, 2011. The sample size represented the adult, non-institutionalized population of both counties, including York City and the greater Hanover area. Supplemental data were compiled to expand upon the data collected from interviewees and enabled the development of a comprehensive CHNA. Examples of additional data collected include demographic information from the U.S. Census Bureau, trending data related to lifestyle and health derived from the Pennsylvania Department of Health (DOH), vital statistics related to birth and death rates also from the Pennsylvania Department of Health, and healthcare quality and cost data from the Pennsylvania Health Care Cost Containment Council (PHC4).

Data analyzed by the Floyd Institute for Public Policy included breakdowns by age, gender, geographic area, race/ethnicity, and income level. Additional cross-tabulations were conducted to demonstrate the complexities of some of the most striking CHNA results, such as the influence of disparities on particular variables. Results were shared with the CHNA planning committee in PowerPoint presentation and written reporting formats. Subsequent reports were modified slightly before dissemination at community forums in June 2012 and their availability on the website of both health coalitions.

Table 1: Health Risk Survey Topic Areas of Interest

Actions to Control High Blood Pressure	Fruits and Vegetables
Alcohol Consumption	Health Care Access
Anxiety and Depression	Health Literacy
Asthma	Health Status
Behavioral Health Measures	Household Needs
Cardiovascular Disease Prevalence	Immunization/ Adult Influenza
Cholesterol Awareness	Oral Health
Chronic Health Conditions	Prostate Cancer Screening
Colorectal Cancer Screening	Secondhand Smoke Policy
Demographic Measures	Tobacco Use
Diabetes	Visual Impairment and Access to Eye Care
Exercise and Physical Activity	Weight Control
Falls	Women's Health

Priority Identification Process – Community and WellSpan Health

WellSpan Health is fortunate in that many community members are interested in the current and future health of York and Adams County. In order to facilitate community support on key health issues, the 2012 CHNA planning committee reviewed the CHNA results and developed an initial list of community health priorities, based on:

- Who is affected (The prevalence and reach of the health issue or concern),
- How we will react (The ability of the community to respond to the priority),
- How many people we can help (The number of potential community members influenced by the priority),
- What happens if we don't respond (The consequences of not responding to the priority), and
- What disparities exist and how we can ensure that the disparities will be addressed.

A similar approach was used by WellSpan Health and its Community Benefit Council when identifying community health priorities for the integrated health care system (Table 2). Council members (Table 3) reviewed the CHNA results and ranked key indicators in each of the four focus areas – access, health behaviors, health conditions, and prevention behaviors – according to the same questions listed above. In addition, council members were made aware of the health priorities selected by the community at-large in order to identify opportunities to support community-wide efforts to address key issues.

Table 2: WellSpan Health and Community Priorities

Access (Did not receive healthcare because of cost)	X		X
Depression	X	X	X
Health Literacy		X	
Oral Health - Access & Insurance		X	
Overweight / Obesity	X	X	X
Prenatal Care			X
Smoking / Tobacco Use	X		X

Table 3: WellSpan Community Benefit Council Representation

Ambulatory Services	Neuroscience Services
Cardiovascular Services	Oncology Services
Community Health	Planning
Emergency Services	Public Relations & Marketing
Finance	WellSpan Administration
Healthy Adams County	WellSpan Medical Group
HealthConnect	WellSpan Surgery & Rehabilitation
Healthy York County Coalition	Women and Child Health Services
Healthy York Network	

Although the priority identification process was similar between the community setting and WellSpan Health, the approach to addressing the identified priorities will vary slightly. As a health care system, WellSpan Health will respond to health and lifestyle issues as they relate to healthcare, access to care, education, and community capacity building. Comparatively, communities will primarily focus on influencing CHNA results through a policy and systems approach. By coordinating these approaches, WellSpan hopes to reach each layer of the socioecological model (Figure 1), thus maximizing the potential impact on an individual's behaviors and overall health.

Figure 1 Socio-ecological Model

Community Health Priorities for FY2013-2015

WellSpan's Community Health Improvement Plan (page 9) provides a framework for the organization's programs and activities that promote health and wellness in response to the needs identified in the CHNA. These areas of focus meet at least one and often several of the community benefit guidelines of a nonprofit health system, as outlined by the Catholic Health Association: improving access to healthcare services, enhancing the health of the community, advancing medical or healthcare knowledge, or relieving or reducing the burden of government or other community efforts. Specific priorities are then incorporated into WellSpan's annual operating plan and budget.

In addition, seven core principles are foundational to planning, reflected in each of the strategic areas and priorities and will enable WellSpan to meet the needs identified in the community health needs assessment. These principles are:

- Adoption of a broad population health definition
- Integration of cultural competency and health literacy needs
- Emphasis on vulnerable populations and addressing unmet health-related needs
- Collaboration with diverse populations and stakeholders
- Focus on prevention and primary care
- Establishment of connections between health system, family and community
- Ongoing collection of data, feedback and evidence-based practice to inform decision-making

Based on Community Health Needs Assessment results, WellSpan's three-year priorities within its Community Health Improvement Plan include:

- **HEALTH EQUITY AND ACCESS: Manage the care of the uninsured and underinsured as a population and seek to maintain and, where feasible, improve access to medical care, oral health and pharmaceutical care**
  - FY 2013-2015 Focus – Maintain a strong safety net while evaluating and planning for the future of WellSpan programs to reach, engage and support the uninsured and underinsured population during a period of uncertainty related to the provisions of the Affordable Care Act.

- **AT RISK POPULATIONS: Provide clinical services which meet a significant community need for an at-risk population, but are not financially viable**
  - FY 2013-2015 Focus – Develop and initiate improvements in behavioral health services, including identifying and managing adults with depression.

