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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

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 province, country, and ZIP or foreign postal code
YORK, PA 17405

D Employer identification number
23-2899911

E Telephone number
(717)851-3055

G Gross receipts $ 44,939,146

F Name and address of principal officer
Kevin Mosser MD
PO Box 2767
York,PA 174052767

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

H(b) Are all subordinates 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

Activities & Governance

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**	5
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	323
6	Total number of volunteers (estimate if necessary)	**6**	61
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	30,860
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-7,924

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	55,108	61,352
	9 Program service revenue (Part VIII, line 2g)	29,566,207	44,523,592
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,200	21,072
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	310,943	333,130
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	29,936,458	44,939,146
Expenses	**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)	16,308,029	17,756,519
	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)	22,195,356	28,055,130
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	38,503,385	45,811,649
	19 Revenue less expenses Subtract line 18 from line 12	-8,566,927	-872,503

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	76,526,781	73,390,216
	21 Total liabilities (Part X, line 26)	93,217,975	90,953,913
	22 Net assets or fund balances Subtract line 21 from line 20	-16,691,194	-17,563,697

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

****** | 2015-05-08
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 (703) 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 or note to any line 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, 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 $ 39,479,862 including grants of $) (Revenue $ 44,523,592)

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 - 2014 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** ▶ 39,479,862

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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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 or other assistance to any domestic organization or government 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 or 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 25a*	**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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, 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 or note to any line 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	323		
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" to line 3b, 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 or note to any line 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**	5		
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 ▶

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 174029081 (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 or note to any line 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) David Sirolly Director	1 00 0 00	X						0	0	0
(2) Paul Minnich Esq Vice Chair	1 00 0 00	X		X				0	0	0
(3) Peter Brubaker Director	1 00 0 00	X						0	0	0
(4) Bruce Bartels CEO until 9/30	1 00 40 00	X		X				0	2,125,520	827,350
(5) Dr Judith A Bassett Director	1 00 0 00	X						0	0	0
(6) Joy Keller Brown Director	1 00 0 00	X						0	0	0
(7) Steve Merrick Director	1 00 0 00	X						0	0	0
(8) Patrick McGannon MD Secretary/Treas	1 00 0 00	X		X				0	0	0
(9) Matthew Doran Chairman	1 00 0 00	X		X				0	0	0
(10) Kevin Mosser MD CEO start 10/01	1 00 40 00	X		X				0	660,426	634,272
(11) Michael F O'Connor CFO-WellSpan H	1 00 40 00			X				0	592,268	401,350
(12) Richard Seim President	1 00 40 00			X				0	671,571	344,774
(13) Barbara Yarnish VP- Operations	40 00 0 00			X				212,471	0	50,736
(14) Michael Hamaker VNA President	1 00 40 00			X				0	216,301	59,159
(15) Rosa Hickey Director Pat Care	40 00 0 00					X		158,043	0	44,430
(16) Terri Tamecki Supr Physical Ther	40 00 0 00					X		105,612	0	49,192
(17) Kristina Gingrich Nurse Manager	40 00 0 00					X		103,441	0	25,411

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) Elizabeth Trumble	40 00					X		102,265	0	43,266
Dir-Clincal Ops	0 00									
(19) Brian Friedland	40 00					X		105,483	0	15,815
Physical Therapist	0 00									
(20) Joseph Edgar	0 00						X	0	227,252	51,358
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)** . . . . . ▶								787,315	4,493,338	2,547,113

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 ▶ 7

			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
HCSC Laundry PO Box 25092 Lehigh Valley PA 180025092	Laundry Services	124,160
American Healthcare Services PO Box 2767 Traverse City MI 49685	Staffing Services	107,679

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 ▶ 2

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	61,352			
	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		61,352			
Program Service Revenue		Business Code				
	2a EHR Incentive Program	621500	1,060,200	1,060,200		
	b Net Patient Revenue	621500	46,052,599	46,052,599		
	c W/O - Bad Debt	621500	-2,072,145	-2,072,145		
	d W/O -Financial Assistance	621500	-517,062	-517,062		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		44,523,592			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		21,072			21,072
	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			
	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 Hospital Cafeteria	722210	303,923		30,860	273,063
	b Hospital Gift Shop	446199	18,423			18,423
	c Other Revenue	900099	10,784			10,784
	d All other revenue					
	e **Total.** Add lines 11a–11d		333,130			
	12 **Total revenue.** See Instructions		44,939,146	44,523,592	30,860	323,342

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 or note to any line 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	263,207		263,207	
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	12,569,103	11,385,699	1,183,404	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	818,408	726,147	92,261	
9 Other employee benefits	3,128,713	2,776,008	352,705	
10 Payroll taxes	977,088	866,939	110,149	
11 Fees for services (non-employees)				
a Management	1,100,268		1,100,268	
b Legal	14,651		14,651	
c Accounting	200,939		200,939	
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)	3,997,670	3,422,256	575,414	
12 Advertising and promotion	7,199	2,669	4,530	
13 Office expenses	64,304	50,686	13,618	
14 Information technology	304,150		304,150	
15 Royalties . .	0			
16 Occupancy	131,172		131,172	
17 Travel	21,967	12,592	9,375	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	21,665	13,995	7,670	
20 Interest	4,715,299	4,715,299		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	5,001,894	5,001,894		
23 Insurance	402,286		402,286	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical Supplies	9,574,145	9,467,490	106,655	
b Licenses/ Fees	784,052	755,321	28,731	
c Utilities	671,653	432	671,221	
d Real Estate Taxes	530,914		530,914	
e All other expenses	510,902	282,435	228,467	
25 **Total functional expenses.** Add lines 1 through 24e	45,811,649	39,479,862	6,331,787	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 or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,060	1	1,060
	2	Savings and temporary cash investments		1,338,319	2	254,791
	3	Pledges and grants receivable, net			3	0
	4	Accounts receivable, net		5,081,860	4	6,341,574
	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		682,725	8	682,725
	9	Prepaid expenses and deferred charges		150,673	9	129,288
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 76,256,630			
	b	Less accumulated depreciation	10b 10,929,569	68,627,500	10c	65,327,061
	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		644,644	15	653,717
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		76,526,781	16	73,390,216
Liabilities	17	Accounts payable and accrued expenses		1,860,744	17	2,598,486
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		59,549,235	20	58,777,141
	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		31,682,970	23	29,241,959
	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		125,026	25	336,327
	26	**Total liabilities.** Add lines 17 through 25		93,217,975	26	90,953,913
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		-16,691,194	27	-17,625,049
	28	Temporarily restricted net assets			28	61,352
	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		-16,691,194	33	-17,563,697
	34	Total liabilities and net assets/fund balances		76,526,781	34	73,390,216

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	44,939,146
2	Total expenses (must equal Part IX, column (A), line 25)	2	45,811,649
3	Revenue less expenses Subtract line 2 from line 1	3	-872,503
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-16,691,194
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	-17,563,697

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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		
Return Reference	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. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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	5,000
b	Contributions	61,352	55,108	199,571	36,402	382,835
c	Net investment earnings, gains, and losses			-438,878	773,160	
d	Grants or scholarships					
e	Other expenditures for facilities and programs		291,081	5,994,412		
f	Administrative expenses					5,660,130
g	End of year balance	61,352		235,973	6,469,692	5,660,130

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 ▶ 100 000 %

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

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

		Yes	No
(i) unrelated organizations	3a(i)	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. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		54,273,381	4,570,108	49,703,273
c Leasehold improvements		1,718,761	55,565	1,663,196
d Equipment		20,256,626	6,303,896	13,952,730
e Other		7,862		7,862
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				65,327,061

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. 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.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(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.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d 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.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Third Party Settlements	336,327
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	336,327

2. Liability for uncertain tax positions 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 Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	44,877,794
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	44,877,794
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	61,352		
c	Add lines **4a** and **4b**			4c	61,352
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	44,939,146

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	45,811,649
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	45,811,649
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	45,811,649

Part XIII Supplemental Information

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

Return Reference	Explanation
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
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, 2014
Part XI, Line 4b Other revenue amounts included on 990 but not included in F/S	Restricted Contributions(Net) $61352

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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)		23	310,237		310,237	0 680 %
b Medicaid (from Worksheet 3, column a)		253	4,079,556	1,800,610	2,278,946	4 970 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		276	4,389,793	1,800,610	2,589,183	5 650 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)	1	9	321		321	
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	1	9	321		321	
k **Total.** Add lines 7d and 7j	1	285	4,390,114	1,800,610	2,589,504	5 650 %

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 1,243,287			
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 3 373			
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	20,563,551
6	Enter Medicare allowable costs of care relating to payments on line 5	6	16,835,375
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	3,728,176
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, primary website address, and state license number	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
	See Additional Data Table										

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

If reporting on Part V, Section B for a single hospital facility 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 persons who represent the broad interests 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 (list url) www wellspan org			
b	☑ Other website (list url) www healthyyork org			
c	☑ Available upon request from the hospital facility			
d	☑ 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 as of the end of the tax year)			
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)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 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 ☐ Residency			
i ☐ 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 individual'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 Section C)			
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 individual'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 Section C)			

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 individuals regarding the individuals' bills
- **d** ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

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 individual 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 individual 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. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. 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

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
Part I, Line 6a - Related Organization Community Benefit Report	Community Benefit Information is included in the Community Benefit Report for WellSpan Health

Form and Line Reference	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

Form and Line Reference	Explanation
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

Form and Line Reference	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

Form and Line Reference	Explanation
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

Form and Line Reference	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

Form and Line Reference	Explanation
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 a nd behaviors of those residing in York County, prioritize results and identify community n eeds, 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 sa mple of the patients with whom our organization daily interacts These individuals are geo graphically distributed cross 48 zip codes and represent the diversity - age, gender, race /ethnicity, educational background, and socioeconomic status - of the community our organi zation serves The 2012 CHNA process was led by a Community Health Assessment Planning C ommittee, a multidisciplinary collaborative comprised of at least twelve agencies interest ed in the health needs of the community, including "Two acute care facilities "One integra ted health care delivery system"Two county-level health coalitions"A local Federally Quali fied Health Center (FQHC)"The local city health bureau"A local behavioral health counselin g agency"Two local United Way branches"Area colleges and universities"A non-profit communi ty foundationHistorically, Planning Committee members contribute in-kind staff hours to th e Community Health Assessment process, utilize data to integrate priority interventions in to their respective organizational plans, and assist with disseminating results to the com munity at-large Except for the Healthy York County Coalition and participating colleges a nd universities, member organizations also financially support the community health assess ment process, including a contractual agreement with an opinion research department at a l ocal 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 conside red 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 wo uld conduct the assessment, analyze results, and summarize the findings Responsibility fo r recent community health assessments was shared between both the Healthy York County Coal ition and its sister coalition in Adams County, Healthy Adams County , to maximize economi es of scale and identify shared priorities across the region However, separate reports ar e generated to demonstrate respective community priorities and to meet regulatory requirem ents The CHNA typically engages two components - primary data collection through implemen tation of the Behavioral Risk Factor Surveillance System (BRFSS) and secondary data collec tion available through online state or national level resources Members of the Planning C ommittee partnered with the funded community health assessment entity to finalize BRFSS qu estions 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, geogra phic area, poverty, race/ethnicity) to obtain additional detail about community needs Pre vious health assessments have included qualitative data obtained through focus group resul ts on key topics (e g behavioral health, substance abuse) In 2012, Planning Committee me mbers elected to disseminate CHNA results and establish priorities for the community at-la rge 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 release s Health Summits have demonstrated efficacy to convene a larger group of interested parti es including community-based organizations (YMCA/YWCA), faith communities, healthcare ins urers and providers, law enforcement agencies, local school districts, social service orga nizations, 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 ov erall results A combination of general and breakout sessions were then employed to identi fy priorities and associated programmatic opportunities The 2012 CHNA provided the most r obust 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 prioritie s for the organization, including each of our three hospitals adult overweight/obesity, a voidance of healthcare because of cost, depression, and, tobacco use CHNA results continu e to be shared at varying levels of our organizati

Form and Line Reference	Explanation
Part VI - Needs Assessment	on and are foundational to the creation of entity-level objectives and associated evaluati on 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

Form and Line Reference	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

Form and Line Reference	Explanation
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 Needs 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 needs 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

Form and Line Reference	Explanation
Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	Our involvement and support of a county health coalition - Healthy York County Coalition e ngages more than 200 community members in community health improvement initiatives The Co alition 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 ide ntified in the 2012 CHNA, and foster collaboration between health care entities, community -based organizations, and other interested parties For example, the Healthy York County C oalition, in partnership with Healthy Adams County and WellSpans Health Community Health a nd Wellness department, distributed a 15 question survey to primary care providers in York and Adams counties, asking about current processes for screening and treatment of depress ion in the primary care setting, the availability of and linkage to existing community res ources, and opportunities to better manage patients with depression Survey results provid ed critical background information that was be used to enhance community awareness of depr ession, and advocate for system level changes that would bring more providers and services to the area in the future This year, in partnership with Healthy Adams County and WellSp ans Health Community Health and Wellness department, the Healthy York County Coalition wil l launch a depression awareness campaign called Feeling Blue in early November 2014 The c ampaign, managed by a committee of multiple service providers and community organization r epresentatives, will feature a webpage - www feeling-blue com that provides self-managemen t tips and techniques to support individuals with mild to moderate depression Additionall y, 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 Nearly 100 community members engaged in multiple foc us group discussions around end of life topics and identified strategies to engage additio nal community members around the topic Educational sessions, including the showing of a d ocumentary and panel discussions, followed the focus groups and remains ongoing During th is past fiscal year, more than 200 individuals were engaged in end of life conversations As a charitable, community-based healthcare organization, WellSpan is committed to improvi ng the lives and well-being of the people and communities it serves This dedication is ev ident in our organizational mission statement - "Working as one to improve health through exceptional care for all, lifelong wellness, and healthier communities " Employees at Well Span Health practice its mission statement every day by engaging in community benefit acti vities that address the needs of the community, especially those focused on the four healt h priorities identified in the 2012 CHNA access, adult overweight/obesity, depression, and tobacco One example of our commitment to the community is the development of the web-bas ed 10 Pound Throwdown challenge, implemented by WellSpan Community Health & Wellness This community-wide campaign promoted healthy weight loss and maintenance, as well as healthy habits such as physical activity and healthy eating during a 12 week period, beginning in early February The Challenge included an online weight tracker, weekly email reminders, a nd tips toward a healthier lifestyle It was designed to address the significant issue of adult overweight and obesity in our community by encouraging community members including local employers and employees, WellSpan employees and patients, and specific populations t o participate in a healthy challenge toward managing their weight The 10 Pound Throwdown spans three counties Adams, Lancaster, and York, and engages more than 1600 individuals an nually Lastly, WellSpan Health continues to support and promote tobacco cessation program s throughout the community and is enhancing the referral process for providers, community organizations, and employers In 2014, WellSpan Health successfully submitted a grant appl ication to the American Lung Association, with the proposed launch in the summer of 2014 By partnering with individuals and other organizations, supporting their endeavors, sharin g our knowledge and expertise, and learning from one another, together we are creating a h ealthier community In addition to community benefit items outlined in Schedule H, we acti vely 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 hosp ital and across our health system, community membe

Form and Line Reference	Explanation
Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	rs actively volunteer their time to support activities and initiatives, and generously don ate funds to the organization

Form and Line Reference	Explanation
Part VI - Affiliated Health Care System Roles and Promotion	WellSpan Health is an integrated health system serving the Adams-York-Northern Lancaster 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, Ephrata Community Hospital, Apple Hill Surgical Center, VNA Home Health, WellSpan Medical Group, Northern Lancaster County Medical Group, Physician Specialists of Northern Lancaster County Medical Group, WellSpan Population Health Services, WellSpan Pharmacy, Gettysburg Hospital Foundation, York Health Foundation, Ephrata Community 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 - 2014 Community Benefit Report

Form and Line Reference	Explanation
Part VI - States Where Community Benefit Report Filed	PA

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 23-2899911
Name: WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Part V, Line 3 - Account Input from Person Who Represent the Community	Every three years, WellSpan Health-Surgery and Rehabilitation Hospital (WSRH) partners with diverse community stakeholders to conduct a comprehensive Community Health Needs Assessment (CHNA) 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 facilities One integrated health care delivery systemTwo county-level health coalitionsA local Federally Qualified Health Center (FQHC)The local city health bureauA local behavioral health counseling agencyA local United Way branchArea colleges and universitiesA non-profit community foundationHistorically, Planning Committee members contribute in-kind staff hours to the Community Health Needs 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 needs 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 also 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 needs 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 CHNA research entity to finalize BRFSS questions and approve the identified sample size For the 2012 CHNA, the Planning Committee elected to correlate CHNA results with potential disparities (e g age, geographic area, poverty, race/ethnicity) to obtain additional detail about community needs Previous CHNAs have included qualitative data obtained through focus group results on key topics (e g behavioral health, substance abuse) The CHNA process is continuous in that, while prior assessment strategies are being implemented, planning for the next Community Health Needs Assessment is underway The makeup of the 2015 CHNA Planning Committee is similar to that of the 2012 committee, and represents several agencies including those who represent the community, medically underserved individuals, and special populations A consultant to conduct the CHNA has been identified and secured, with the intent to begin data collection in the fall of 2014 and release results at a community forum in June 2015