- **COMMUNITY ENGAGEMENT: Develop partnerships to assess health status, identify priorities and support complex issues which impact health**
  - FY2013-2015 Focus – Engage the community, through coalitions and partnerships, to address the following issues: end of life care, health literacy, oral health, physical activity, and prenatal care.

- **PREVENTION AND WELLNESS: Increase the number of people who are healthy and well by empowering people to take an active role in their health and addressing issues which contribute to preventable disease and injury**
  - FY2013-2015 Focus – Develop initiatives and resources that seek to demonstrate improvements in two areas: adult overweight/obesity and tobacco use.

WellSpan Community Health Improvement Plan

Mission

[illegible]

Objective

[illegible]

Community Benefit Measures

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

Infrastructure for Improving Community Health

Organizational Engagement and Shared Responsibility

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

Ongoing Needs Assessment

- [illegible]

Reporting and Accountability

- [illegible]
- [illegible]
- [illegible]
- [illegible]

Health Equity & Access Strategy

[illegible]

Priorities

Connect patients in need with available programs (e.g., Medical Assistance [illegible])

Manage the care of the uninsured as a population

Maintain and, where feasible, expand and coordinate the network of services for the uninsured – with an emphasis on primary care and prevention, oral health and alternative medications

Identify and address disparities among racial, ethnic or other vulnerable populations

At-Risk Strategy

[illegible]

Priorities

Support patients dealing with behavioral health issues by maintaining and, where feasible, increasing availability of services

[illegible]

Community Engagement Strategy

[illegible]

Priorities

Regularly conduct a health assessment and prioritization process with community partners

Actively support the development of coalitions which promote mutual goals, assume shared responsibility, and represent diverse stakeholder perspectives

Provide grants and in-kind support to nonprofit partners working to address community health-related priorities

[illegible]

Prevention and Wellness

Individual Strategy

[illegible]

Priorities

[illegible]

Societal Strategy

[illegible]

Priorities

Reduce tobacco use among York and Adams County residents

[illegible]

Decrease the prevalence of overweight and obese adults and children in York and Adams counties

[illegible]

Core Principles

[illegible]

Core Principles

Bold font indicates priority areas

Health Equity and Access Strategy

PRIORITY:

WellSpan Health values the patient-provider relationship and has worked diligently, over the last decade, to increase access to primary care providers and specialists. In fiscal year 2012, approximately 1.4 million patient visits were made to WellSpan Medical Group, a network of more than 500 primary care providers and specialists spanning 70 sites across the community. A recent Commonwealth Fund report ranked access in York County in the top quartile nationally, coinciding with data from the 2012 Community Health Needs Assessment conducted in York and Adams counties. Locally 92% and 88% of Adams and York County adults, respectively, indicated that they have a personal physician.

Access to health care insurance in the area served by WellSpan Health also is high, with 91% of York County and 88% of Adams County respondents advising that they have health care coverage. However, the definition for "health care coverage" is ambiguous and may include commercial insurance, Medical Assistance, Medicare and Healthy York Network (HYN). For nearly 10 years WellSpan Health has been the primary sponsor of Healthy York Network, a regional access and charity care program in which 75% of local health care providers participate and offer free or discounted services to individuals meeting eligibility criteria. In 2012 Healthy York Network partners provided more than $31 million of free care to more than 7,400 members, 34% of whom have one or more chronic diseases. This outreach initiative demonstrates community collaboration that has successfully met a community need and improved overall healthcare.

Shifts in health care financing and insurance options as proposed in the Affordable Care Act (2010), require both continued and new strategies to reach, engage and support the uninsured and underinsured population in WellSpan Health's communities. The potential for Medicaid expansion and/or the implementation of health insurance exchanges, either nationally or

Population of Interest	Estimated Population	Anticipated Impact	Annual Performance Metrics
Uninsured Individuals	40,402 Uninsured Community Members (7,107 Adams County, 33,295 York County) 7,432 HYN Enrollees	Improved access to care Population Management	Amount ($) of charity care provided % of HYN members with one or more chronic diseases, % of inpatient visits per member per year among HYN members with Coronary Artery Disease (CAD) or diabetes
Medical Assistance Patients	40,402 Uninsured Community Members (7,107 Adams County, 33,295 York County)	Improved access to care	Amount ($) of Medicaid shortfall, # of new patients on Medical Assistance accepted into all WellSpan locations
Disparate Populations	6,823 Uninsured Community Members (Uninsured non-white)	Improved access to care	# of community members, by ethnicity/race, enrolled in available healthcare coverage as a result of community events
Community At-Large	137,515 Without Dental Insurance (27,659 Adams County, 109,876 York County) 78,960 Adams County and 332,958 York County Community Members	Improved access to care Increased education	# of community members accessing oral health services at YH-affiliated dental centers or at Family First Health in Adams County # of community members attending educational sessions on the Affordable Care Act and its implications

in Pennsylvania may confuse those most in need of these programs. As such, WellSpan Health and its community partners will create opportunities to educate the general public and community agencies working with the uninsured and underinsured about implications of the Affordable Care Act, explore partnerships and models that expand outreach to this population on diverse health care issues, and utilize real-time data in the decision-making process.