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Part V, Line 4 - List Other Hospital Facilities that Jointly Conducted Needs Assessment	York Hospital and Gettysburg Hospital

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Part V, Line 5c - Description of Making Needs Assessment Widely Available	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 access to care, adult overweight/obesity, 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 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

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
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 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 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

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Part V, Line 14g - Other Means Hospital Facility Publicized the Policy	Our organization maintains its commitment to improving access to care, based on the community health needs 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 We sponsor 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 focuses on communicating changes clearly to members and provides 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

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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, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

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 directors, trustees, officers, including 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)Barbara Yarrish VP-Operations	(i)	181,483	30,988		14,852	35,884	263,207	
	(ii)							
(2)Bruce Bartels CEO until 9/30	(i)	794,154	270,288	1,061,078	770,825	56,525	2,952,870	267,300
	(ii)							
(3)Joseph Edgar Former Secretary/Treasurer	(i)	191,107	32,383	3,762	15,885	35,473	278,610	
	(ii)							
(4)Kevin Mosser MD CEO start 10/01	(i)	492,126	168,300		591,825	42,447	1,294,698	168,300
	(ii)							
(5)Michael F O'Connor CFO-WellSpan H	(i)	441,669	141,900	8,699	356,775	44,575	993,618	141,900
	(ii)							
(6)Michael Hamaker VNA President	(i)	183,907	32,394		11,884	47,275	275,460	
	(ii)							
(7)Richard Seim President	(i)	422,406	132,330	116,835	303,225	41,549	1,016,345	132,330
	(ii)							
(8)Rosa Hickey Director Pat Care	(i)	155,079		2,964	11,047	33,383	202,473	
	(ii)							
(9)Terri Tamecki Supr Physical Ther	(i)	103,606		2,006	6,513	42,679	154,804	
	(ii)							

Part III Supplemental Information

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

Return Reference	Explanation
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 until September 30, 2013

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 23-2899911
Name: WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Barbara Yarrish VP-Operations	(I) (II)	181,483	30,988		14,852	35,884	263,207	
Bruce Bartels CEO until 9/30	(I) (II)	794,154	270,288	1,061,078	770,825	56,525	2,952,870	267,300
Joseph Edgar Former Secretary/Treasurer	(I) (II)	191,107	32,383	3,762	15,885	35,473	278,610	
Kevin Mosser MD CEO start 10/01	(I) (II)	492,126	168,300		591,825	42,447	1,294,698	168,300
Michael F O'Connor CFO-WellSpan H	(I) (II)	441,669	141,900	8,699	356,775	44,575	993,618	141,900
Michael Hamaker VNA President	(I) (II)	183,907	32,394		11,884	47,275	275,460	
Richard Seim President	(I) (II)	422,406	132,330	116,835	303,225	41,549	1,016,345	132,330
Rosa Hickey Director Pat Care	(I) (II)	155,079		2,964	11,047	33,383	202,473	
Terri Tamecki Supr Physical Ther	(I) (II)	103,606		2,006	6,513	42,679	154,804	

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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.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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 the 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
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.** Provide additional information for responses to questions on Schedule K (see instructions).

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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.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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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) Barley Snyder LLC	Partner Minnich	342,688	Legal Services WSH Affil		No
(2) Andstadt Communications	CEO Doran	813,730	Marketing & Print WSH Affi		No
(3) Integra LifeServices	Dir Sirolly	364,455	Med Device Manufactu		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

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.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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Employer identification number
23-2899911

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

Return Reference	Explanation
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

Return Reference	Explanation
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

Return Reference	Explanation
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

Return Reference	Explanation
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

Return Reference	Explanation
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 subordinate 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

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

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

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 6/30/14, the allocation of the Debt Capital program was as follows York Hospital $229,015,336 (61 37%), WellSpan Properties $50,791,774 (13 61%), WellSpan Health $2,347,624 (63%), WellSpan Specialty Services $59,422,225 (15 92%) and Gettysburg Hospital $31,573,040 (8 46%) 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

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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" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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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" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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	
(1) Apple Hill Surgical Center Partners PO Box 2767 York, PA 174052767 23-2489452	Surgical Cn	PA	NA					No			No	
(2) Central PA Alliance Laboratories LLC PO Box 2767 York, PA 174052767 23-2910950	Ref Lab	PA	NA					No			No	
(3) Littlestown Health Care Partners 300 West King Street Littlestown, PA 17340 23-2880464	Lease facility	PA	NA					No			No	
(4) Cherry Tree Cancer Center LLP PO Box 2767 York, PA 174052767 23-2915628	Radiation	PA	NA					No			No	
(5) The Rehab Center 855 Springdale Drive Suite 20 Exton, PA 19341 25-1687903	Physical Therapy Rehab	PA	Ephrata Hospital					No			No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) WellSpan Pharmacy Inc PO Box 2767 York, PA 174052767 23-2374072	dispenses Rx & provides IV therapy	PA	N/A	C Corp					No
(2) Wellspan Reciprocal Risk Retention Group PO Box 2767 York, PA 174052767 20-0048457	Risk Retention Group	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 Provider Network PO Box 2767 York, PA 174052767 23-2907828	Coord managed care risk contract	PA	NA	C Corp					No
(5) Apple Hill Condominium Association PO Box 2767 York, PA 174052767 23-2504543	Condo Mgmt Association	PA	N/A	Homeowner Assoc					No
(6) North Lanc Co Phys Hosp Alliance PO Box 2767 York, PA 174052767 23-2421885	Coord Phys & Hospital	PA	NA	C corp					No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	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 related 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" on Form 990, Part IV, line 37.

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

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

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 23-2899911
Name: WELLSPAN SPECIALTY SERVICES
DBA WELLSPAN SURGERY & REHAB HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Apple Hill Surgical Center Inc PO Box 2767 York, PA 174052767 22-2842253	Sole GP in limited ptnrshp operating surgical center	PA	501(c)(3)	9	NA		No
(1) Gettysburg Hospital PO Box 2767 York, PA 174052767 23-1352220	Health Care Services	PA	501(c)(3)	3	NA		No
(2) Gettysburg Hospital Foundation PO Box 2767 York, PA 174052767 23-2251358	Fundraising for Gettysburg Hospital	PA	501(c)(3)	11 Type 1	NA		No
(3) Healthy Community Pharmacy PO Box 2767 York, PA 174052767 20-0519121	Reduced rate prescription drugs to uninsured	PA	501(c)(3)	11 Type 1	NA		No
(4) VNA Community Services PO Box 2767 York, PA 174052767 23-2338591	Home personal care services for elderly and disabled	PA	501(c)(3)	9	NA	Yes	
(5) VNA Home Health Services PO Box 2767 York, PA 174052767 23-1352573	Home health and hospice care services	PA	501(c)(3)	9	NA	Yes	
(6) WellSpan Health PO Box 2767 York, PA 174052767 22-2517863	Integrated Health System	PA	501(c)(3)	11 Type 1	NA		No
(7) WellSpan Health Care Services PO Box 2767 York, PA 174052767 23-2400237	Health-related activities in the service area	PA	501(c)(3)	11 Type 1	NA		No
(8) WellSpan Medical Group PO Box 2767 York, PA 174052767 23-2730785	Medical and surgical care	PA	501(c)(3)	9	NA		No
(9) York Health Foundation PO Box 2767 York, PA 174052767 23-3050192	Charitable contributions for WellSpan entities	PA	501(c)(3)	11 Type 3	NA		No
(10) York Hospital PO Box 2767 York, PA 174052767 23-1352222	Community teaching hospital	PA	501(c)(3)	3	NA		No
(11) WellSpan Properties PO Box 2767 York, PA 174052767 22-2842252	Leases facilities to affiliates	PA	501(c)(3)	11 Type 1	NA		No
(12) Ephrata Community Hospital PO Box 2767 York, PA 174052767 23-1370484	Health care services	PA	501(c)(3)	3	NA		No
(13) Ephrata Community Hospital Foundation PO Box 2767 York, PA 174052767 80-0940005	Fundraising for Ephrata Hospital	PA	501(c)(3)	11 Type 1	Ephrata Community Hospital		No
(14) Northern Lancaster County Medical Group PO Box 2767 York, PA 174052767 20-3033058	Medical and surgical care	PA	501(c)(3)	11 Type II	Ephrata Community Hospital		No
(15) Phys Spec of North Lanc Co Med Gr PO Box 2767 York, PA 174052767 45-2537633	Physician Practices	PA	501(c)(3)	11 Type II	Northern Lancaster County Medical Group		No

WellSupported

Working as one to improve the health of our communities, **one person at a time.**

Community Benefit Report

WELLSPAN
HEALTH

2014 Community Benefit Report

WellSpan Health's Charitable, Mission:

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

At WellSpan Health, we are proud to be part of the communities of south central Pennsylvania. That's why we are committed to understanding local healthcare needs and working with physicians, community leaders and area residents to provide 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 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.

WellSpan Health includes:

- WellSpan Ephrata Community Hospital
- WellSpan Gettysburg Hospital
- WellSpan York Hospital
- WellSpan Surgery and Rehabilitation Hospital
- Apple Hill Surgical Center
- WellSpan VNA Home Care
- WellSpan Medical Group
- SOUTH CENTRAL Preferred
- WellSpan Pharmacy
- Ephrata Community Health Foundation
- Gettysburg Hospital Foundation
- York Health Foundation
- WellSpan Provider Network

Supported:
WellSpan's Community Impact

WellSpan Health is south central Pennsylvania's largest, most comprehensive health system. As such, we are honored to serve Adams, Lancaster and York counties – an area with a combined population of

nearly 1.1 million people.

As we continue to grow in the months and years ahead, we look forward to serving more communities in new and innovative ways. This is, we feel, the best way to ensure that quality, coordinated health care remains available right here at home.

WellSpan is:

Regularly ranked among the **Top 100** Integrated Health Networks in the country

A network of more than **884** community providers who work together as part of the WellSpan Provider Network

A regional resource featuring a **Level 1** trauma center at WellSpan York Hospital and a regional Brain Injury Unit at WellSpan Surgery and Rehabilitation Hospital, and other experts in caring for the seriously injured and ill

More than **130** locations including **4** hospitals conveniently located in our local communities

Recognized **Leaders** in quality and patient satisfaction at WellSpan Ephrata Community Hospital[1], WellSpan Gettysburg Hospital[2], WellSpan Surgery and Rehabilitation Hospital[3], and WellSpan York Hospital[4]

Transforming the doctor-patient **Relationship** and helping our friends and neighbors achieve their health goals

A **Source of Care** for our communities' most vulnerable populations, including those who occasionally e difficulty helping themselves.

1 - VHA Measures

2 - American Nurse Credentialing Center Pathway to Excellence

Supported:
WellSpan's Community Impact

There are many ways to measure the impact that WellSpan has had on the local communities of south central Pennsylvania. Here are four important ways:

MILLION

Charity Care.
Cost of free care to patients who participated in our charity care program.

+

MILLION

Medicaid.
Cost greater than what was paid to WellSpan by Medicaid.

+

MILLION

Medical, Dental, Pharmaceutical.
Cost to support services that provided discounted medical, dental and pharmaceutical care to people in need.

+

MILLION

Community programs and outreach.

In total for fiscal year 2014, WellSpan provided more than

$134,000,000

in community benefit.

Of course that's only part of the story. In 2014 the people of WellSpan:

Helped our patients pursue the goal of better health through more than than **650,000 visits** to our primary care practices.

Helped more than **1,000** individuals make the effort to quit tobacco use.

Cared for more than **43,000** people in our hospitals and more than **4,400** people in their homes.

Welcomed more than **4,400 babies** into our communities.

Volunteered for **more than 100** non-profit community organizations.

2014

Provided jobs for more than **11,500 members** of our communities.

Received more than **135,000 visits** to our emergency departments.

Transformed **28 local primary care practices** into Patient Centered Medical Homes, which offer a higher level of coordination and engagement with the patient and specialty physician offices.

Trained more than **675** medical residents and visiting medical students.

Educated more than **12,000** people on living healthier lives through nutrition and physical activity.

Were supported by more than **2,000 volunteers** who offered more than 170,000 hours of their time.

Cared For:
Transforming Care

WellSpan is transitioning from a health system focused on treating acute injuries and illnesses to an organization that proactively helps people reach their optimal health goals.

By doing so, WellSpan will make a difference in the health and quality of life of the individuals and communities it serves for generations to come.

In the near future, WellSpan will measure success by improving health outcomes, patient satisfaction and quality while simultaneously managing costs among three major patient

Community Benefit Report

segments: those who are well, those who are chronically ill, and those who are acutely ill or injured.

This type of change requires a new approach to caring for individuals that includes redesigning components of the health system to assess the health of the individual and community, optimally treat chronic disease and efficiently treat people with acute illnesses and injuries. At the same time it encourages and empowers consumers to improve their own health through information, self-care and a relationship with a primary care provider that assumes accountability for their health across the lifespan.

From 'my' patient to 'our' patient: How new models are transforming care

Improving the health of individuals and communities across Central Pennsylvania, WellSpan Health has established patient-centered medical homes (PCMHs) in its primary care practices.

The PCMH model engages providers to partner with patients to help them achieve their health goals — rather than merely treat patients when they have illnesses or injuries.

"This is a paradigm shift in health care," noted Karen Jones, MD, FACP, vice president and chief medical officer of the WellSpan Medical Group. "It's very different from the way we practiced medicine in the last century. Before, physicians concentrated on patients who came to the office seeking care, and there wasn't much focus on patients who weren't present. Now, WellSpan Health is transforming care delivery to optimize the health of individual patients and populations. Patients and families are engaged with a care team led by the primary care provider to optimize their health during the visit and between office visits. For example, if a patient is overdue for needed care, we'll send them a letter or give them a call. We take every opportunity to make sure patients are up-to-date on their medical care."

In today's evolving healthcare landscape, the PCMH model allows for better care delivery than traditional methods.

"... the days when a primary care physician could provide all necessary services are gone."

"I've been in primary care for 30 years, and the days when a primary care physician could provide all necessary services are gone," said Thomas McGann, MD, senior vice president of clinical practice at WellSpan Health and president of the WellSpan Medical Group. "Innovations and regulatory measures associated with seeing patients are being introduced at an increasingly rapid pace, and one physician can't do everything alone. WellSpan's philosophy incorporates other providers and staff members who can ease the burden on the physician and distributes responsibility for patient health across all members on the care team."

Everyone is on board

Although the PCMH model differs in some key respects from traditional healthcare practices, it maintains the bedrock principle of strong relationships between primary care provider and patient. However, the provider has more in-office resources to facilitate better care delivery.

For example, when a patient signs in for an appointment, front-desk personnel provide patients with a personalized patient report generated from their electronic health record (EHR). This report identifies any necessary preventive screenings, immunizations or

WellCared For: **Transforming Care**

(Continued from page 6)

blood tests. The clinical staff then discusses the information with patients before the provider goes into the exam room.

After the appointment, the same personnel gauge patient reactions to provider recommendations. Patients are frequently concerned about expensive medications, and if staff members believe a prescription may go unfilled, they introduce patients to social workers who can help find solutions.

Within the past two years, WellSpan has introduced care coordination teams made up of health coaches, case managers and social workers to support the work of the Patient Centered Medical Home. Health coaches are embedded in a primary care practice to help physicians coordinate the various services that patients require. If, for example, family members feel they can no longer care for an ill loved one, the care coordination team will work with the family to arrange the necessary in-home services or placement in an extended care facility.

When this situation arises in the office setting, it can be the most challenging kind of patient visit you can have," Dr. McGann noted. "It has traditionally been our responsibility as physicians to mobilize resources and information for the patient. This might mean organizing hospital admissions, finding nursing homes or making referrals — all while your waiting room is packed with other patients. In the old days, these situations ended with hospital admissions, where further care could be arranged. In these situations, WellSpan's health coaches and their connections to hospital-based care coordinators are a tremendous advantage. They make all the arrangements seamlessly without the need for admission."

Putting the pieces together

According to a patient's needs, a healthcare team is assembled to help the patient manage their care in an efficient and effective manner. As a result, chronic conditions are treated optimally, and the need for emergency room visits and readmissions is sharply reduced.

While the primary care office serves as the patient's medical home, this team engages with highly skilled specialists and other essential providers across the system in a coordinated fashion.

"Healthcare often requires a multidisciplinary approach, and the next ring of services outside the primary care office is the patient-centered medical neighborhood," Dr. McGann said. "Across our health system, we've improved the connection between the home and neighborhood models."

The medical neighborhood may include cardiologists, orthopedists, endocrinologists, surgeons or other specialists, and WellSpan ensures smooth patient transitions from one provider to another.

"In the past, each specialist had a separate chart," Dr. McGann said. "This created a lack of consensus in the overall care plan and could cause complications if, for instance, medications interacted. By bringing each WellSpan physician onto the same EHR and instituting a messaging system on which physicians can communicate asynchronously, we've significantly improved communication among specialties."

Providers in WellSpan's Patient Centered Medical Home and Neighborhood also coordinate vital, community-based services that patients may require.