Objective	Tactic		Responsible Entity
1. Manage the care of the uninsured / underinsured as a population	1.1	Develop and measure outcomes of Healthy York Network (HYN) as a collaborative, population health program for York and Adams County residents receiving charity care. All charitable operating units – Gettysburg Hospital, WellSpan Surgery & Rehabilitation Hospital, and WellSpan York Hospital – will participate in HYN.	Corporate-HYN, WellSpan York Hospital, WellSpan Gettysburg Hospital & WellSpan Surgery & Rehabilitation Hospital
	1.2	Begin to plan for the future needs of HYN members under insurance exchanges and Medicaid expansion by: a) assessing the composition of the uninsured/underinsured population related to income levels, b) using WellSpan Health and HYN data on race/ethnicity and language preference, and c) segmenting population groups based on profile and needs.	Corporate-HYN, WellSpan Medical Group
	1.3	Enhance partnerships with local Federally Qualified Health Centers (FQHCs) to improve primary care for vulnerable populations in York and Adams counties through the support of WellSpan York Hospital and WellSpan Gettysburg Hospital.	WellSpan York Hospital and WellSpan Gettysburg Hospital
2. Connect patients in need with available programs (e.g., Medical Assistance, HYN)	2.1	Review WellSpan Health's charity care policy annually and implement actions to educate patients about charity care and other payment options available to them.	System-wide
	2.2	Utilize financial case workers, community health workers and other trained staff to enroll uninsured / underinsured patients in appropriate health care coverage (i.e., HYN, Medical Assistance).	System-wide
	2.3	Explore the feasibility of training and utilizing existing staff to serve as "navigators" – assisting patients with navigating health insurance exchanges, as created under the Affordable Care Act.	Corporate, WellSpan York Hospital, WellSpan Gettysburg Hospital & WellSpan Surgery & Rehabilitation Hospital

Objective	Tactic		Responsible Entity
3. Maintain and, where feasible, expand and coordinate the network of services for the uninsured - with an emphasis on primary care and prevention, oral health, and affordable medications	3.1	Maintain access for uninsured individuals and those on Medical Assistance through primary care, specialist, and hospital-based sites including Thomas Hart Family Practice Center (WellSpan York Hospital residency program), WellSpan Medical Group practices, WellSpan York Hospital clinics, and, the York Hospital Community Health Center	WellSpan Medical Group, WellSpan York Hospital, WellSpan Gettysburg Hospital and the WellSpan Surgery & Rehabilitation Hospital
	3.2	Identify and implement a new health and wellness model in which HealthConnect responds to needs in areas where previously unexplored gaps in care exist. This may include bringing mobile health to high concentration of poverty areas, new partnerships, or restructuring how mobile health services are provided	WellSpan York Hospital (Health Connect)
	3.3	Explore models to engage the low income population in medication access and management issues to increase individual understanding and compliance	Corporate HYN and WellSpan Pharmacy
	3.4	Develop a strategy for improving access to low cost pharmaceuticals through Healthy Community Pharmacy in Adams County	Corporate HYN and WellSpan Pharmacy
	3.5	Increase access to oral healthcare through two WellSpan York Hospital-affiliated dental centers and a partnership with Family First Health in Adams County	WellSpan York Hospital and WellSpan Gettysburg Hospital
	3.6	Implement Bridges to Health, an initiative seeking to improve proper utilization of healthcare services among complex patients including creating community partnerships and developing an Adams County structure	WellSpan Medical Group
4. Address disparities among racial, ethnic, or other vulnerable populations with a focus on African-Americans in York City and Latinos in Adams County	4.1	Utilize culturally appropriate lay-leader led initiatives as a vehicle to identify and enroll uninsured and/or underinsured community members in available coverage options	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	4.2	Identify future opportunities to expand successful lay leader-driven networks to provide culturally appropriate health promotion and community engagement initiatives	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
5. Increase community awareness of the Affordable Care Act and its impact on uninsured/ underinsured individuals	5.1	Partner with local health coalitions to offer educational sessions for community agencies on the essentials of the Affordable Care Act and potential strategies to be directed resources to clients and patients	System-wide, Corporate HYN, Local Health Coalitions (HEAC & HYCC)
	5.2	Develop and implement a plan, in partnership with community agencies, to educate community members about the Affordable Care Act and to increase their understanding of and response to personally significant aspects of it	System-wide, Corporate HYN, Community

System-wide refers to all WellSpan Health entities, including Corporate Functions, WellSpan Gettysburg Hospital (GH), South Central Preferred (SCP), VNA Home Care (VNA), WellSpan Medical Group (WMG), WellSpan Surgery and Rehabilitation Hospital (WSRH), and WellSpanYork Hospital (YH)

At-Risk Strategy

PRIORITY: [redacted]

Population of Interest	Estimated Population	Anticipated Impact	Annual Performance Metrics
WellSpan Medical Group Patients	77,586 of unique WMG patients seen in 12 months	Increased identification	# of patients who are screened for depression within the primary care setting
Community At Large	78,969 Adam County and 332,958 York County community members	Increased education	# of community members who are educated about effective ways to manage depression

In 2012, one in five adults – approximately 70,000 community members – reported that they were diagnosed with some form of depression. Given the stigma often associated with this condition, this statistic is believed to be relatively low and inaccurate. Data demonstrate that women were more likely to be diagnosed with depression, possibly since they may have sought care and treatment, as well as individuals living in poverty and those who have been diagnosed with heart disease, heart attack, or stroke. Comparatively, individuals who are married are less likely to have a depressive disorder.

Behavioral health issues, including depression, impact our communities much like others across the United States. As the largest healthcare and behavioral health provider in our area, WellSpan Health cares for many patients suffering from depression and other behavioral health issues. Most regional health systems no longer sponsor behavioral health services because of the low level at which they are reimbursed. WellSpan Health provides a network of behavioral health services which meets a significant need for the local population. Despite our successes and the challenges associated with providing behavioral health services, we can improve upon the ways in which we identify and refer those with depression, manage the care of patients with complex physical and behavioral health issues, provide behavioral services in community and clinical settings, and increase awareness about depression. The strategies we employ may not initially reduce the rate of depression, but they will improve intermediate outcomes such as the quantity of patients screened for depression by their primary care provider and how patients diagnosed with depression receive the assistance needed to manage their health more effectively.