"The idea of partnership extends beyond the provider and patient relationship," Dr. Jones said. "We have forged strong relationships with multiple agencies and organizations to enhance the quality of local healthcare."

As part of its PCMH initiative, WellSpan has established a broad network, including partnerships with the Area Agency on Aging, local nursing homes, and other hospitals and emergency rooms. Independent physicians are also invited to integrate their services into the patient-centered medical neighborhood.

"Transforming to a PCMH is a journey," Dr. Jones said. "We've made stepwise progress in transitioning to this model. One of the basic tenets of the PCMH is a philosophical adjustment, in which 'my' patient becomes 'our' patient. We realize this requires a team effort, and since 2009, we've added components from across the health care continuum to achieve our vision."

Patient engagement

WellSpan physicians encourage patients to take ownership of their health and actively participate in decision-making.

"We emphasize the idea of healthcare as a partnership," Dr. Jones explained.

"Traditionally, physicians have been perceived as the sage leaders who know precisely what's needed to cure an ailment. While a physician's understanding of medical science is clearly an integral part of care, we also realize that no one knows the patient better than the patient."

Along with the responsibility that accompanies being the center of the care team, patient partners take part in shaping the processes and approach to continuous improvement that are integral to the delivery of care. They volunteer their time to attend meetings to improve quality measures and workflows, and as the "customers," their input has led to the institution of several changes to improve the patient experience across our organization.

For example, WellSpan physicians care for a large number of people with diabetes. In large endocrinology practices, previously only a few exam rooms had blood glucose meters, which caused a delay while nurses searched for one. Patients identified this as an area for improvement; now, there's a meter in every exam room.

"That's a great example of why the patient perspective is so important," said Dr. McGann. "It identifies little things that we as physicians can miss because we're focused on the medicine."

Making a difference

By engaging patients and aligning the resources of the care team, WellSpan's PCMH and neighborhood helps physicians concentrate on doing what they do best: caring for patients.

"This is an exciting new approach to delivering healthcare," Dr. Jones said. "Physicians and their care team are now able to manage patients and broader populations to improve the health of our communities."

For more information about WellSpan Medical Group, visit

www.WellSpan.org/WMG.

WellCared For: Transforming Care

WellSpan's efforts to transform care in 2014

WellSpan's efforts to transform care have resulted in redesign of the health experience of our patients. The Patient Centered Medical Home/Neighborhood (PCMH/N) model has supported the redesign of primary care in the practice and is beginning to transform the care of a larger "neighborhood" to soon include specialty and acute services. The following illustration outlines our progress:

Coordinated Care

To support the transformation of care and advance care coordination, WellSpan has created several programs:

Care Coordination Teams (CCTs) to re-deploy hospital-based Case Management staff to a PCMH orientation;

Transitional Care Management (nurse practitioner) Home Visit Program for vulnerable patients with medical conditions on discharge from the hospital.

Bridges to Health, focusing on the extremely vulnerable patient population.

Recognition

27 WellSpan Medical Group practices achieved recognition as National Committee for Quality Assurance (NCQA) Level 3 PCMH practices.

Performance

Performance improvement efforts are organized in a Learning Collaborative that consists of monthly webinar calls on key topics, performance improvement efforts and quarte educational and improvement dinners where activities are shared and celebrated.

Grants

Working to expand the scope of the Robert Wood Johnson Foundation's grant-sup PCMH collaborative to actively engaging specialty services (like Emergency care, Hospitalist, Endocrinology) and community services (like Area Agency on Aging) in evolution of the PCMH/N model.

MyWellSpan

Supporting care transformation, clinical technology improvements, such as the MyWellSpan secure, online patient portal, have made significant advances in patient health care self-management. Our progress includes:

More than 95,000 patients enrolled on MyWellSpan patient portal with access to medical records, online appointment scheduling, direct and secure physician messaging, test result reviewing and prescription refill orders.

Volunteerism

WellSpan worked with Aligning Forces for Quality to increase the presence of volunteer patient partners in WellSpan Medical Group practices. More than 70 trained Patient Partners throughout Adams, York and Lancaster are working directly with WellSpan primary, specialty and inpatient care providers in care improvement activities system-wide.

Specialities

WellSpan is working to advance this care model across our regional system of care and to include other new practices, such as pediatrics. Additionally, we are incorporating other specialty services into a PCMH/N model such as behavioral health, home care and rehabilitation services.

Committed:
How We Can 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 our region, there are still thousands of individuals who fall through coverage gaps and live without adequate health insurance.

This community health challenge 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

WellCommitted: How We Can Help

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 outpatient services into urban and rural communities, improve access to oral health care and help people establish a "medical home" with a primary care physician.

Healthy Options program seeks to close the food gap

Low-income households receive vouchers for fresh fruits, vegetables and more

Experts call it the food gap. It affects families who earn too much for food stamps, but too little to shop nutritiously. The result is a diet of highly processed, unhealthy food.

A whopping 26 percent of Adams County families with children are caught in the food gap, reports the Adams County Food Policy Council, a task force of Healthy Adams County.

"When families are struggling to pay their bills for the month, the food budget is usually the first thing to get cut," explained Kathy Gaskin, executive director of Healthy Adams County. "At the grocery store, instead of buying fresh fruits and vegetables they're looking at canned food, which costs a little less."

Three years ago, WellSpan's Gettysburg Hospital Foundation began funding an innovative program called Healthy Options. It seeks to close the food gap, and support local farmers in the process.

Through Healthy Options, low-income households receive vouchers for fresh fruits, vegetables, breads and meats at participating Adams County farmers' markets. The program targets families who do not qualify for the Supplemental Nutrition Assistance Program (SNAP), more commonly known as food stamps. They receive $40 in vouchers each month to use at the farmers' markets.

Healthy Options also educates. Participants learn to grow and prepare their own food through a series of gardening classes, farm tours, and healthy cooking classes. Judy Alder, manager of community philanthropy at the Gettysburg Hospital Foundation, said her board of directors did not hesitate to approve funding for Healthy Options. "We are pleased to support a program like this because of the direct impact it is having on families, not only with the vouchers, but through the educational programs," Alder said.

This past year, Healthy Options helped 74 needy families. The program runs from June through September. Kathy Glahn, president of the Adams County Farmers' Market Association, said that few farmers' markets across the country participate in food assistance programs. Her group, however, views it as a special opportunity to not only serve the community, but also gain new customers.

Healthy Options and SNAP combine for more than 10 percent of sales, Glahn said. "Hopefully, after these families get through the rough patch in their lives, they will continue to think of the farmers' market as part of their weekly routine for shopping for fresh produce," she said.

For more information about Healthy Options and Healthy Adams County, visit
www.healthyadamscounty.org.

In fiscal year 2014, WellSpan Health provided more than $275 million in care for the uninsured and underinsured in our community.

Community Benefit provided to people we serve:

$22.9 MILLION

Cost of free care to patients who participated in our charity care program.

$88.8 MILLION

Cost greater than what was paid to WellSpan by Medicaid.

$15.6 MILLION

Cost to support services that provided discounted medical, dental and pharmaceutical care to people in need.

$5.9 MILLION

Community Education and Outreach: $5.9 million in free community education and outreach to children and at-risk groups, and the community at large (including adults).

Other costs of providing care for people in our community:

$114.5 MILLION

Cost greater than what was paid to WellSpan by Medicare.

$30 MILLION

Cost of services to patients who received care for which they did not pay and who did not participate in the charity care program.

Programs for the uninsured that WellSpan supported in 2014:

Healthy York Network and Healthy Community Pharmacy - a collaborative effort that facilitates access to discounted health care services and prescription medication for individuals who lack sufficient health insurance.

Our progress:

$24 million of care provided

3,000 new members enrolled

WellCommitted: **How We Can Help**

The advent of the Health Insurance Marketplace - in 2013, changed the national health insurance landscape and necessitated an increased level of enrollment assistance for individuals from vulnerable populations. Through our community health worker program, people are receiving help with navigating the health care system and enrolling in available programs.

Our progress:

311 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, that provides medical and dental care for underserved adults and children.

Our progress:

3,490 acute and preventive visits

York Hospital Community Health Center - which provides primary care services, women's health care, HIV care and pediatric care for medically complex conditions for adults and children lacking sufficient health insurance.

Our progress:

22,759 primary care visits

15,204 obstetrics and gynecology visits

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 for people lacking sufficient health insurance.

Our progress:

25,041 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 for underserved adults and children.

Our progress:

7,172 patient visits

2,140 dental visits

The George W. T. Bentzel, DDS Dental Center - which is staffed by licensed dentists and residents from the WellSpan York Hospital Dental Residency Program.

Our progress:

12,525 outpatient visits

Hoodner Dental Center - for individuals lacking sufficient dental insurance and who qualify for medical assistance or the Healthy York Network.

Our progress:

5,980 dental visits

ECH Cares - a program of WellSpan Ephrata Community Hospital, is designed to help eligible patients cover the costs of their healthcare services.

Our progress:

In fiscal year 2014, ECH Cares provided total benefits worth $8 million to more than 1,900 patients.

Welsh Mountain Medical and Dental Center - in New Holland, Lancaster County, which is staffed by licensed physicians and dentists, as well as a Certified Registered Nurse Practitioner. Welsh Mountain is a federally qualified health center with four locations in rural Lancaster County and Lebanon County. The center serves the general population along with Medicaid and uninsured patients.

Our progress:

14,172 medical visits in fiscal year 2014

10,444 dental visits in fiscal year 2014

Partnered: 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.

WellSpan and York County Community Foundation create new EMS fund

WellSpan Emergency Services Fund intended to support regionalization efforts

WellSpan Health and the York County Community Foundation have partnered to create the WellSpan Emergency Services Fund, which is intended to encourage Emergency Medical Services (EMS) providers in York County to work toward a more coordinated, regional EMS system.

WellSpan donated $500,000 to establish a fund at the foundation for this purpose. WellSpan hopes to grow the fund to $1 million by encouraging new donations through an additional $250,000 match.

"York County Community Foundation and WellSpan Health aim to facilitate and nurture a strong regional emergency medical response system in York County," said Keith Noll, president of WellSpan York Hospital and senior vice president, WellSpan."We believe the best EMS model for York County is one that is led by the community," he added. "WellSpan has committed to ongoing support of regional solutions for EMS services."

The foundation's well-established and community-led grant process will serve as the funding mechanism for community providers of EMS that agree to collaborate toward a more regional EMS system for York County. The community foundation will solicit grant applications from eligible organizations. Those applications will be reviewed by a committee and approved by the foundation board of directors.

Grants will be made for purposes such as professional services, for start-up resources, and/or for the development of new and innovative collaborative projects in order to meet the emergency service needs of the community. Applicants and their proposed partner organizations must be either a non-profit and tax-exempt organization, or a unit of government or a public agency.

Applicants must demonstrate an interest in collaboration, the capacity to expand their core of service, and the ability to sustain the project post-grant.

In Adams County, WellSpan continues to provide Advanced Life Support services until a sustainable community model is developed and implemented. WellSpan is committed to supporting community leaders to ensure the high quality delivery of EMS services throughout Adams County now and into the future.

Community health initiatives WellSpan supported in 2014:

Healthy Adams County

Healthy Adams County is a partnership of community members dedicated to continuing assessment, development and promotion of efforts toward improving physical, mental and social well-being. The issues our efforts address include health literacy, healthy lifestyles, oral health, depression, children's health and nutrition, end of life planning and many more. Our progress in 2014:

- Held the first "Preparing through Life for End of Life" interactive resource fair in Adams County to increase awareness of end of planning and available community resources;
- Developed a "Healthy Choices for Kids" menu program for local restaurants to address obesity;
- Began a sub-committee of the Behavioral Health Task Force to focus on suicide prevention primarily targeting adult males;
- Successfully completed the third annual "Healthy Options" program, a voucher program for qualified residents to shop at the Adams County Farmers Market Association Markets; and
- Held the seventh annual Adams County Health Summit focused on understanding your health care for more than 100 health and human services professionals and community residents.

Healthy York County Coalition

The Healthy York County Coalition is an ongoing collaborative effort to improve the health and wellness of the York County community. The coalition's current priorities are access to care, adult overweight/obesity, depression, end-of-life planning, oral health, prenatal care and smoking/tobacco. Our progress this year:

- Access & Empowerment Committee is introducing activities to educate the newly insured and the uninsured on why and how to select health insurance.
- Depression Workgroup is working with WellSpan Health to conduct a community campaign that provides resource support for residents dealing with depression.

WellPartnered: **Healthy Communities**

Healthy York County Coalition (Cont.)

- Oral Health Task Force distributed educational handouts for pregnant women and mothers caring for infants.
- Prevention & Wellness Committee is planning an initiative to showcase and build on successful sustainable strategies that contribute to the physical, mental and environmental health of county residents.
- Your Life – Your Wishes Task Force is conducting educational sessions to help residents understand their end-of-life choices, encourage family conversations, and complete advanced directives.

Reach Out and Read

Reach Out and Read program to address early childhood literacy. Our progress:

- 5,460 books distributed to children ages 6 months to 5 years through the Thomas Hart Family Practice Center and the York Hospital Community Health Center.

SAFE

SAFE, teams of specially trained Emergency Department nurses at WellSpan York Hospital and WellSpan Gettysburg Hospital to address domestic violence and child abuse. Our support:

- Provided care to more nearly 400 patients.

Community sponsorships

Community sponsorships to support health and quality of life across south central Pennsylvania. Our support:

- More than $650,000 in sponsorships to area organizations and contributions to local government and school districts.

Community partnership grants

Community partnership grants to address health and quality of life program issues within the communities we serve. Our support:

- $223,800 provided to support organizations that included:

York County Library System	Leg Up Farm
Adams County Arts Council	NAMI PA York County
Epilepsy Foundation of Western Central Pennsylvania	York County Literacy Council
	Welsh Mountain Health Centers
Healthy Adams County	Children's Home of York
Healthy York County Coalition	YMCA of York County
Gettysburg C.A.R.E.S. Inc.	York Hospital Community Health Center

Outreach

Outreach to the Latino population to address issues such as childhood obesity, early prenatal care and Latino health. Our progress:

- Educated 185 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.
- Engaged nearly 1,000 Latino community members and families at the Binational Health Fair in conversations about healthy lifestyles, cancer prevention and encouraged women to sign up for mammograms.

Operation Heartbeat rural AED program

Through the Operation Heartbeat rural AED program, 247 law enforcement personnel, National Park Service staff and community members in Adams County were trained in current AED and CPR guidelines.

Project SEARCH

Project SEARCH, a school-to-work program for area students with disabilities that provides real-life work experience and preparation for employment. Our progress:

- Provided total immersion in the workplace for nine area students.
- This high school program located within the WellSpan Health Network is in partnership with Lincoln Intermediate Unit #12(LIU), the Office of Vocational Rehabilitation (OVR) and Office of Development/Programs (ODP)/York/Adams MH/IDD.
- Since its inception, this program has graduated 39 students, 11 of which have since secured employment.

Support for community health initiatives

WellSpan Ephrata Community Hospital staff actively participate in several county-wide coalitions to support community health initiatives including:

- Tobacco-Free Coalition of Lancaster County
- Lighten-Up Lancaster County
- Lancaster Health Improvement Partnership
- Lancaster Health Summit Planning Committee
- Mental Health Collaborative

Stroke Committee

The Stroke Committee of WellSpan Ephrata Community Hospital has focused its outreach efforts on helping the community identify stroke symptoms and initiating the call for help. The Act FAST message is spread by community presentations, health fairs, social media and the distribution of Act FAST magnets. Since 2011, more than 13,000 refrigerator magnets have been distributed to educate and remind community members to Act FAST.

Planned: 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.

Community Benefit Report

Smoking-cessation efforts prove to be life-saving

Steve Colamarino of Sinking Spring, Pa. smoked for 40 years. His wife, Sarah, smoked for 30. They tried to quit in the past and failed. This time would be different, they said.

They enrolled in the tobacco cessation program at WellSpan Ephrata Community Hospital's Wellness Center. Then came an unexpected turn.

Each week, while tobacco treatment specialist Sharon Czabafy addressed the class, CPR coordinator Tracy Van Marter sat in the back and recorded vital signs. Van Marter took Steve's blood pressure. "She told me, 'You've got to get to the doctor,'" he said. He began immediate treatment for a variety of cardiovascular problems, the byproducts of a lifetime of smoking. "Everything was coming to a head," Czabafy remembered. "He was a walking time bomb."

The critical situation was all too familiar to Czabafy. She's seen it many times during her 12 years of tobacco counseling. "People just don't realize that smoking is interrelated with every other chronic disease," she said. "Nicotine is the most addictive drug known to humankind. It's more addictive than heroin and cocaine."

Steve and Sarah continued the seven-week program. When it came time to bid a final farewell to tobacco, Sarah chose the help of a nicotine patch. Steve couldn't use any aids because of his health.

The Ephrata program follows CDC guidelines for effective tobacco cessation. Roughly half of all participants remain smoke free three months later. Steve struggled, but he remembered the tips from class: Avoid situations that trigger urges. Focus on alternate activities. Eat right.

In January, the retired truck driver underwent an open-heart procedure by Larry Shears, II, MD, of WellSpan Cardiothoracic Surgery. It was a complete success.