Objective	Tactic		Responsible Entity
1. Increase the number of patients who are screened for depression within the primary care setting	1.1	Distribute a depression survey instrument to primary care providers across Adams and York counties and analyze the associated results to determine areas of focus. The survey instrument should include questions related to screening for and managing patients with depression, and identifying resources needed to assist primary care providers	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	1.2	Based on results from the depression survey, implement a standardized screening and referral algorithm within primary care practices	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health & Behavioral Health), WellSpan Medical Group
2. Improve access and quality of care by redesigning the model by which behavioral health services are provided by WellSpan Health	2.1	Develop opportunities to recruit mid-level behavioral health providers to WellSpan Health	WellSpan York Hospital and WellSpan Gettysburg Hospital (Behavioral Health)
	2.2	Integrate behavioral health training and resources into the WellSpan Medical Group health coach curriculum	WellSpan York Hospital - Community Health, WellSpan York Hospital and WellSpan Gettysburg Hospital (Behavioral Health), WellSpan Medical Group
	2.3	Conduct a pilot project in which a behavioral health therapist serves as a resource and provides support to one or more (maximum of 3) WellSpan Medical Group practices	WellSpan York Hospital and WellSpan Gettysburg Hospital (Behavioral Health), WellSpan Medical Group
3. Improve the management of patients with complex behavioral and physical health issues within the Patient-Centered Medical Home (PCMH) model	3.1	Explore the development of a stratification process for behavioral health patients with a possible connection to existing systems (i.e. PCMH Candidate list)	Corporate, WellSpan Medical Group
	3.2	Assess the efficacy of instituting interdisciplinary team meetings that engage physical and behavioral health providers in regular dialogue about the management of complex-issue patients within primary care	WellSpan York Hospital and WellSpan Gettysburg Hospital (Behavioral Health), WellSpan Medical Group
4. Increase community awareness about depression and available resources in the community	4.1	Implement a community-wide campaign that educates the public about effective ways (i.e. physical activity, nutrition) to manage depression	WellSpan York Hospital and WellSpan Gettysburg Hospital (Behavioral Health & Community Health)

Community Engagement Strategy

Cultivating mutually beneficial partnerships throughout the community it serves is integral to the mission of WellSpan Health, the largest employer and health care organization in York and Adams counties. The partnerships that WellSpan forms and cultivates have demonstrated the ability to maximally impact the health of the community.

WellSpan's commitment to community partnerships is evident in many ways, including the operational and funding support provided to Healthy Adams County and the Healthy York County Coalition, the entities responsible for co-leading the 2012 CHNA, and in serving as the catalyst and primary resource for other collaborative community health initiatives. Maintaining and strengthening these partnerships is essential to our organization and the health of the community. As new partnership opportunities present themselves, WellSpan will continue to assess its role in and support of them.

Population of Interest	Estimated Population	Anticipated Impact	Annual Performance Metrics
	n/a	Community engagement	Financial support, including in-kind contributions, of community based coalitions
Community At Large	n/a	Community engagement	Amount of funding ($) distributed to community organizations through the community partnership grant process

Objective	Tactic		Responsible Entity
	1.1	Continue to build community capacity to address health priorities through staffing and financial support, as appropriate to county-level health coalitions (Healthy Adams County and Healthy York County Coalition) and support the coalitions in addressing community environment and policy changes in key areas - end of life care, health literacy, oral health, physical activity, and prenatal care	Corporate, WellSpan York Hospital and WellSpan Gettysburg Hospital
1. Actively support the development of coalitions which promote mutual goals, assume shared responsibility, and represent diverse stakeholder perspectives	1.2	Decrease the incidence of preventable injury in children in key areas: bicycle safety, child passenger safety, Cribs for Kids (infant safety), and, home safety by coordinating initiatives as the lead agency for Safe Kids York County and identifying opportunities to strengthen support for the Safe Kids Adams County chapter	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	1.3	Maintain collaborative relationships with county-specific Children's Advocacy Centers and define the future collaboration model that ensures the effective and timely collection of child abuse information, prosecution of individuals, and reduction of abuse	WellSpan York Hospital and WellSpan Gettysburg Hospital (Emergency Departments)
	1.4	Develop local and regional partnerships through Aligning Forces for Quality to enable stronger patient engagement and better chronic disease management	Corporate, Aligning Forces for Quality (AF4Q) Team
2. Provide grants and in-kind support to non-profit partners working to address community health-related priorities	2.1	Provide community partnership grants, not to exceed 20% of revenue distributed by WellSpan's for-profit entities	Corporate
	2.2	Improve the process for evaluating community partnership grants and ensuring their alignment with community health priorities and goals	Corporate
3. Regularly conduct a Community Health Needs Assessment (CHNA) which includes a prioritization process, with community partners	3.1	Engage community partnerships and a contracted vendor in the survey development, data collection and analysis, community engagement and public reporting components of the 2015 CHNA process	System-wide, Community Partners

Prevention and Wellness Strategy

The delivery of health care in the United States is shifting from a predominantly cure and treatment model to one focused on prevention and wellness. While continuing to ensure that the acutely sick receive appropriate care, hospitals and health care systems are also employing strategies designed to keep healthy individuals and those with chronic disease healthier longer. As a result, WellSpan Health is transforming care for the community members it serves. Creating patient-centered medical homes within WellSpan Medical Group primary care practices, implementing patient engagement initiatives and redesigning work based on a population health approach are a few of the tactics that WellSpan believes will enhance prevention and wellness throughout our organization and in the community beyond.

PRIORITY: [illegible]

More than two out of three York and Adams County adults – 67% in York County and 74% in Adams County – were classified as overweight or obese in 2012. The prevalence of overweight and obesity crosses county lines and does not discriminate by age, gender, race or ethnicity, or socioeconomic status. However, recent data suggest that some population groups are more affected by this concerning health issue:

- Non-Hispanic Black residents of the community have a much higher probability of being obese than co-members of other racial and ethnic categories;
- Adults with diabetes are more likely to be obese; and,
- The likelihood of obesity increases as educational attainment declines and as economic hardships increase.

Adult overweight and obesity rates in our community have risen for at least the past decade, and are often attributed to unhealthy eating and physical activity behaviors. Being overweight or obese increases the risk of chronic conditions such as diabetes, high blood pressure, high cholesterol, cancer, heart disease and stroke. These obesity-related conditions may require significant healthcare resources to manage and may negatively impact the cost of healthcare.

Population of Interest	Estimated Population	Anticipated Impact	Annual Performance Metrics
WellSpan Medical Group Patients	77,586 unique WellSpan Medical Group patients seen in 12 months	Increased identification	% of WellSpan Medical Group patients for whom a Body Mass Index (BMI) was calculated within the last year
	54,698 WellSpan Medical Group adult patients estimated to be overweight or obese	Increased referrals	% of WellSpan Medical Group patients referred to appropriate weight management or related services (i.e., dietitian, health education classes)
Community At Large	78,069 Adams County and 332,958 York County community members	Increased participation	# of community members who participate in healthy eating, physical activity and/or weight management programming offered by WellSpan Health
WellSpan Employees	9,148 employees	Increased participation	# of WellSpan employees who participate in healthy eating, physical activity and/or weight management programming offered by WellSpan Health

WellSpan is committed to reversing the upward trend in adult overweight and obesity in our communities, but recognizes the challenges inherent in this goal. We believe that educating patients about how to reach and maintain a healthy weight, improving the management of patients who are overweight or obese, redesigning systems to encourage healthy eating and physical activity behaviors, and promoting a healthy workforce are a few evidence-based strategies that will enable us to begin to mitigate the negative impact of overweight and obesity in our communities.

Objective	Tactic	Responsible Entity
1. Develop and implement a system-wide approach to the identification, prevention, and management of adults at-risk for or classified as overweight or obese (BMI ≥25)	1.1 Implement an interdisciplinary workgroup within WellSpan Health to oversee utilization of evidence-based nutrition, physical activity, and weight management guidance in community and system message dissemination, resource development, and staff training	System-wide
	1.2 Utilize mapping resources to identify and correlate areas of York and Adams counties with high rates of adult overweight/obesity, poverty, food deserts, existing community resources, and other factors as deemed appropriate	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health), Corporate
2. Increase the utilization of eCare (EHR) to manage the weight status of WellSpan Medical Group patients	2.1 Institute a point-of-decision algorithm within eCare (EHR) by which WellSpan providers direct patients identified as overweight or obese to specific management resources appropriate to them	WellSpan York Hospital, WellSpan Gettysburg Hospital, WellSpan Surgery & Rehabilitation Hospital, WellSpan Medical Group and Corporate
	2.2 Assess the potential of developing the functionality to monitor and report Body Mass Index (BMI) trends in eCare (EHR)	Corporate
3. Improve the care and treatment of overweight/obese adults who are managed by WellSpan Medical Group primary care practices	3.1 Implement and analyze results from a primary care survey that identifies current practices in promoting healthy eating, physical activity, and weight management behaviors, barriers to prevention and treatment of adult overweight/obesity, current resource utilization and needs, and opportunities for ongoing support	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	3.2 Implement a pilot program that provides low-income patients with healthy eating guidance, and fruit & vegetable "prescription" vouchers redeemable at participating farmers' markets	WellSpan Medical Group, WellSpan York Hospital, WellSpan Gettysburg Hospital (Community Health), Community Partners

Objective	Tactic		Responsible Entity
4. Increase the proportion of community members who engage in healthy eating and physical activity behaviors as a means to manage their weight	4.1	Implement a social marketing campaign that interactively engages community members in improving their healthy eating and physical activity behaviors and managing their weight status. This campaign may have multiple facets to reach segments of the population (i.e. local employers) as needed	WellSpan York Hospital, WellSpan Gettysburg Hospital (Community Health), SouthCentral Preferred -WellAdvised
	4.2	Continue partnerships with community organizations to support the development and implementation of environment and policy changes that support healthy eating and physical activity. These include active living design principles, safe routes to schools programming, community gardens and local growers engagement, and healthy food distribution processes	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
5. Increase the proportion of WellSpan employees who engage in healthy eating and physical activity behaviors as a means to manage their weight	5.1	Fully implement the 'Guidelines for Offering Healthy Foods at Meetings and Functions' at WellSpan Health	System-wide
	5.2	Identify opportunities to improve healthy food options in dining areas and vending machines at WellSpan Health facilities	System-wide
	5.3	Identify opportunities to integrate healthy eating messages with a weight loss/ maintenance program available to WellSpan Health employees	WellSpan York Hospital, WellSpan Gettysburg Hospital (Community Health), SouthCentral Preferred -WellAdvised
	5.4	Implement a pilot 'farm-to-work' initiative in partnership with community growers, which increases WellSpan employee access to local fruits and vegetables	Community, WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)