Today, Steve and Sarah are still tobacco free. Steve's health improves a little more each day. He has begun a vigorous walking regimen, and he revels in the strength returning to his body. He credits the program with saving his life, and for finally making it smoke free. "If it wasn't for the class, I don't think I would have succeeded," he said. "The classes are awesome," Sarah echoed. The urge creeps up occasionally, she admits, but now she knows how to defeat it.

"The average smoker quits seven times before they stay quit," noted Czabafy. She said Steve and Sarah offer further proof that even lifelong smokers can win. "It's never too late, and there is always help available," she said. "You don't have to do it alone."

For more information on WellSpan tobacco cessation programs available in each of the communities we serve, visit:

www.wellspan.org.

WellPlanned: **Lifelong Wellness**

Lifelong wellness initiatives WellSpan supported in 2014:

Leadership

Adams County Young Women's/Young Men's Annual 7th Grade Leadership Conference.

Our progress:

- More than 1,180 attended; topics included Internet safety, respect, healthy body image, goal setting and leadership skills.

The York County Young Women's Leadership Conference.

Our progress:

- More than 1,147 seventh-grade girls attended; topics included social hierarchies and teen relationships, gender aggression, stress management, healthy body image and goal setting.

Physical Activity and Reading

GO York community initiative to promote physical activity and summer reading.

Our progress:

- An estimated 9,417 GO and Dig It Up! program guides were distributed by York County libraries with 1,361 (14.5%) returned at the program's completion. Participants who returned their guides collectively walked 16,750 miles.

Staying Healthy

Numerous programs that encourage healthy eating and physical activity among young people and adults.

Our progress:

- 31 individuals completed an hour-long Steps to a Healthier You class; 44 people in York County and 31 in Adams County participated in the eight-week A Healthy You program focused on healthy weight management.
- Conducted a pilot Fruit & Vegetable Prescription program in which patients at four WellSpan Medical Group practices were provided with a "prescription" to purchase and consume fruits and vegetables. In addition, 10 patients at each of these practices were identified and offered "Market Bucks" each month to assist in purchase of produce from select farmer's markets.
- Distributed Market Basket of the Month resource kits and monthly newsletters to promote fresh produce items to participating schools, markets and organizations.

Injury Prevention

SafeKids injury prevention programs for children and parents; and bicycle, car seat, home and pedestrian safety initiatives.

Our progress:

- 2,355 children and adults participated in bike and pedestrian events.
- 524 children and adults participated in Buckle Up Community events.
- Inspected 497 child passenger safety seats (car seats).
- 174 local law enforcement officers, health and human service professionals, and hospital personnel participated in child passenger safety training.
- 954 children and adults engaged in home safety events.
- 345 children and adults received educational information on safe sports.

Community Programs

WellSpan Ephrata Community Hospital offers life-enhancing programs, health screenings and personal consultations through its Wellness Center. The center provides programs throughout the year, including weight management, tobacco cessation, diabetes education, CPR & first-aid classes and senior programs – all at minimal cost to participants.

Children' Health

Children's Wellness Days, sponsored by the York Hospital Auxiliary.

Our progress:

- More than 1,400 third-grade students from public and private schools attended.

Tobacco

Tobacco education and cessation activities at WellSpan York Hospital and WellSpan Gettysburg Hospital.

Our progress:

- More than 600 Adams County and 425 York County children and adults participated in programming ranging from distribution of education resources to group and one-on-one cessation counseling.

Pregnancy

WellSpan Ephrata Community Hospital participates in Healthy Beginnings Plus, a state-funded program that assists pregnant women who are eligible for Medical Assistance to have a positive prenatal care experience. Healthy Beginnings Plus blends comprehensive clinical care with group learning sessions, and it includes a care team of obstetricians, nurses and midwives, a social worker, a dietitian and a dental hygienist. The program also receives regular support from hospital employees and area residents, who donate baby supplies and handmade items.

Managed: 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.

Community Benefit Report

Innovative program bridges patients' gaps in health care

Historically, the American health care system focused on treating acute illnesses and injuries, most often in a hospital setting.

The new emphasis, however, is on managing the health of populations. That requires a very different approach and new skills. WellSpan's Bridges to Health is a cutting-edge program for "high utilizers," people with more ED visits and hospitalizations than others with similar problems.

"These patients are consuming more health care resources than appear to be in their—or the community's—best interest," said Chris Echterling, M.D., the Bridges to Health medical director.

His team seeks out high utilizers, tries to learn the circumstances that have led to this situation and works with the patient to figure out a better plan moving forward.

Determining the patient's goals and how those goals can be addressed as opposed to seeing the patient as simply "non-compliant" is a foundational principal of the Bridges to Health's approach.

"Our patients have legitimate medical problems, but it usually becomes pretty clear that other issues are complicating their ability to deal with those medical problems," said Echterling, who is also the WellSpan Medical Group's associate medical director for quality and innovation, and medical director of the Healthy York Network.

"Often there is a history of loss or trauma in their lives, which has made it difficult for them to build trusting relationships," he explained. "Sometimes their priority is not their diabetes, but other issues like the grandchild for whom they have sole responsibility."

High utilizers typically share a common thread: they've fallen into a health care gap. "In almost every situation it seems that despite our best efforts, we as a health system have not communicated very clearly with the patient, or with one another," Echterling said.

Bridges to Health spans those gaps. Its physicians, nurses, and social workers do whatever is necessary to restore effective care. They visit patients' homes. They solve transportation and insurance problems. They sit in on specialist appointments, ensuring good communication. It's slow, arduous work, but it can help interrupt the cycle of high utilization.

Most patients, since joining the program, have significantly reduced their ED visits and hospital stays. Some patients have been transitioned back to their previous patient-centered medical home practice and the care of their primary care provider.

Bridges to Health shares space with the York Hospital Community Health Center at 605 S. George St. in York.

WellManaged: **Chronic Care**

Chronic care initiatives that WellSpan supported in 2014:

Health Improvement

Aligning Forces for Quality – South Central PA (AF4Q SCPA) is a multi-stakeholder regional health improvement collaborative that has received Robert Wood Johnson Foundation funding since 2007. AF4Q SCPA brings together those that give, get and pay for health care with the goal of improving the quality and cost of care.
Our progress:

- **Patient Partners/LIFT Collaborative:** More than 80 trained Patient Partners throughout Adams, York and Lancaster Counties working directly with WellSpan primary, specialty and inpatient care providers in care improvement activities system-wide.
- **High Utilizer Collaborative:** Six clinics collaborating to improve quality and reduce health care spending for this high risk, cost patient population.
- **I Can! Challenge:** More than 160 patients have completed the I Can! Challenge since 2011, improving their patient activation, health outcomes and ability to self-manage their chronic conditions.

Uninsured/ Underinsured

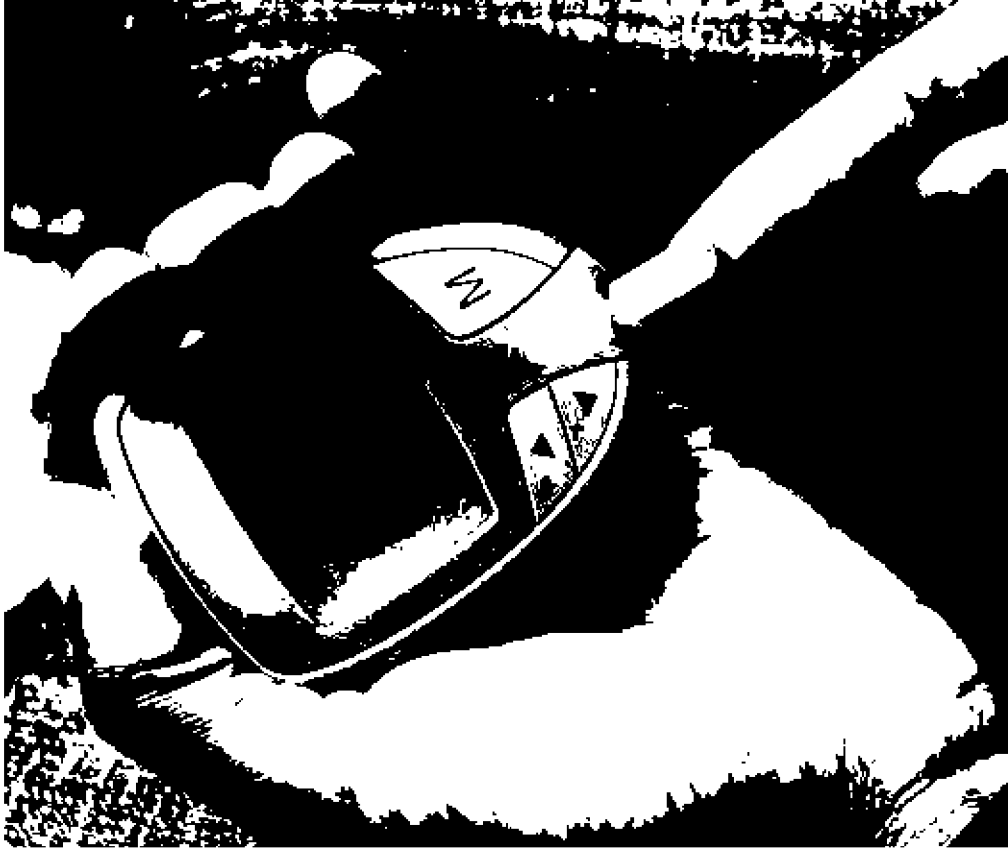
For Heart's Sake, an outreach initiative for uninsured and underinsured African-Americans residing in York City.
Our progress:

- Community Health Improvement held its eighth **"For Heart's Sake" screening event** at William Penn High School in York City, at which 75 community members learned their personal health risks related to cardiovascular disease and how to minimize them through healthy lifestyle behaviors. In addition, 24 screening event participants engaged in healthy eating cooking classes as a part of the For Heart Sake initiative. This initiative is led by a strong network of lay health leaders representing York City residents.

Asthma Management

Camp Green Zone, a four-day event which teaches children ages 6-12 how to control their asthma.
Our progress:

- 85 youth participants



Health Screening

Provision of community screening programs in Adams County.
Our progress:

- Screenings such as blood pressure and blood glucose were provided to **3,490 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. Nearly 1,100 seasonal flu and pneumonia vaccinations were given throughout Adams County.

Diabetes Management

WellSpan Ephrata Community Hospital offers a 10-hour group instruction for patients diagnosed with diabetes. **"Taking Charge of Your Diabetes" i**ncludes individual consultations with a dietitian and nurse, as well as follow-up consultations. Recognized by the American Diabetes Association, this course meets national standards for diabetes self-management education and is covered by most insurance plans.
Our progress:

- More than 100 participants
- More than 600 individual diabetes consultations conducted

Stress Management

Stress Less, a program designed to help adults overcome daily stressors by learning to relax, breathe, and adapt to stress.
Our progress:

- 12 attendees in Adams County

Prepared:
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.

Breast cancer patient glad to help others through clinical trial

New drug compared to the current standard treatment

This time last year, Vicki Wilson of Lititz had completed six months of chemotherapy for breast cancer, and she was preparing for a grueling regimen of 34 radiation therapy treatments.

Today, however, she's energetic and positive. She gardens, rides her quarter horse and trains two miniature horses to be therapy horses.
Wilson, who was diagnosed with breast cancer in November 2012, visits Dr. Wilfred Layne and her radiation oncologist at WellSpan's Ephrata Cancer Center every three months. Her prognosis is good.

Prior to receiving chemotherapy, Layne asked Wilson if she would be interested in participating in a phase III clinical trial, which compares a new drug to the current standard treatment. Patients must meet specific criteria and give their consent to participate in a clinical trial. The clinical trial compares chemotherapy regimens with and without Anthracycline for patients with certain pathology testing results, according to Diane Noll, RN, clinical trials coordinator for the Ephrata Cancer Center.

The clinical trial program is part of WellSpan Ephrata Community Hospital's affiliation with Thomas Jefferson University Hospital.
"If I could advance medicine, save sisters, help mothers and daughters, I felt I had an obligation to participate in the clinical trial," said Wilson, a 53-year-old mother of two. "I didn't feel that I would receive a lesser medication, or I was putting myself at risk," she added. "Participating in the clinical trial gave me a good feeling."

Wilson is one of approximately 700 patients who participate in nearly 250 clinical trials throughout WellSpan, according to Tara Moore, quality assessment specialist for research. WellSpan clinical trials are currently being conducted in the areas of oncology, cardiology, neurosciences, orthopedics, emergency medicine and medicine. "Clinical trials help us to develop better treatments," said Noll. "Without clinical trials, we wouldn't have the medications we do."

Each clinical trial goes through four phases before it can receive approval for general use. With the different phases and information review necessary for each trial, it is often years before a procedure, treatment, or therapy receives final approval.

WellSpan has a strong track record of conducting sponsored projects and participating in clinical trials. The Emig Research Center at WellSpan York Hospital provides comprehensive central administrative services for all of WellSpan. A research team works with physicians, nurses and patients to help facilitate enrollment in clinical trials, provide protocol therapy and detail collection of research data. Patients should check with their insurance companies to see if they cover clinical trials.

Wilson encourages other patients to participate in clinical trials, if they meet the criteria. "It's a great way to help others, and advance the field of medicine," she said. Wilson also praised the treatment she received at the Ephrata Cancer Center. "It sounds strange to say, but it was almost worth it to get breast cancer for the chance to know all the people who cared for me at the Ephrata Cancer Center. They are wonderful, caring and professional people."

WellPrepared: **Learning**

Learning initiatives that WellSpan supported in 2014:

Clinical Trials

Provision of clinical trials to the community.
Our progress:

- 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.

Education

Medical education opportunities.
Our progress:

- 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.

- Certified diabetes education nurses of the Wellness Center of WellSpan Ephrata Community Hospital provide diabetes and insulin administration training to the staff of more than 40 assisted living facilities throughout the Lancaster county area. The training is provided at a minimal cost and focuses on the diabetes disease process, complications and the skills necessary to safely administer insulin.

Served:
Our charitable, non-profit mission

From board members to hospital greeters, our community has a strong history of serving WellSpan for more than 100 years

Likewise, thousands of individuals and businesses have partnered with us to advance WellSpan Health's mission with financial contributions to its three 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.

WellServed: Our charitable, non-profit mission

In fiscal year 2014, funds raised by WellSpan's philanthropic organizations allowed WellSpan to:

- Provide funding for the **Emergency Department Redesign Project** at WellSpan York Hospital, through the Kids First Campaign and WellSpan Golf Tournament. The new department will provide timely, effective and safe care in a patient-centered environment.
- Help patients in need through the **WellSpan Patient Help Fund.** This fund provides one-time assistance to patients as they are transferring from the hospital to home from an illness or injury.
- Fund WellSpan **VNA Home Care** through the Toast of our Town event, 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** 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 low-cost prescription medications and durable medical equipment to patients in need at the **Healthy Community Pharmacy** through the Double Creek Tour.
- Provide ongoing support to the **Simulation Center** at WellSpan York Hospital to train hundreds of healthcare providers each year and funding for an on-site patient simulator at WellSpan Gettysburg Hospital.
- Fund the operation of **York Hospital Community Health Center**, the Hoodner and Bentzel Dental Clinics, and Healthy York Network.

Ephrata Community Health Foundation

As part of its integration with WellSpan Health, Ephrata Community Hospital has developed its own charitable organization for hospital-and-community-based projects.

The new Ephrata Community Health Foundation has been established as the primary philanthropic arm of WellSpan Health in the communities served by WellSpan Ephrata Community Hospital.

The foundation board of directors has been meeting regularly since November 2013, and the foundation received its official tax-exempt status from the federal Internal Revenue Service in August 2014.

The Ephrata Community Health Foundation's mission statement is: "Working as one to improve health through exceptional care for all, lifelong wellness and healthy communities by growing philanthropy for WellSpan's charitable initiatives within Ephrata Community Hospital's service areas."

Gettysburg Hospital Foundation

In fiscal year 2014, Gettysburg Hospital Foundation participated in securing donations, grants and bequests totaling $751,700. $212,424 of these gifts came from grants. $87,537 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 funds to support local patients in financial distress, such as the Adams Cancer Patient Help Fund and Mammography Help Fund; the purchase of METIman, an advanced patient simulator for clinical training; programs that

support children and their families through the Children's Health Fund; and an annual educational lectureship for clinicians and leadership conference for local youth.

York Health Foundation

The York Health Foundation helps ensure that WellSpan York Hospital, as well as the other entities in York County remain strong community resources, able to provide care for all. In fiscal year 2014, the foundation raised $4,810,376, including:

- $3,115,496 for WellSpan York Hospital
- $273,084 for WellSpan VNA Home Care and WellSpan Specialty Services, including the WellSpan Surgery and Rehabilitation Hospital
- $694,687 for WellSpan Health
- $32,561 for the WellSpan Medical Group
- $235,108 for other medical care, community health and education and outreach activities across York County

Auxiliary Support

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.

In fiscal year 2014, Gettysburg Hospital Auxiliary continued to raise funds for the development of a healing garden on the WellSpan Gettysburg Hospital campus. Through the community support of events such as the hospital's annual Spirit of Hope Gala, the auxiliary is playing a lead role in funding the garden that will offer a beautiful new space for respite and restoration for those who gather or need to find time for solitude.