PRIORITY: [redacted]

Despite national and local efforts to prevent and reduce its utilization, tobacco use remains a leading unhealthy behavior and contributor to chronic disease such as cancer, cardiovascular disease, respiratory illnesses, and reproductive concerns among pregnant women and women of childbearing age. In 2012, 22% of York County and 21% of Adams County adults identified themselves as regular smokers. This statistic does not account for adolescent tobacco use or adults who utilize smokeless or other forms of tobacco. Data show that non-Hispanic whites are more likely than Hispanics and non-Blacks to be regular smokers. In addition, individuals in poverty or younger in age are more likely to be tobacco users. According to 2012 data, non-Hispanic white adults ages 35-54, living in poverty are predicted to have a 63% probability of becoming smokers, compared to a 32% likelihood of non-Hispanic black adults of the same age range and living in poverty.

The harmful effects of tobacco use not only impact the user but also those who are exposed to secondhand smoke. Therefore, the health risk of tobacco use extends to family members, friends, work colleagues and others with whom the tobacco user has contact. Therefore, it is important that tobacco prevention and cessation efforts engage diverse aspects of the community and the health care system. Recognizing this issue, WellSpan Health partnered with other health care providers in York and Adams counties to enact tobacco-free policies on all its campuses in 2008. This initial strategy encouraged tobacco cessation among some users – employees, patients and visitors to WellSpan facilities. However, additional steps must be employed to increase awareness about the health and financial benefits of tobacco cessation, engage health care providers in intervening with and referring tobacco users to cessation programs, standardize tobacco cessation services, and focus prevention and cessation programming on specific population groups.

Population of Interest	Estimated Population	Anticipated Impact	Annual Performance Metrics
WellSpan Medical Group Patients	77,580 unique WellSpan Medical Group patients seen in last 12 months	Increased identification	% of WellSpan Medical Group patients with whom a tobacco inquiry was made within the last year
	16,680 WellSpan Medical Group adult patients estimated to be smokers	Increased referrals	% of identified tobacco users within WellSpan Medical Group who are referred to available tobacco cessation services
WellSpan Employees	9,148 employees	Increased participation	# of WellSpan employees who attend a Tobacco Cessation 101 course
Local Employers	147 employer groups (37 in Adams County and 110 in York County	Increased participation	# of local employer groups (greater than 100 employees) by county, requesting tobacco cessation services from WellSpan Health
Pregnant Women	21,731 females who smoke (Ages 15-44)	Increased outreach	# of pregnant women receiving a tobacco cessation packet

Objective	Tactic		Responsible Entity
1. Increase the number of individuals identified as tobacco users and referred to available tobacco cessation services	1.1	Develop resources that educate hospital-based providers to provide brief interventions and referral to tobacco cessation services for identified or suspected tobacco users using the evidence-based 5A methodology	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	1.2	Implement a standardized screening and referral process within WellSpan Medical Group primary care practices to provide brief interventions and referral to tobacco cessation services for identified or suspected tobacco users, using the evidence-based 5A methodology	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health), WellSpan Medical Group
	1.3	Utilize the existing WellSpan Medical Group (WMG) population health dashboard to increase the percentage of patients asked if they are tobacco users, and refer tobacco users to available cessation resources	WellSpan Medical Group
2. Increase the number of tobacco users who access WellSpan Tobacco Cessation Services and receive individualized assistance with their attempt to quit	2.1	Standardize how Community Health offers individual (1 on 1) tobacco cessation counseling services for patients across all counties served	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	2.2	Promote the WellSpan Health Tobacco Cessation 101 course to WellSpan Health employees and families who are identified as tobacco users	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health), SouthCentral Preferred -WellAdvised
	2.3	Enhance opportunities for local employers to recruit and provide comprehensive tobacco cessation services for their employees, through WellAdvised business support services	South Central Preferred-WellAdvised
	2.4	Develop an educational strategy in which all WellSpan physicians and staff are educated on new trends in tobacco use and effective treatment	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)

Objective	Tactic		Responsible Entity
3. Increase community awareness about the health and financial benefits of tobacco cessation, reduced secondhand smoke exposure, and the availability of community resources	3.1	Develop a WellSpan Health Tobacco Cessation Services brochure and distribute to diverse populations	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	3.2	Develop a community-based educational strategy that raises tobacco awareness and encourages tobacco users to quit	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
	3.3	Integrate secondhand smoke exposure educational resources into existing home and car safety-related initiatives (i.e. home visits by WellSpan VNA Home Care, child passenger safety seat checks through Safe Kids)	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health), VNA Home Care
	3.4	Participate in community-related tobacco prevention task forces and, when necessary, serve in the lead role	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
4. Increase the number of tobacco users from specific population groups who receive prevention advice and cessation support to ensure all residents have equal access to tobacco cessation services, evidence-based tools and best practice strategies	4.1	Develop a tobacco cessation resource packet specific to pregnancy and smoking for pregnant females identified as tobacco users	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health & Women's Service Line)
	4.2	Develop and provide a tobacco cessation program in Spanish for Latino/Hispanic patients who identify themselves as "light smokers/social smokers"	WellSpan York Hospital and WellSpan Gettysburg Hospital (Community Health)
5. Strengthen WellSpan Health's existing tobacco-free campus policy by prohibiting the use of tobacco products by employees at any time during their work shift			System-wide

Past Successes Translate into Future Opportunities

WellSpan Health's commitment to the overall health of the community it serves is evident in the initiatives with which it has been involved and the financial resources it has allocated over the last fifteen years. In 2012, more than 86,750 individuals were reached through community education and outreach programs costing the system an estimated $6 million. WellSpan Health also provided over $100 million in care for the uninsured and underinsured, as follows:

- $70.2 million in free care to patients who participated in the charity care program
- $64.8 million and $58.8 million in cost greater than what was reimbursed through Medicare and Medicaid, respectively,
- $26.2 million in services to patients who received care for which they could not pay, and who did not participate in the charity care program, and,
- $13.2 million to support services that provided discounted medical, dental, and pharmaceutical care to those in need.