In fiscal year 2014, the York Hospital Auxiliary made their most generous pledge in history by pledging $1 million to WellSpan York Hospital's Emergency Department Project for the creation of a Behavioral Health Unit. The Auxiliary raised more than $50,000 at the Book Nook Bonanza to support the grants program. It also sponsored the 33rd annual Children's Wellness Days with more than 1,600 York County third graders in attendance. The Auxiliary awarded more than $69,000 to WellSpan Health to support programs and equipment in York County, including the Women's Heart Program, the Young Women's Leadership Conference, Breast Cancer Awareness, Nursing Research, infant supplies for the York Hospital Community Health Center & Ob/Gyn Clinic, celling lifts, Cardiac Rehabilitation and the Perinatal Bereavement program to name just a few.

Volunteerism

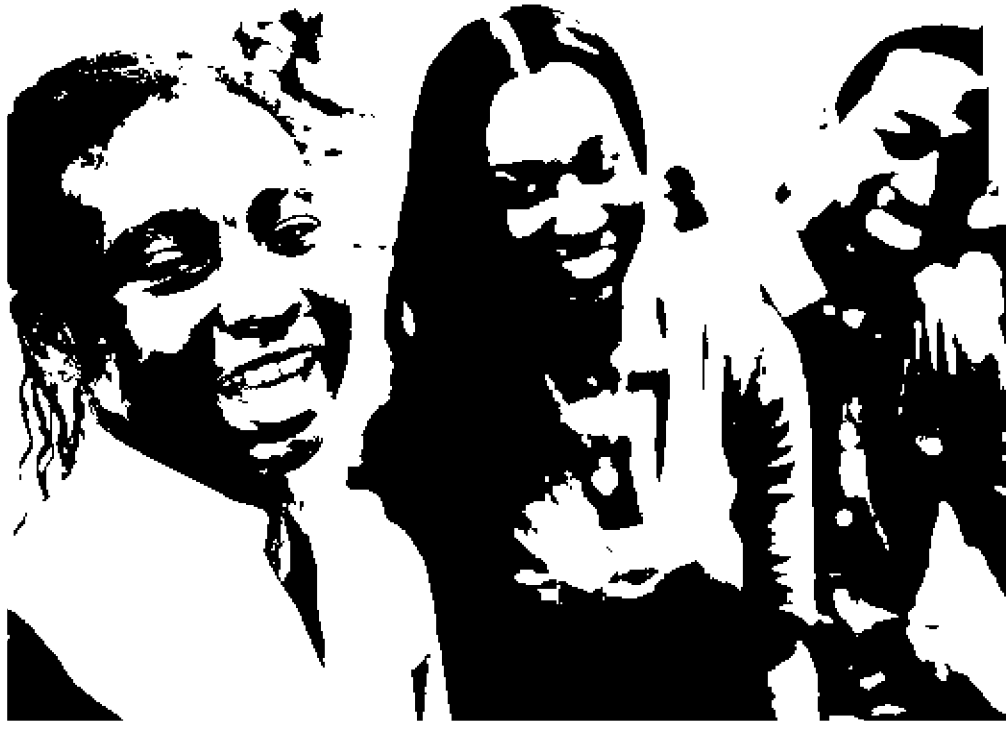
In 2014, approximately 2,000 individuals volunteered more than 170,000 hours of service at WellSpan facilities across Adams, York and Lancaster counties. The value of these volunteer hours totals more than $3.5 million.

WellServed: Our charitable, non-profit mission

A partial list of organizations with whom WellSpan employees volunteered during fiscal year 2014 includes:

1st Capital Federal Credit Union
Access York
Adams County Children's Advocacy Center
Adams County Emergency Medical System
Adams Division, American Heart Association
American Cancer Society – Relay for Life of Norlanco
American Heart Association
Better York Board
Boy Scouts of America New Birth Freedom Council
Buy Fresh, Buy Local
Byrnes Education & Health Center
Cassatt Insurance Company
Central Market House
Children's Home of York
Collaborating for Youth
Committee on Public Payor Policy of the Hospital and Health System Association of PA
Community Progress Council, Inc.
Community Wellness Connection
Criminal Justice Advisory Board
Early Head Start
Eat Play Breathe York
Ephrata Area Education Foundation
Ephrata Area School District
Ephrata Public Library
Family First Health
Farm and Natural Lands Trust
Farmers Market Association
Fatality Review Board of York County
Garden Spot Village Retirement Community
Get Outdoors (GO) York
Gettysburg Children's Community Theater
Gettysburg Convention & Visitors Bureau
Gettysburg Hospital Auxiliary
Gift of Life Donor Program
HACC Gettysburg Campus
Health Literacy Task Force
Healthy Adams County
Horn Farm Center
Hospice & Community Care
Hospital Association of Pennsylvania
Integrated Population Health Improvement Strategy Committee
JA Biztown
Junior Achievement
Lancaster Healthy Communities
Landis Communities (a faith-based nonprofit corporation in Lancaster County which operates the Landis Homes Retirement Community & other housing & healthcare services
Living Water Community Church-Finance Committee
Luther Acres (LutherCare continuing care retirement community in Lititz)
Main Street Gettysburg
Manos Unidas
Martin Library
Mature Driving Committee for York County

Medical/Legal Advisory Board
National Association of Nephrology Technicians/Technologists
PA Health Care Quality Alliance
PA Trauma Systems Foundation
Penn State University Mont Also Campus
Penn State York Advisory Board
Pennsylvania Hearing Advisory Board
Pennsylvania Homecare Association
Pennsylvania Trauma Systems Foundation
Preferred Health Care
Professional Financial Coders Organization
Roads to Freedom
Rotary Club of York
SafeKids Worldwide
SafeKids York County Coalition
South Central Community Action Programs
South Central Tobacco Coalition
South Mountain Summit
Teen Safety Driving Committee for York County
Tel Hai Retirement Community
United Way of York County
Wellness Arts Committee
WITF
York Adams Transportation Authority dba Rabbitttransit
York Area Association for the Education of Young Children
York Area Metropolitan Planning Organization
York City Bureau of Health
York Catholic School Board
York College of Pennsylvania
York County Alliance Against Sexual Abuse



York County American Heart Association
York County Children's Advocacy Center
York County Children's Roundtable
York County Children, Youth & Families Advisory Council
York County Emergency Medical Services Council
York County Fall Prevention Coalition
York County Food Alliance
York Symphony Orchestra
York/Adams Transportation Authority
YorkCounts
YMCA of York County
YWCA Gettysburg Adams County
YWCA of York County

WellAdvised: WellSpan Board Leadership

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Larry J. Miller, Vice Chair
Michael Barley, Secretary/ Treasurer
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Matt Doran
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Gettysburg Hospital Foundation

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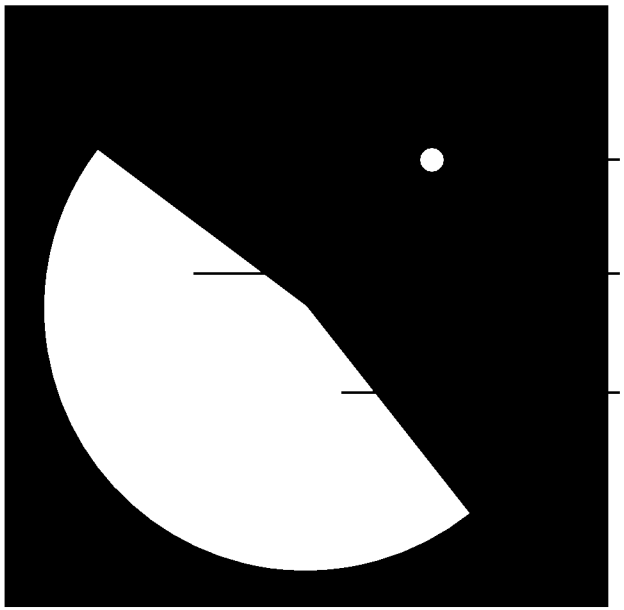
2014: By the numbers

In fiscal 2014 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.

REVENUES

$1,562,365,000

July 1, 2013 through June 30, 2014



Inpatient Revenue:
$517,584,226 – 33.1%

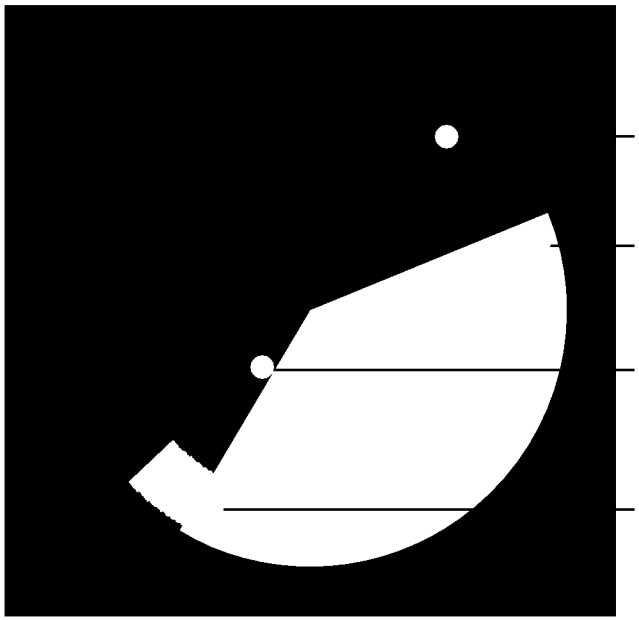
Outpatient Revenue:
$847,216,774 – 54.2%

Other and non-operating:
$197,564,000 – 12.6%

EXPENSES

$1,562,365,000

July 1, 2013 through June 30, 2014



Salaries, Wages and Benefits:
$876,283,000 – 56.1%

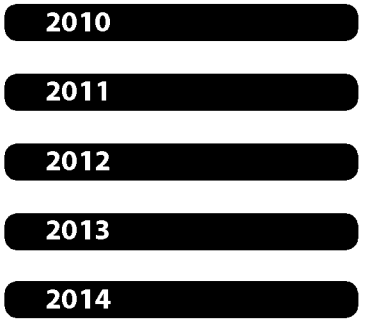
Supplies and Other:
$586,535,000 -- $37.5%

Construction, Equipment, Renovations:
$67,103,000: 4.3%

Debt payment:
(principal and interest)
$32,444,000 – 2.1%

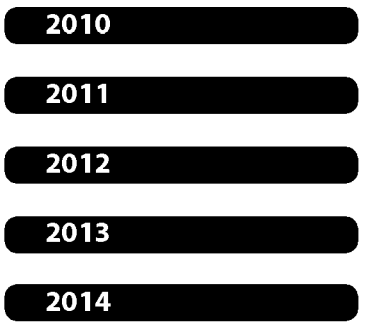
Non-operating loss:
$0 – 0.0%

FREE CARE: CHARITY CARE*



*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.

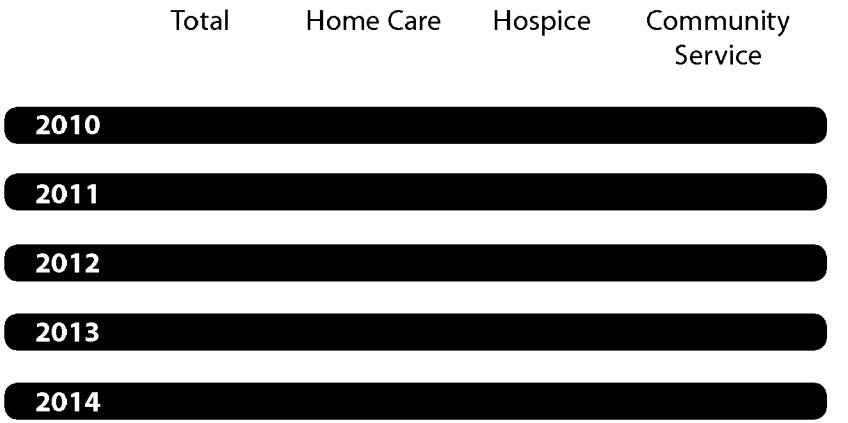
FREE CARE: BAD DEBT*



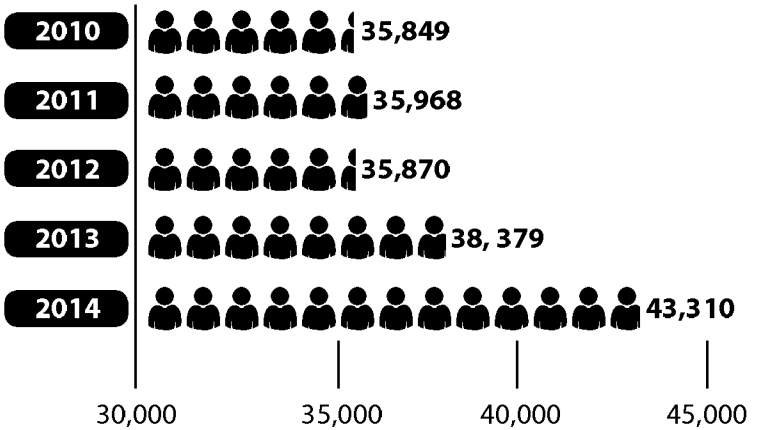
*Bad debt is the total cost of services provided to patients who have not paid their bills and who have demonstrated their inability to pay. This is the cost of providing charity care, not the charge associated with that care.

TOTAL HOME HEALTH PATIENTS

(WellSpan VNA Home Care)



TOTAL HOSPITAL ADMISSIONS

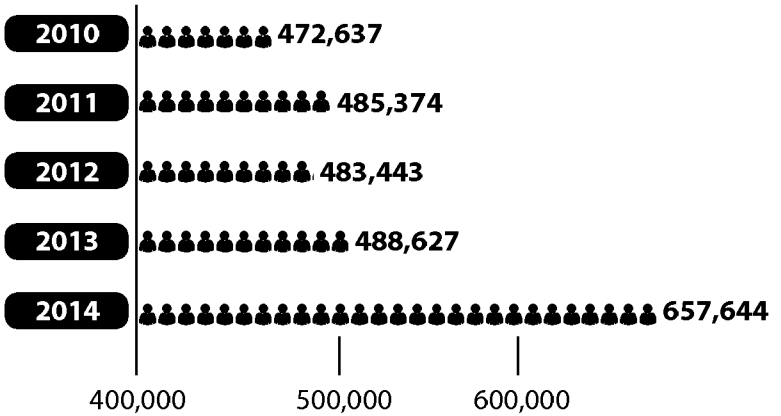


*2014 includes WellSpan Ephrata Community Hospital.

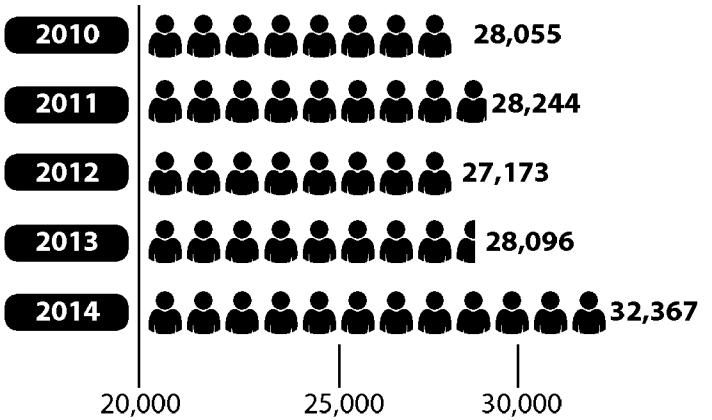
2014: By the numbers

TOTAL PRIMARY CARE VISITS

(WellSpan Medical Group. 2014 included Northern Lancaster County Medical Group visits)



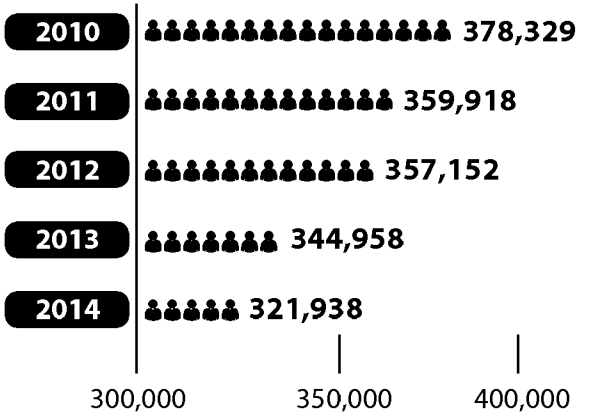
TOTAL SURGERY CASES*



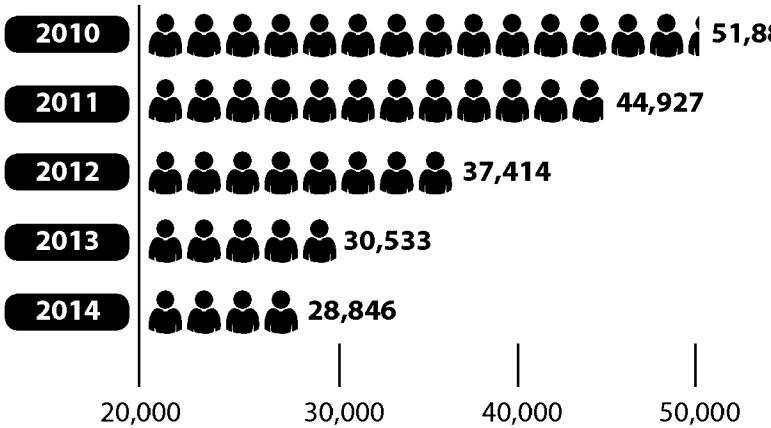
*2014 includes WellSpan Ephrata Community Hospital.