A sample of recent initiatives that demonstrate WellSpan's ability to engage the community and promote health follows:

Building Community Capacity

Healthy York County Coalition (HYCC) and Healthy Adams County (HAC) were established in the mid-1990s as collaborative agencies that seek to improve the health and wellness of York and Adams counties. HYCC and HAC are dedicated to identifying and addressing the root causes of disease in the community and utilize a collaborative problem-solving approach that engages many facets of the diverse communities they serve. Both coalitions are dedicated to long and short-term strategies that influence the policies and systems impacting the health of York and Adams county residents. Although WellSpan Health supports the coalitions financially, their decision-making is guided by community partners and collaborative agencies.

Both coalitions have contributed to community-level policy and systems changes since their development. For example, the coalitions have secured $3.1 million from the Robert Wood Johnson Foundation to establish the Aligning Forces for Quality- South Central Pennsylvania program, a collaborative program that improves health care quality and access for community members in York and Adams counties. The coalitions have also improved dental care access for underserved community members due to the expansion of the Hoedner and Benzel dental centers.

Building community capacity through collaboration is evident in the creation and sustaining of both HYCC and HAC. By bringing together community agencies, organizations and those who are passionate about improving the health and wellness of the community, the coalitions are well-positioned to impact the community identified priorities of the 2012 CHNA.

Childhood Injury Prevention

Accidental injury is the number one cause of death among children ages 14 and under in the United States. Each year one out of every four children needs medical attention for an accidental injury. Safe Kids York County, a coalition of public, private, and voluntary organizations, identifies and prevents childhood injuries through education, networking and advocacy. Safe Kids York County is supported financially by WellSpan Health and is led by a WellSpan Health staff member. Safe Kids York County promotes bicycle, pedestrian, home, sport and child passenger safety through its various programs and initiatives. For example, the Safe Kids Buckle Up program offers parents and caregivers hands-on instruction about car seats, booster seats and seat belts, and presents interactive educational programs for children ages 14 and under. Another exemplary program is the York County chapter of Cribs for Kids, which has been providing cribs and education to families without a safe place for their baby to sleep since 2005.

Safe Kids York County believes "keeping children safe is an investment in their lives and in the future of our world. With education, resources and better laws to protect our children, we are making a difference." Last year, Safe Kids York County initiatives reached more than 3,600 men, women and children with a more than $52,000 commitment from WellSpan. WellSpan Health remains committed to this vital community collaboration and to the protection of children from accidental injury.

Oral Health

For struggling families who lack insurance, dental care often ranks pretty low on the list of priorities. In rural areas where dentists are scarce, finding affordable dental care may seem nearly impossible. To address the problem, WellSpan Health has engaged community organizations in both York and Adams counties.

In York County, WellSpan and the Oral Health Task Force of the Healthy York County Coalition have collaborated to reduce the incidence of dental cavities among York County children through prevention education, advocacy for improved access to oral health services in the community, broader promotion of dental sealant applications for children, and promotion of dental screenings. In addition, they have combined efforts to fluoridate the local public water supply and have expanded the availability of oral health services at the Hoodinee and Bonzel dental centers.

A partnership with Family First Health, a nonprofit federally qualified health center (FQHC) serving York and Adams counties, enabled the opening of a state-of-the-art dental facility in Gettysburg in 2012. Family First Health accepts all forms of insurance, including Medicaid, and offers discounts to uninsured patients based on their family size and income. The dental center treated 500 people in its first 90 days, a third of which were young children. WellSpan Health has worked to provide greater access to dental care for underserved and uninsured people in Adams County for several years. Dental services now available through Family First Health represent the efforts of long-standing community organizations and committed individuals.

WellSpan believes its work in oral health is far from over. The expansion of dental services available to community members has been an initial step in improving the oral health of the community. Continuation of these efforts is critically important and WellSpan remains committed to this important health issue.

Outreach to Underserved Populations

Cardiovascular disease ranks among the most dangerous chronic illnesses currently plaguing the United States and is responsible for 33% of all deaths each year, according to the American Heart Association. Cardiovascular disease is one of many chronic diseases that disproportionately affect certain racial/ethnic groups. The African American population is disproportionately affected by heart disease, diabetes and high blood pressure. As a result, WellSpan Health has developed several community programs that aim to specifically improve the cardiovascular health of this underserved group.

Last year the WellSpan York Hospital Family Medicine Residency Program coordinated "Barbers with a Heart" in collaboration with the City of York. The program engaged local barbers in educating their clients about hypertension and provided resources for on-site blood pressure measurement. Additionally, WellSpan established the 'For Heart's Sake' initiative in 2007 to improve the cardiovascular health of African Americans in the City of York. To date, seven screening events have occurred, reaching nearly 500 community members. A subsequent 10-week Zumba program was offered free to participants in partnership with a local church. Attended regularly by 55 community members, weight loss and blood pressure improvement among some participants was noted. Future plans include the implementation of a nutrition component.

These and other outreach initiatives to underserved populations demonstrate WellSpan's dedication to underserved populations. Whether focusing on cardiovascular disease or other conditions affecting community members, WellSpan is committed to impacting these groups through evidence-based, culturally appropriate initiatives.

Sexual Assault Forensic Examiner (SAFE) Team

A tragic reality of our current US culture is the widespread physical and sexual abuse of children. A 2006 CDC study suggests that one in four girls and one in six boys are sexually abused before the age of 18. In addition to determining how to stop abuse before it starts, there is a need to identify the best means of assisting a child once the abuse has occurred. After a child discloses abuse, an appropriate response is extremely important to their healing process. In the past, no mechanism existed for coordinating the services needed to respond to such a case. Instead, a child would be shuffled between various agencies requiring the victim to retell his story multiple times, vividly reliving the pain and confusion surrounding the experience.

Diagnosing child abuse requires a high level of precision, misdiagnosing a victim can lead to death from further injuries before the abuse is discovered. These alarming statistics ignited a unique partnership with the York County Children's Advocacy Center and the Adams County Children's Advocacy Center. In 2007, WellSpan expanded its Sexual Assault Forensic Examiner (SAFE) Nurse Program, which had already been providing services to victims of domestic and child abuse in its two hospital emergency departments, to provide expert medical evaluations and services to pediatric victims of abuse. Today, the members of the rebranded Forensic Examiner Team also conduct exams in the privacy of local Children's Advocacy Centers. Since few physicians have the specialized skills required to conduct an exam, interpret findings and testify in court, this program has greatly expanded access to expert evaluations. Focusing on a child's developmental, emotional, physical and cognitive needs, centers are able to reduce the stress associated with an evaluation, link the child and supportive adults to behavioral support services and increase the likelihood of bringing perpetrators to justice.

In fiscal year 2012, the forensic examiner team performed 355 forensic medical evaluations, 233 (65%) of which were for children under the age of 18. Through their collaboration with local Children's Advocacy Centers, the percent of medical examinations conducted has increased from 35% to 51% in York County and from 11% to 73% in Adams County. In addition, a Sexual Assault Nurse Examiner toolkit, funded by the National Institute of Justice, has been utilized to demonstrate the influence that the program has on case progression through the criminal justice system. Since the development of the forensic examiner team, a 4% increase in successful prosecutions has been realized.

While WellSpan and its community partners have made significant strides to improve the sexual assault reporting process, it remains committed to improving the reporting of sexual abuse, the prosecution of perpetrators and the protection of children in our communities.

Root Cause Approach

Public health research recommends that a root cause approach be utilized to address many chronic diseases such as cardiovascular disease, diabetes, respiratory ailments and overweight/obesity. A focus on improving healthy eating and physical activity behaviors and reducing tobacco use has demonstrated efficacy in reducing the impact of various chronic conditions. A few cardiovascular indicators were ranked high by Community Benefit Council members, but not selected as priorities. These include those who have high blood pressure and high cholesterol, and those who have been told they have heart disease, heart attack or stroke. Council members felt that the root causes of these conditions – unhealthy eating, physical inactivity, and tobacco use – were already part of the selected priorities – adult overweight/obesity and tobacco use.

Additionally, although suicide rates in York County were alarming, Council members felt that this indicator would be addressed by selecting depression as a priority.

Community Priorities and Partnerships

As previously mentioned, WellSpan believes that its impact on community health can, at times, be greater by partnering to address a health issue, rather than managing it alone. Issues such as access to early prenatal care, health literacy, and oral health are three priorities that the community selected as requiring

a more 'global' response. Task forces within the respective coalitions have been created to address these issues as well as to complement the WellSpan priorities of depression and end of life care.

Environmental Issue

One health indicator that has generated concern in recent assessments is the rate of asthma among adults and in other surveys, among children. Although WellSpan believes it has adequate resources to effectively care for and treat asthmatics, its effectiveness is compounded by low air quality in the region. A recent report from the American Lung Association gave the region in which WellSpan Health is located an 'F' for air quality. Although there is no direct correlation between this and the prevalence of asthma in the community there is concern that a connection between the two exists. As such, community advocacy efforts, possibly coordinated by the local health coalitions, may be necessary to impact this indicator.

[illegible]

Impact evaluation and outcome measurement must occur to create accountability with WellSpan leadership and to demonstrate ongoing commitment to the health of the community. Since it would be unrealistic to believe that marked changes to the CHNA indicators could occur in three years, shorter-length measurable objectives have been developed and are listed in this plan. These objectives indirectly acknowledge that each community member is influenced in many ways each day (race, ethnicity, income, health, age and social environment all influence community members). Additionally, community constructs – unhealthy environments and weak or no policy controls – prohibit healthy behavior choices. WellSpan Health understands that promoting good health requires a comprehensive approach that engages diverse aspects of one's life, much like the socio-ecological model demonstrates on page 7.

Technological advances, such as organization-wide integration of WellSpan's electronic health record (EHR), have created an environment in which relevant data may easily be collected, compiled and analyzed. However, not all data associated with the identified objectives are available or easily retrievable. Therefore, some mechanisms will need to be implemented to ensure appropriate baseline data are collected.

In 2011, WellSpan transitioned to CBISA (Community Benefit Inventory for Social Accountability) – an Internet-based, third-party system to collect and report its annual community benefit activities. This robust system also has an evaluation and outcome measurement component in which short, intermediate, and long-term objectives may be developed, and measurable outcomes and anecdotal results may be captured. The benefits of utilizing CBISA are numerous, including real-time monitoring of data entries and progress toward achieving outcomes, and connecting identified priorities to subsequent activities or interventions that have been implemented. In addition to its annual community benefit report, WellSpan may develop annual 'report cards' to demonstrate progress toward each identified priority.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