TOTAL PRESCRIPTIONS

(WellSpan Pharmacy, 6 locations)



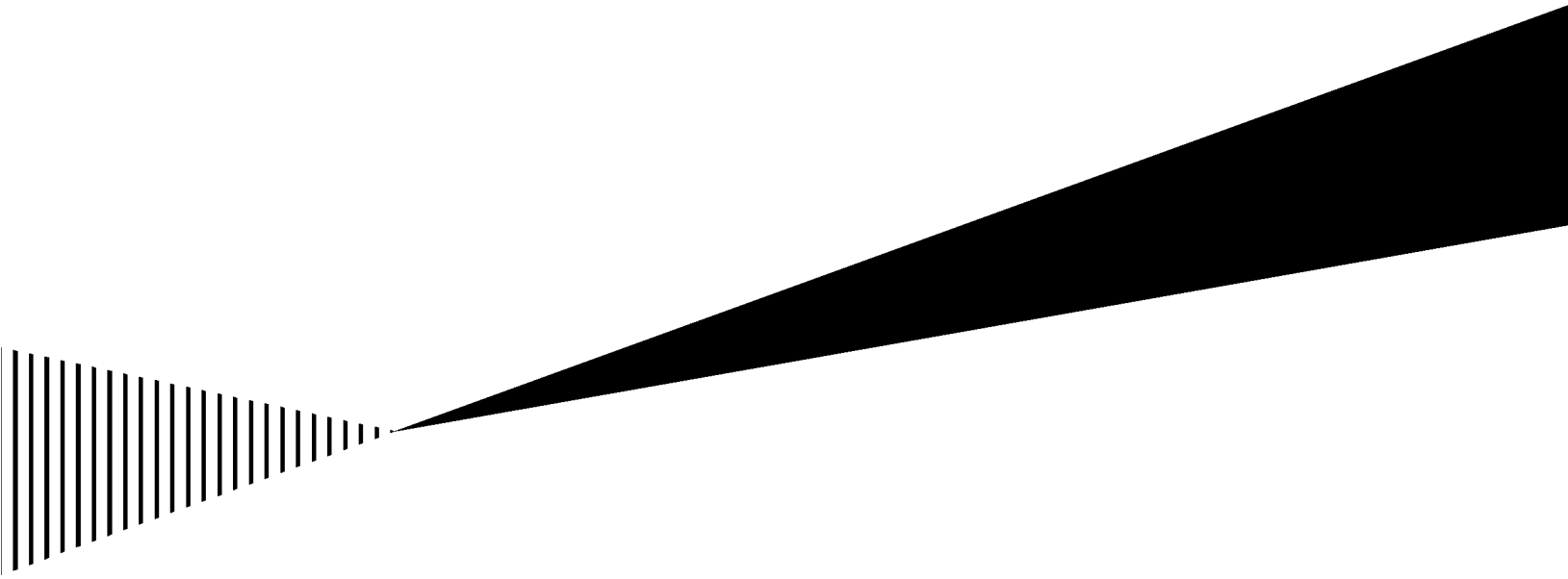
SOUTH CENTRAL Preferred Covered Lives



CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

WellSpan Health
Years Ended June 30, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



Building a better working world

WellSpan Health

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2014 and 2013

Contents

Ernst & Young LLP
One Commerce Square
Suite 700
2005 Market Street
Philadelphia, PA 19103

Tel +1 215 448 5000
Fax. +1 215 448 5500
ey com

Report of Independent Auditors

The 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, 2014 and 2013, 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

Building a better working world

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, 2014 and 2013, 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 9, 2014

WellSpan Health

Consolidated Balance Sheets

(In Thousands)

	June 30 2014	2013
Assets		
Current assets		
Cash and cash equivalents	**$ 128,077**	$ 97,541
Assets limited as to use	**4,164**	7,236
Patient accounts receivable, net of allowance for uncollectible accounts of $50,096 and $42,593 in 2014 and 2013, respectively	**190,547**	160,116
Other receivables	**14,190**	19,188
Inventories	**17,021**	11,274
Prepaid expenses	**25,381**	18,385
Total current assets	**379,380**	313,740
Investments limited as to use		
Board-designated	**831,462**	661,708
Self-insurance trust	**11,247**	7,115
Temporarily restricted investments	**9,204**	7,360
Permanently restricted investments	**3,654**	2,999
Beneficial interest in perpetual trusts	**18,460**	16,071
Total investments limited as to use (fair value was $884,208 and $730,149 in 2014 and 2013, respectively)	**874,027**	695,253
Pledges receivable, net	**2,689**	1,571
Property and equipment, net	**556,478**	462,913
Investments in joint ventures	**3,180**	718
Deferred financing costs, net	**2,933**	2,858
Other assets	**35,954**	22,486
Total assets	**$ 1,854,641**	$ 1,499,539

	June 30	
	2014	**2013**
Liabilities and net assets		
Current liabilities		
Current portion of capital lease obligations	**$ 3,797**	$ 4,015
Current portion of long-term debt	**13,652**	7,666
Accounts payable and accrued expenses	**41,310**	34,166
Accrued interest payable	**1,610**	1,583
Accrued salaries and wages	**91,555**	73,493
Advances from third-party payors	**5,544**	4,046
Professional and general liability reserves and postretirement benefits	**22,473**	24,694
Third-party payor settlements	**11,208**	4,691
Total current liabilities	**191,149**	154,354
Professional and general liability reserves	**50,481**	42,164
Capital lease obligations, less current portion	**5,471**	9,030
Long-term debt, less current portion	**445,495**	402,745
Accrued retirement benefits	**192,510**	188,544
Interest rate swap agreements	**43,780**	42,012
Other noncurrent liabilities	**1,511**	1,511
Total liabilities	**930,397**	840,360
Net assets		
Unrestricted	**880,645**	620,302
Temporarily restricted	**16,257**	13,992
Permanently restricted	**22,129**	19,175
WellSpan Health net assets	**919,031**	653,469
Noncontrolling interest	**5,213**	5,710
Total net assets	**924,244**	659,179
Total liabilities and net assets	**$ 1,854,641**	$ 1,499,539

See accompanying notes.

WellSpan Health

Consolidated Statements of Operations
(In Thousands)

	Year Ended June 30	
	2014	**2013**
Unrestricted revenues, gains, and other support		
Net patient service revenue	**$ 1,417,324**	$ 1,218,503
Provision for uncollectible accounts	**(64,976)**	(53,753)
Net patient service revenue less provision for uncollectible accounts	**1,352,348**	1,164,750
Capitation revenue	**12,453**	5,398
Other revenue	**62,603**	63,744
Net assets released from restrictions used for operations	**5,558**	3,297
Total revenues, gains, and other support	**1,432,962**	1,237,189
Expenses		
Salaries and wages	**655,456**	562,293
Employee benefits	**220,827**	201,370
Professional fees	**24,141**	15,356
Supplies and other	**389,792**	334,640
Depreciation and amortization	**68,239**	59,709
Interest	**21,614**	20,735
Total operating expenses	**1,380,069**	1,194,103
Operating income	**52,893**	43,086
Other income (expense)		
Contributions	**1,874**	520
Investment income, net	**127,581**	60,169
Equity gain (loss) of joint ventures	**525**	(7)
Gain (loss) on sale of assets/other	**460**	(1,035)
Contributions received in the acquisitions of Ephrata Community Hospital and Subsidiaries	**96,343**	–
Other expense, net	**(1,037)**	(1,439)
Change in fair value of interest rate swap agreements	**(375)**	21,641
Total other income (expense)	**225,371**	79,849
Excess of revenues over expenses before noncontrolling interest	**278,264**	122,935
Noncontrolling interest	**(442)**	(609)
Excess of revenues over expenses	**277,822**	122,326
Other changes in unrestricted net assets		
Change in unrealized gains (losses) on assets limited as to use and investments – other-than-trading securities	**5**	(508)
Net assets released from restrictions for purchase of property and equipment	**1,668**	1,480
Other change in accrued retirement benefits	**(19,152)**	97,994
Increase in unrestricted net assets	**$ 260,343**	$ 221,292

See accompanying notes

WellSpan Health

Consolidated Statements of Changes in Net Assets

(In Thousands)

	Year Ended June 30 2014	2013
Unrestricted net assets		
Excess of revenues over expenses	**$ 277,822**	$ 122,326
Other changes in unrestricted net assets		
Change in unrealized gains (losses) on assets limited as to use and investments – other-than-trading securities	**5**	(508)
Net assets released from restrictions for purchase of property and equipment	**1,668**	1,480
Other change in accrued retirement benefits	**(19,152)**	97,994
Increase in unrestricted net assets	**260,343**	221,292
Temporarily restricted net assets		
Net realized and unrealized gains on restricted investments	**1,176**	568
Net investment income	**308**	173
Contribution received in the acquisition of Ephrata Community Hospital and Subsidiaries	**1,514**	–
Contributions	**6,493**	4,427
Net assets released from restrictions	**(7,226)**	(4,777)
Increase in temporarily restricted net assets	**2,265**	391
Permanently restricted net assets		
Net investment income	**542**	866
Contribution received in the acquisition of Ephrata Community Hospital and Subsidiaries	**674**	–
Net realized and unrealized gains on investments	**1,998**	1,044
Contributions	**237**	33
Net assets released from restrictions	**(497)**	(809)
Increase in permanently restricted net assets	**2,954**	1,134
Increase in net assets	**265,562**	222,817
Net assets		
Beginning of year	**653,469**	430,652
End of year	**$ 919,031**	$ 653,469

See accompanying notes.

WellSpan Health

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended June 30 2014	2013
Operating activities		
Increase in net assets	**$ 265,562**	$ 222,817
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Contribution received in the acquisition of Ephrata Community Hospital and Subsidiaries	**(98,531)**	–
(Gain) loss on disposal of fixed assets	**(460)**	1,035
Noncontrolling interest in earnings of consolidated entities, net of distributions	**(497)**	(912)
Depreciation and amortization	**68,239**	59,709
Net realized and unrealized gains on assets limited as to use and investments	**(121,605)**	(51,157)
Change in fair value of interest rate swap agreements	**375**	(21,641)
Amortization of original issue discount	**207**	207
Undistributed loss of investments in joint ventures	**271**	7
Change in beneficial interest in perpetual trusts	**(2,389)**	(943)
Provision for bad debts	**64,976**	53,753
Temporarily restricted net contributions and investment income received	**(6,801)**	(4,600)
Change in cash due to changes in assets and liabilities		
Patient accounts receivable and other receivables	**(66,274)**	(75,512)
Inventories, pledges receivable, prepaid expenses and other assets	**(6,208)**	(4,601)
Accounts payable and accrued expenses and accrued interest payable	**52**	(10,648)
Accrued salaries and wages	**7,284**	6,207
Advances from third-party payors	**1,170**	981
Estimated third-party payor settlements	**5,368**	(2,615)
Estimated self-insurance costs	**795**	2,884
Accrued retirement benefits	**(9,842)**	(112,018)
Net cash provided by operating activities before change	**101,692**	62,953
(Increase) decrease in investments designated as trading securities, net	**(58,774)**	18,432
Net cash provided by operating activities	**42,918**	81,385

WellSpan Health

Consolidated Statements of Cash Flows (continued)

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Investing activities		
Capital expenditures	**$ (67,103)**	$ (48,590)
Proceeds on sale of property and equipment	**1,126**	114
Cash received in the acquisition of Ephrata Community Hospital and Subsidiaries	**2,946**	–
Decrease (increase) in assets limited as to use and investments designated as trading securities	**39,779**	(4,441)
Change in investments in joint ventures	**(1,000)**	(50)
Net cash used in investing activities	**(24,252)**	(52,967)
Financing activities		
Temporarily restricted net contributions and investment income received	**6,801**	4,600
Principal repayments on long-term debt and notes payable	**(10,830)**	(11,612)
Proceeds from issuance of notes payable and long-term debt	**15,924**	2,801
Deferred financing cost, net of refunds	**(25)**	–
Net cash provided by (used in) financing activities	**11,870**	(4,211)
Increase in cash and cash equivalents	**30,536**	24,207
Cash and cash equivalents, beginning of year	**97,541**	73,334
Cash and cash equivalents, end of year	**$ 128,077**	$ 97,541
Supplemental cash flow information		
Cash paid for interest, net of capitalized interest	**$ 21,587**	$ 21,312
Cash paid for income taxes	**$ 616**	$ 534

See accompanying notes.

WellSpan Health

Notes to Consolidated Financial Statements
(In Thousands)

June 30, 2014

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	January 1880	A not-for-profit corporation that operates a hospital
Gettysburg Hospital (GH)	Sole member	March 1919	A not-for-profit corporation that operates a hospital
Ephrata Community Hospital (ECH)	Sole member	May 1940	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
Ephrata Community Hospital Foundation (ECHF) (Inactive)	ECH is the sole member of ECHF	June 2013	A not-for-profit foundation formed to raise funds to further support the operations of ECH

1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
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
Northern Lancaster County Medical Group Medical Group (NLCMG)	ECH is the sole member of NLCMG	July 2005	A not-for-profit corporation that operates medical practices
Physician Specialists of Northern Lancaster County Medical Group (PSNLCMG)	NLCMG is the sole member of PSNLCMG	June 2011	A not-for-profit corporation that operates medical practices
VNA Home Health Services (VNAHHS)	WSS is the sole member of VNAHHS	February 1911	A not-for-profit corporation that provides home health services
VNA Community Services (VNACS)	WSS is the sole member of VNACS	August 1984	A not-for-profit corporation that provides home personal care services
WellSpan Health Care Services (WHCS)	Sole member	January 1986	A not-for-profit corporation that engages in health-related activities in the service area
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
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

(In Thousands)

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)			
York Health Plan d/b/a WellSpan Population Health Services (WPHS)	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
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 66 4% 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

(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 (continued)			
Q-WH, LLC (Q-WH), formerly known as York-Memorial MRI Corp	WHCS has a 100% interest in Q-WH	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% interest in CHIP	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
Other joint ventures not consolidated			
Central Pennsylvania Alliance Laboratory (CPAL)	30% 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)	30% 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

(In Thousands)

1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Other joint ventures not consolidated (continued)			
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
Northern Lancaster County Physician Alliance (NLCPA)	ECH has a 50% interest	July 1986	A not-for-profit corporation that educates and provides a health network for managed care
Northern Lancaster County Medical Transport Services Cooperative (NLCMTS)	ECH has a 33 33% interest	November 1996	A cooperative corporation formed to improve the availability and quality of medical transportation services in the communities served by the member organizations
Ephrata Medical Office Condominium Association (EMOCA)	ECH has an 25 62% interest	September 1988	A corporation that oversees a medical office building in Ephrata PA
The Rehab Center (ERC)	ECH has a 51% interest	June 1992	A limited partnership that operates a rehab center
Cassatt Insurance Company, Ltd (CA)	ECH has 3 59% interest in CA	June 1991	A risk retention group that provides coverage for the primary layer of professional and general liability, beginning July 1, 1991

1. Organization (continued)

Entity	WSH Relation to Entity	Date Entity Was Formed	Purpose of Entity
Other joint ventures not consolidated (continued)			
AllSpire Health Partners, LLC (AHP)	WSH has 14 29% interest	July 2013	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

Certain board members of YH, GH, ECH, WPHS, 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

2. Significant Accounting Policies (continued)

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, 2014 and 2013, and at various times during the year, WSH maintained cash-in-bank balances in excess of the $250 general deposit federally insured limits

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

2. Significant Accounting Policies (continued)

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 For investments in limited partnerships which the ownership interest exceeds 5%, WSH applies the fair value option (FVO) when an investment converts from cost to the FVO, WSH records the difference between fair value and cost in the consolidated statement of operations at the time this decision is made

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 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

Donated securities are recorded at their fair market value

(In Thousands)

2. Significant Accounting Policies (continued)

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	
	2014	**2013**
Pharmaceutical drugs	**$ 8,073**	$ 6,629
Medical supplies	**8,863**	4,543
Computer supplies	**85**	102
	$ 17,021	$ 11,274

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 for the years ended June 30, 2014 and 2013, respectively

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

2. Significant Accounting Policies (continued)

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 During FY 14, the hospitals have not initiated the 90-day reporting required for stage one year two EHR objectives, therefore, no additional revenue was recognized related to these reporting year requirements The EHR reporting periods for the eligible providers (EPs) runs from January 1 to December 31 Accordingly, for the years ended June 30, 2014 and 2013, WSH recorded EHR incentive revenues of $4,201 and $9,690, respectively For the year ended June 30, 2014, the EHR incentive revenues are comprised of $3,385 of Medicare revenues and $816 of Medicaid revenues, for the year ended June 30, 2013, the EHR incentive revenues are comprised $8,034 of Medicare revenues and $1,656 of Medicaid revenues EHR incentive revenues are included in other revenue in the accompanying consolidated statements of operations EHR incentive receivables from Medicaid, recorded in other receivables, were $250 and $1,034 at June 30, 2014 and 2013, respectively

Other Revenue

Other revenue for the years ended June 30, 2014 and 2013 consists primarily of WRx's prescription sales of $34,348 and $31,849, 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, WPHS, 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

Ephrata Community Hospital Acquisition

On October 1, 2013 (the "Acquisition Date"), WSH acquired ECH, NLCMG and PSNLCMG, which is comprised of a 130-bed, acute care hospital and two physician practice organizations located in and around Ephrata, Pennsylvania WSH acquired ECH, NLCMG and PSNLCMG by means of an inherent contribution where no consideration was transferred by WSH WSH accounted for this business combination by applying the acquisition method and, accordingly, the inherent contribution received was valued as the excess of assets acquired over liabilities assumed In determining the inherent contribution received, all assets acquired and liabilities assumed were measured at fair value as of the Acquisition Date The results of ECH, NLCMG and PSNLCMG operations have been included in the consolidating financial statements since the Acquisition Date

(In Thousands)

2. Significant Accounting Policies (continued)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the Acquisition Date, October 1, 2013

Assets		
Cash and cash equivalents	$	2,946
Patent accounts receivable, net of allowance for uncollectible accounts		21,016
Other receivable		3,119
Inventories		5,041
Prepaid expenses		3,131
Board-designed investments		32,713
Pledge receivables		1,089
Property and equipment, net		94,754
Investments in joint ventures		1,733
Deferred financing costs, net		320
Other assets		12,203
Total assets acquired	$	178,065
Liabilities		
Accounts payable and accrued expenses	$	7,119
Accrued salaries and wages		10,778
Advances from third-party payors		328
Third-party payor settlements		1,149
Accrued retirement benefits		13,808
Professional and general liability reserves		5,301
Long-term debt		39,658
Interest rate swap agreements		1,393
Total liabilities assumed		79,534
Excess of assets acquired over liabilities assumed	$	98,531
Net assets acquired		
Unrestricted	$	96,343
Temporary restricted		1,514
Permanently restricted		674
Excess of assets acquired over liabilities assumed	$	98,531

(In Thousands)

2. Significant Accounting Policies (continued)

Other assets include the following intangible assets

	Fair Value as of Acquisition Date	Estimate Life
Medical records	$ 3,200	7
Trade name	6,300	Indefinite
	$ 9,500	

The following table summarizes amounts attributable to ECH, NLCMG and PSNLCMG since the Acquisition Date, period from October 1, 2013 to June 30, 2014, that are included in the accompanying consolidated financial statements

Total operating revenue	$ 157,147
Total operating expenses	161,016
Deficiency of operating revenue over operating expenses	(3,869)
Total non-operating gains and losses	3,025
Deficiency of revenue and gains and losses over expenses	$ (844)
Change in net assets	
Unrestricted net assets	$ (3,589)
Temporarily restricted net assets	(447)
Permanently restricted net assets	60
Total change in net assets	$ (3,976)

(In Thousands)

2. Significant Accounting Policies (continued)

The following table represents unaudited pro forma financial information, assuming the acquisition of ECH, NLCMG and PSNLCMG had taken place July 1, 2012 The pro forma information includes adjustments for amortization of intangible assets The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transaction been effected on the Acquisition Date

	Year Ended June 30	
	2014	**2013**
Total operating revenue	**$ 1,483,011**	$ 1,443,814
Total operating expenses	**1,432,224**	1,401,429
Deficiency of operating revenue over operating expenses	**50,787**	42,385
Total non-operating gains and losses	**129,661**	81,349
Deficiency of revenue and gains and losses over expenses	**$ 180,448**	$ 123,734
Change in net assets		
Unrestricted net assets	**$ 165,000**	$ 232,842
Temporarily restricted net assets	**1,085**	(1,168)
Permanently restricted net assets	**2,279**	1,159
Total change in net assets	**$ 168,364**	$ 232,833

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) 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)

In May 2013, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards The core principle of the new guidance is that an entity should recognize revenue to depict the transfer to promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period Early application is not permitted An entity should apply the amendments in this update using either a full retrospective application or a modified retrospective application Under the full retrospective application, an entity will apply the standard to each prior reporting period presented Under the modified retrospective application, an entity recognizes the cumulative effect of initially applying the new standard as an adjustment to the opening balance sheet of retained earnings at the date of initial application Revenue in periods presented before that date will continue to be reported under guidance in effect before the change WellSpan Health is evaluating this new guidance and has not yet determined which approach it will adopt to apply the amendments in ASU 2014-09 or the impact that the adoption of this update will have on its financial statements

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 40% and 39% of WSH's net patient service revenue for each of the years ended June 30, 2014 and 2013, 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

3. Net Patient Service Revenue

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, 2010 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, 2014 and 2013, net patient service revenue reflects a (decrease) increase of approximately $(2,160) and $1,009, 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

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 $4,666 and $5,492 in its consolidated statements of operations and changes in net assets for the years ended June 30, 2014 and 2013, respectively

- **Blue Cross** – Net revenue for services provided under Blue Cross & Blue Shield contracts accounted for approximately 33% and 32% of WSH net patient service revenues for the years ended June 30, 2014 and 2013, 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

(In Thousands)

3. Net Patient Service Revenue (continued)

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 a prospectively determined per member per month rate and prospectively determined fee schedules

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, 2013

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	
	2014	**2013**
Medicare	**33%**	33%
Medicaid	**14**	15
Blue Cross/Blue Shield	**12**	11
Other third-party payors	**24**	23
Self-pay	**17**	18
	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

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 $22,924 and $22,117 for the years ended June 30, 2014 and 2013, 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 $21,481 and $20,994 for the years ended June 30, 2014 and 2013, 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 $114,603 and $87,781 for the years ended June 30, 2014 and 2013, respectively

(In Thousands)

4. Charity Care and Community Service (continued)

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 $88,831 and $67,920 for the years ended June 30, 2014 and 2013, respectively

5. Investments

Investments Limited as to Use

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

	June 30	
	2014	**2013**
Board-designated		
WSH Master Trust	**$ 759,512**	$ 591,436
Money market fund	**6,709**	3,482
Mutual funds	**7,527**	6,234
Land investment, at cost	**5,059**	5,059
Government-sponsored enterprise mortgage-backed securities	**10,252**	12,346
Corporate debt securities	**17,567**	14,310
Debt securities issued by the U S Treasury and other U S government corporations and agencies	**24,836**	28,841
	$ 831,462	$ 661,708
Self-insurance trust investments		
Government-sponsored enterprise mortgage-backed securities	**$ 1,692**	$ 2,390
Corporate debt securities	**5,960**	4,831
Debt securities issued by the U S Treasury and other U S government corporations and agencies	**7,759**	7,122
Less Trustee-held assets for current self-insurance	**(4,164)**	(7,228)
	$ 11,247	$ 7,115

(In Thousands)

5. Investments (continued)

	June 30	
	2014	**2013**
Temporarily restricted investments		
Cash and short-term investments	**$ 498**	$ 437
Mutual funds	**680**	789
WSH Master Trust	**8,026**	6,134
	$ 9,204	$ 7,360
Permanently restricted investments		
WSH Master Trust	**$ 3,654**	$ 2,999
Beneficial interest in perpetual trusts		
Mutual funds held by other trustees	**$ 18,460**	$ 16,071

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	
	2014	**2013**
Board-designated	**$ 759,512**	$ 591,436
Temporarily restricted	**8,026**	6,134
Permanently restricted	**3,654**	2,999
	$ 771,192	$ 600,569

(In Thousands)

5. Investments (continued)

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

	June 30	
	2014	**2013**
Investments, at fair value		
Debt securities issued by the U S Treasury and other U S government corporations and agencies	**$ 15,419**	$ 59,557
Government-sponsored enterprise mortgage-backed securities	**8,691**	5,232
Other asset-backed securities	**33,635**	29,696
Corporate debt securities	**31,194**	31,333
Aggregate bond index fund	**–**	11,857
Commodities/real return	**35,459**	24,556
Equity securities	**104,540**	156,421
Stock index fund	**37,368**	39,031
Collective mutual funds and investment trusts	**391,255**	105,318
Absolute return, limited partnership	**1,609**	20,149
Real estate, limited partnerships	**49,025**	14,643
	708,195	497,793
Investments, recorded at cost		
Absolute return, limited partnerships	**37,599**	56,180
Real estate, limited partnerships	**2,211**	21,613
Private equity, limited partnerships	**23,187**	24,983
	62,997	102,776
	$ 771,192	$ 600,569

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 $9,475 and $34,896 as of June 30, 2014 and 2013, respectively

(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	
	2014	**2013**
Other income		
Interest and dividend income	**$ 7,158**	$ 9,186
Change in unrealized gains and losses on trading securities	**26,577**	36,905
Net realized gain on sales of securities	**93,846**	14,078
	$ 127,581	$ 60,169
Other changes in unrestricted net assets		
Change in unrealized gains and losses on assets limited as to use and investments – other-than-trading securities	**$ 5**	$ (508)

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, 2014			
	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	**$ 15,419**	**$ –**	**$ 15,419**	**$ –**
Government-sponsored enterprise mortgage-backed securities	**8,691**	**–**	**8,691**	**–**
Other asset-backed securities	**33,635**	**–**	**33,635**	**–**
Corporate debt securities	**31,194**	**–**	**31,194**	**–**
Commodities/real return	**35,459**	**35,459**	**–**	**–**
Equity securities				
Consumer discretionary and services	**18,899**	**18,899**	**–**	**–**
Consumer staples	**2,635**	**2,635**	**–**	**–**
Financial services	**19,089**	**19,089**	**–**	**–**
Healthcare	**13,207**	**13,207**	**–**	**–**
Materials and processing	**14,772**	**14,772**	**–**	**–**
Other energy	**9,598**	**9,598**	**–**	**–**
Producer durables	**3,260**	**3,260**	**–**	**–**
Technology	**20,078**	**20,078**	**–**	**–**
Utilities	**3,002**	**3,002**	**–**	**–**
Total equity securities	**104,540**	**104,540**	**–**	**–**
Stock index fund	**37,368**	**37,368**	**–**	**–**

(In Thousands)

6. Fair Value Measurements (continued)

	June 30, 2014			
	Total Fair Value	Level 1	Level 2	Level 3
WSH Master Trust (continued)				
Collective mutual funds and investment trusts				
Domestic Small Cap Growth	$ 32,308	$ –	$ 32,308	$ –
International Equity	106,457	–	106,457	–
Emerging Markets	39,255	–	39,255	–
Fixed Income Funds	114,768	–	114,768	–
Global Asset Allocation	84,287	–	84,287	–
Cash and cash equivalents	14,180	14,180	–	–
Total collective mutual funds and investment trusts	391,255	14,180	377,075	–
Absolute return, limited partnership[3]	1,609	–	–	1,609
Real estate, limited partnerships[1][2]	49,025	–	–	49,025
Total WSH Master Trust	708,195	191,547	466,014	50,634
Other assets				
Cash and cash equivalents agencies	128,575	128,575	–	–
Money market fund	6,709	–	6,709	–
Mutual funds	8,207	6,146	2,061	–
Beneficial interest in perpetual trusts*	18,460	11,335	7,125	–
Government-sponsored enterprise mortgage-backed securities	11,944	–	11,944	–
Debt securities issued by the U S agencies Treasury and other U S government corporations and agencies	32,595	–	32,595	–
Corporate debt securities	23,527	–	23,527	–
Total other assets	230,017	146,056	83,961	–
	938,212	337,603	549,975	50,634
Liabilities				
Interest rate swap agreements	(43,780)	–	(43,780)	–
	$ 894,432	$ 337,603	$ 506,195	$ 50,634

(In Thousands)

6. Fair Value Measurements (continued)

	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				
Domestic Small Cap Value	25,861	–	25,861	–
International Equity	71,472	–	71,472	–
Cash and cash equivalents	7,985	7,985	–	–
Total 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

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

The Company's Level 1 securities primarily consist of commodities/real return, equities, equity mutual funds and cash The Company determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets

The Company's Level 2 securities primarily consist of debt securities issued by the U S agencies Treasury and other U S government corporations and agencies, government-sponsored enterprise mortgage-backed securities, money market funds, other asset-backed securities, and corporate debt The Company determines the estimated fair value for its Level 2 securities using the following methods quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets in non-active markets (few transactions, limited information,

(In Thousands)

6. Fair Value Measurements (continued)

noncurrent prices, high variability over time), inputs other than quoted prices that are observable for the asset/liability (e g , interest rates, yield curves volatilities, default rates), and inputs that are derived principally from or corroborated by other observable market data

There were no material transfers between Levels 1 and 2 during the years ended June 30, 2014 and 2013

The following table sets forth a summary of changes in the fair value of the Level 3 assets for the years ended June 30, 2014 and 2013

	Level 3 Assets Absolute and Real Estate, Limited Partnerships
Balance, beginning of year as of June 30, 2012	$ 8,200
Investments converted to market	20,311
Realized gains	4
Unrealized gains	903
Purchases	5,677
Sales, issuances, and settlements	(303)
Balance, beginning of year as of June 30, 2013	34,792
Investments converted to market	**26,775**
Realized gains	**6,254**
Unrealized gains	**1,001**
Purchases	**2,200**
Sales, issuances, and settlements	**(20,388)**
Balance, end of year as of June 30, 2014	**$ 50,634**

(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

6. Fair Value Measurements (continued)

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 $4,200 This investment has redemption restrictions at the discretion of the General Partner

(2) This asset is an investment in Guggenheim Real Estate Commingled Trust (Guggenheim) During the fiscal year, WSH's investment in Guggenheim exceeded 5% ownership interest which resulted in WSH electing the FVO Accordingly, WSH recorded $7,923 of operating gains in the investment income, net The investment includes 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 the 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) 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

(In Thousands)

6. Fair Value Measurements (continued)

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

	Total Fair Value June 30		Unfunded Commitments	Redemption	
	2014	2013	June 30, 2014	Frequency	Notice Period
Absolute return					
Multi-strategy[b]	**$ 38,364**	$ 60,887	**$ –**	Quarterly	65 days
Long/short equity[a]	**–**	14,547	**–**	Quarterly	65 days
	38,364	75,434	**–**		
Real estate					
Core[e]	**–**	26,839	**–**	Quarterly	90 days
Opportunistic[c]	**2,973**	3,421	**1,132**	N/A	N/A
	2,973	30,260	**1,132**		
Private equity[d]	**31,136**	31,978	**5,462**	N/A	N/A
	$ 72,473	$ 137,672	**$ 6,594**		

[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 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

[d] 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)

6. Fair Value Measurements (continued)

(e) 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 calss 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

7. Property and Equipment

The following is a summary of property and equipment

	Estimated Useful Life	June 30 2014	2013
Land		**$ 20,411**	$ 15,435
Land improvements	5 to 25 years	**17,336**	13,284
Buildings and building equipment	10 to 40 years	**618,464**	491,193
Fixed equipment	5 to 25 years	**56,610**	60,241
Major movable equipment	3 to 20 years	**462,438**	380,589
Construction-in-progress		**12,149**	10,719
		1,187,408	971,461
Less accumulated depreciation		**(630,930)**	(508,548)
Property and equipment, net		**$ 556,478**	$ 462,913

Depreciation expense for the years ended June 30, 2014 and 2013 was $67,626 and $59,553, respectively

WSH has outstanding purchase commitments related to various construction projects of approximately $3,102 and $14,157 at June 30, 2014 and 2013, respectively

(In Thousands)

8. Long-Term Debt

Long-term debt consists of the following

	June 30 2014	2013
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 $4,443 and $4,636 at June 30, 2014 and 2013, respectively	**$ 157,006**	$ 163,339
GH Note Payable, fixed interest rate, dated December 29, 2010, uncollateralized	**320**	615
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 $98 and $112 at June 30, 2014 and 2013, respectively	**24,252**	24,458
ECH 2009 Tax-Exempt Revenue Note, variable interest rate, collateralized by gross receipts of ECH	**20,177**	–
ECH 2012 Tax-Exempt Revenue Note, variable interest rate, collateralized by gross receipts of ECH	**9,911**	–
ECH 2013 Tax-Exempt Revenue Note, variable interest rate, collateralized by gross receipts of ECH	**9,857**	–
ECH 2010A Tax-Exempt Revenue Note, variable interest rate, collateralized by gross receipts of ECH	**3,140**	–
ECH Mortgages and note payables variable interest rate, collateralized by gross receipts of ECH	**235**	–
AHSCP M&T Bank Loan, variable interest rate, dated August 15, 2000, collateralized by certain assets	**1,771**	2,021

(In Thousands)

8. Long-Term Debt (continued)

	June 30 2014	2013
Variable rate debt (continued)		
WP M&T Bank Loan, variable interest rate, dated March 28, 2011, uncollateralized	**$ 2,366**	$ 5,366
WP M&T Bank Loan, variable interest rate, dated June 20, 2014, uncollateralized	**2,623**	–
WP M&T Bank Loan, variable interest rate, dated August 07, 2013, uncollateralized	**12,200**	–
GH Bank Loan, variable interest rate, dated January 31, 2014, collateralized by certain assets	**1,075**	–
GH Bank Loan, variable interest rate, dated March 30, 2007, collateralized by certain assets	**848**	1,156
GH M&T Bank Loan, variable interest rate, dated December 7, 2012, uncollateralized	**1,665**	1,755
	459,147	410,411
Less current portion	**(13,652)**	(7,666)
	$ 445,495	$ 402,745

Long-term capital lease obligations consist of the following

	June 30 2014	2013
WSH Capital Lease Obligations, fixed interest rates, collateralized by leased property	**$ 9,268**	$ 13,045
Less current portion	**(3,797)**	(4,015)
	$ 5,471	$ 9,030

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 $466,644 and $428,170 at June 30, 2014 and 2013, respectively

8. Long-Term Debt (continued)

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

On November 9, 2009, the ECH entered into an Agreement with the Lancaster Municipal Authority (the Authority), whereby, the Authority issued, on behalf of the Hospital, a $23,930 tax-exempt Revenue Note (Ephrata Community Hospital Project), Series of 2009 (the 2009 Note) The proceeds of the 2009 Note were used to refund the 2006 Bonds and pay the costs of issuance of the 2009 Note The 2009 Note is due in varying annual installments through January 1, 2031, plus interest at rate of 2 11% at June 30, 2014 The 2009 Note is secured by a security interest in the gross revenues of the ECH

On February 1, 2010, the ECH entered into an Agreement with the Authority, whereby, the Authority issued, on behalf of the Hospital, a $4,570 tax-exempt Revenue Note (Ephrata Community Hospital Project), Series of 2010A (the "2010A Note") The proceeds of the 2010A Note were used to refund the 1997 Bonds and pay the costs of issuance of the 2010A Note The 2010A Note is due in varying annual installments through April 1, 2021, plus interest at a rate of 2 88% at June 30, 2014 The 2010A Note is secured by a security interest in the gross revenues of the ECH

8. Long-Term Debt (continued)

In April 2012, the ECH entered into an Agreement with the Authority, whereby, the Authority issued, on behalf of the Hospital, a $9,938 tax-exempt Revenue Note (Ephrata Community Hospital Project), Series of 2012 (the 2012 Note) The proceeds of the 2012 Note were used to refund the 2010B Note, pay the costs of issuance of the 2012 Note, and to finance certain construction and renovation expenses Interest payments are made monthly at a fixed rate of interest per annum of 3 26% for the first ten years of the term of the Note ending April 2022 Principal and interest in varying monthly installments will start May 2014 and end April 2037 The 2012 Note is secured by a security interest in the gross revenues of the ECH

In January 2013, the ECH entered into an Agreement with the Authority, whereby, the Authority issued, on behalf of the Hospital, a $9,862 tax-exempt Revenue Note (Ephrata Community Hospital Project), Series of 2013 (the "2013 Note") The proceeds were used to finance certain construction and renovation expenses Interest payments are made monthly at fixed rate of interest per annum of 3 26% for the first ten years of the term of the Note ending January 14, 2023 Principal and interest in varying monthly installments will start May 2014 and end April 2041 The 2013 Note is secured by a security interest in the gross revenues of the ECH The debt agreements contain certain covenants which provide for, among other things, debt service coverage, limitations on future indebtedness and the transfer or sale of assets At June 30, 2014, ECH was in compliance with the required covenants under the terms of the debt agreements

ECH has various mortgages and secured notes payable in varying installments with various interest rates ranging from 5 0% to 6 6% which are due from July 2013 through February 2016 The total amount outstanding is $235,000 at June 30, 2014 The mortgages, notes payable and capital leases are secured by the property and equipment related to the debt

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 2014 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 80% to 0 83% in 2014 The rate at June 30, 2014 and 2013 was 0 80% and 0 83%, 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 73% to 0 76% in 2014 The rate at June 30, 2014 and 2013 was 0 73% and 0 76%, 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 80% to 0 83% in 2014 The rate at June 30, 2014 and 2013 was 0 80% and 0 83%, 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 01% to 1 04% in 2014 The rate at June 30, 2014 and 2013 was 1 01% and 1 04%, respectively

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

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 058% and 1 04% at June 30, 2014 and 2013, respectively Interest rates for the 1993 bonds are no longer determined by auctions Interest rates on the 1993 bonds are set by the auction

8. Long-Term Debt (continued)

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, 2014 and 2013

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, 2014 and 2013 were 0 80% and 0 84%, 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

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, 2014 and 2013 was 1 55% and 1 59%, 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, 2014 and 2013 was 2 59% and 2 65%, respectively The note is uncollateralized and has a final maturity of December 2022

On January 31, 2014, GH obtained financing in the amount of $1,100 from M&T Bank The interest rate is variable and the rate at June 30, 2014 was 2 49% The note is uncollateralized and has a final maturity of February 2021

(In Thousands)

8. Long-Term Debt (continued)

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	

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 $12,634 and $9,634 available at June 30, 2014 and 2013, respectively The interest rate is variable and the rate at June 30, 2014 and 2013 was 1 69% and 1 75%, respectively The note is uncollateralized and is due on demand

(In Thousands)

8. Long-Term Debt (continued)

On August 7, 2013 and June 20, 2014, WP obtained financing in the amount of $12,200 and $2,624, respectively, from M&T Bank The financing was obtained from an available line of credit of $20,000 The line of credit has $5,177 available at June 30, 2014 The interest rate is variable and the rate at June 30, 2014 was 3 0375% The note is uncollateralized and has a final maturity of August 2038

Maturities of Long-Term Debt

Maturities of the long-term debt outstanding including capital leases, as of June 30, 2014, net of $4,541 in unamortized discount, are as follows

2015	$ 15,930
2016	16,452
2017	15,362
2018	13,998
2019	16,426
2020 and thereafter	390,247
	$ 468,415

Swap Contracts

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)

	June 30, 2014			
	Series 2006	**Series 2005**	**Series 2007**	**M&T Note**
Notional amount	**$ 10,075**	**$ 99,590**	**$ 140,000**	**$ 866**
Effective date	**2/10/2006**	**5/17/2005**	**6/05/2007**	**9/21/2007**
Termination date	**1/1/2031**	**5/15/2031**	**6/01/2037**	**4/03/2017**
Fixed rate	**3.583%**	**3.600%**	**3.636%**	**5.000%**
Variable rate basis	**USD-Libor-BBA-1MT *.68**	**USD-Libor-BBA-1MT *.624 + .0029**	**USD-Libor-BBA-1MT *.617 + .0031**	**USD-Libor-BBA-1MT *.617**
Recorded liability	**$ (1,585)**	**$ (14,543)**	**$ (27,597)**	**$ (55)**

	June 30, 2013			
	Series 2006	**Series 2005**	**Series 2007**	**M&T Note**
Notional amount	$ –	$ 102,675	$ 140,000	$ 1,171
Effective date	–	5/17/2005	6/05/2007	9/21/2007
Termination date	–	5/15/2031	6/01/2037	4/03/2017
Fixed rate	–	3 600%	3 636%	5 000%
Variable rate basis	–	USD-Libor-BBA-1MT * 624 + 0029	USD-Libor-BBA-1MT * 617 + 0031	USD-Libor-BBA-1MT * 617
Recorded liability	$ –	$ (14,963)	$ (26,951)	$ (98)

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 2014**	**2013**
Series 2005		**$ (14,543)**	$ (14,963)
Series 2007		**(27,597)**	(26,951)
Series 2006		**(1,585)**	–
M&T Note		**(55)**	(98)
Total	Interest rate swaps agreements	**$ (43,780)**	$ (42,012)

(In Thousands)

8. Long-Term Debt (continued)

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 2014	2013
Series 1993		**$ –**	$ 23
Series 2005		**420**	7,549
Series 2007		**(646)**	14,009
Series 2006		**(192)**	–
M&T Note		**43**	60
Total	Change in fair value of interest rate swap agreements	**$ (375)**	$ 21,641

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 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, 2014 and 2013, WSH collectively, maintained four lines of credit totaling $85,000 of which $67,811 was unused at June 30, 2014 and $42,500 of which $37,134 was unused at June 30, 2013 At June 30, 2014 and 2013, WSH had unused, unsecured standby letters of credit with a bank totaling $16,504 and $19,342, respectively

(In Thousands)

10. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	June 30	
	2014	**2013**
Health care services		
Professional education	**$ 1,571**	$ 1,441
Health care promotion	**14,686**	12,551
	$ 16,257	$ 13,992

For the years ended June 30, 2014 and 2013, $7,226 and $4,777 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	
	2014	**2013**
Permanent endowment funds, the income of which was permitted to be used to support health care services	**$ 3,654**	$ 2,999
Funds held in trust by others	**18,475**	16,176
	$ 22,129	$ 19,175

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

(In Thousands)

11. Professional and General Liability Reserves

The estimated liability for professional and general liability reserves consists of

	June 30 2014	2013
Professional liability	**$ 48,392**	$ 41,396
Health benefits	**13,067**	10,969
Short-term disability	**450**	378
Workers' compensation	**10,166**	10,432
	72,075	63,175
Less current portion	**(21,594)**	(21,011)
	$ 50,481	$ 42,164

For the years ended June 30, 2014 and 2013, malpractice claims up to $500 were paid through WRRRG and CA 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 2014 and 2013 were self-insured by WSH excluding ECH, NLCMG and PSNLCMG Excess coverage of losses between $5,000 and $35,000 was commercially insured excluding ECH, NLCMG and PSNLCMG ECH, NLCMG and PSNLCMG malpractice claims between $1,000 and $20,000 were paid through CA At June 30, 2014 and 2013, 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 December 31, 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 $2,662 and $2,105 for the years ended June 30, 2014 and 2013, 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, 2014 and 2013, the reserve for workers' compensation claims, discounted at 3%, was $10,766 and $10,432, respectively At June 30, 2014 and 2013, the reserve for medical claims incurred but not reported was $13,067 and $10,969, respectively

The self-insurance liabilities are presented gross in the consolidated balance sheet comprising of $13,179 and $8,530 of estimated insurance recoveries included as a component of other assets as of June 30, 2014 and 2013, 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

WellSpan Health has a two qualified defined benefit pension plans (the WSH Plan and ECH Plan) The WSH Plan covers all eligible WellSpan employees hired prior to August 19, 2007 WellSpan makes contributions to the WSH Plan as determined by the actuary As of June 30, 2014 the fair value of plan assets was $673 0 million, compared to projected benefit obligations of $824 3 million

The ECH Plan covers all eligible Ephrata Community Hospital employees The ECH Plan was frozen effective January 1, 2008 WellSpan makes contributions to the ECH Plan as determined by the actuary As of June 30, 2014 the fair value of plan assets was $45 2 million, compared to projected benefit obligations of $60 1 million

(In Thousands)

12. Retirement Benefits (continued)

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

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

	June 30					
	2014 WSH Plan	**2014 ECH Plan**	**2014 Total Pension**	**2013 Total Pension**	**2014 Other Benefits**	**2013 Other Benefits**
Change in benefits obligations						
Benefits obligation at beginning of year	**$ 701,689**	**$ –**	**$ 701,689**	$ 714,312	**$ 26,584**	$ 27,066
Inclusion of obligation at Acquisition Date	**–**	**54,083**	**54,083**	–	**–**	–
Service cost, net	**19,455**	**–**	**19,455**	22,137	**991**	1,117
Interest cost	**36,751**	**2,033**	**38,784**	34,105	**1,374**	1,307
Change due to assumption change					**1,361**	(989)
Actuarial (gain) loss	**83,468**	**5,490**	**88,958**	(54,307)	**988**	89
Loss recognized due to temporary deviation in substantive plan	**–**		**–**	–	**346**	223
Benefits paid	**(16,971)**	**(1,500)**	**(18,471)**	(14,558)	**(4,494)**	(2,229)
Benefits obligation at end of year	**$ 824,392**	**$ 60,106**	**$ 884,498**	$ 701,689	**$ 27,150**	$ 26,584
Accumulated benefits obligation	**$ 716,202**	**$ 60,106**	**$ 776,308**	$ 607,635	**$ 5,184**	$ 6,356

(In Thousands)

12. Retirement Benefits (continued)

	June 30					
	2014 WSH Plan	**2014 ECH Plan**	**2014 Total Pension**	**2013 Total Pension**	**2014 Other Benefits**	**2013 Other Benefits**
Changes in plan assets						
Fair value of plan assets at beginning of year	**$ 536,048**	**$ –**	**$ 536,048**	$ 437,722	**$ –**	$ –
Inclusion of plan assets at Acquisition Date	**–**	**40,274**	**40,274**	–	**–**	–
Actual return on plan assets	**101,662**	**4,032**	**105,694**	58,407		–
Contributions by WSH	**52,300**	**2,413**	**54,713**	54,477	**4,682**	2,425
Benefits and expenses paid	**(16,971)**	**(1,500)**	**(18,471)**	(14,558)	**(4,682)**	(2,425)
Fair value of plan assets at end of year	**$ 673,039**	**$ 45,219**	**$ 718,258**	$ 536,048	**$ –**	$ –
Funded status at end of year	**$ (151,353)**	**$ (14,887)**	**$ (166,240)**	$ (165,641)	**$ (27,150)**	$ (26,584)
Amount recognized in the consolidated balance sheets consist of						
Accrued retirement benefits	**$ (151,353)**	**$ (14,887)**	**$ (166,240)**	$ (165,641)	**$ (27,150)**	$ (26,584)
Amounts recognized in accumulated unrestricted net assets consist of						
Prior service cost	**$ –**	**$ –**	**$ –**	$ –	**$ 2,572**	$ 2,982
Net actuarial loss (gain)	**201,355**	**20,942**	**222,297**	186,704	**(531)**	(2,212)
	$ 201,355	**$ 20,942**	**$ 222,297**	$ 186,704	**$ 2,041**	$ 770
Components of net periodic benefits cost						
Service cost	**$ 19,455**	**$ –**	**$ 19,455**	$ 22,137	**$ 991**	$ 1,117
Interest cost	**36,751**	**2,033**	**38,784**	34,104	**1,374**	1,307
Expected return on assets	**(46,027)**	**(2,389)**	**(48,416)**	(40,406)	**–**	–
Loss recognized due to temporary deviation in substantive plan	**–**	**–**	**–**	–	**1,099**	223
Amortization of prior service cost	**–**	**–**	**–**	478	**409**	409
Amortization of unrecognized net actuarial loss (gain)	**13,183**	**618**	**13,801**	23,835	**(85)**	65
Net periodic benefit cost	**23,362**	**262**	**23,624**	40,148	**3,788**	3,121
Other changes in retirement benefits recognized in unrestricted net assets consist of						
Current-year actuarial (gain) loss	**27,834**	**3,847**	**31,681**	(72,308)	**2,349**	(899)
Recognized actuarial (gain) loss	**–**	**(618)**	**(618)**	(478)	**(668)**	(65)
Amortization of prior service cost	**(13,183)**	**–**	**(13,183)**	(23,835)	**(409)**	(409)
Total recognized in net periodic benefit cost and unrestricted net assets	**14,651**	**3,229**	**17,880**	(96,621)	**1,272**	(1,373)
Total recognized in net periodic benefit cost and unrestricted net assets	**$ 38,013**	**$ 3,491**	**$ 41,504**	$ (56,473)	**$ 5,060**	$ 1,748

(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)	14,629	95	14,724
Total	$ 14,629	$ 504	$ 15,133

	June 30					
	2014 WSH Plan	2014 ECH Plan	2014 Total Pension	2013 Total Pension	2014 Other Benefits	2013 Other Benefits
Assumptions						
Weighted-average assumptions used to determine benefit obligation at June 30						
Discount rate	**4.63%**	**4.70%**	**N/A**	5.30%	**4.63%**	5.30%
Rate of increase in future compensation levels	**4.00%**	**N/A**	**N/A**	4.00%	**4.00%**	4.00%
Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30						
Discount rate	**5.30%**	**5.11%**	**N/A**	4.82%	**5.30%**	4.82%
Rate of increase in future compensation levels	**4.00%**	**N/A**	**N/A**	4.00%	**4.00%**	4.00%
Expected long-term rate of return on assets	**8.00%**	**8.00%**	**N/A**	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**	**2014**	**2013**
Asset category					
Equity securities	35%	40%	45%	**42%**	55%
Debt securities	29	34	39	**33**	20
Other	21	26	31	**25**	25
				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	
	2014	**2013**
Effect of 1% increase/decrease in health care cost trend rates on		
Postretirement benefit obligation	**$ 30**	$ 18
Total of service cost and interest cost component	**1**	12

The health care cost trend rate for purposes of determining the net periodic benefit cost and disclosure was 5% in 2014 and 5 25% in 2013

Cash Flows

Contributions

WSH expects to contribute during the 2015 fiscal year approximately $77,400 related to the pension plan and $1,406 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 WSH Plan's assets carried at fair value as of June 30, 2014 and 2013

	June 30, 2014			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
Commodities/real return	**$ 27,609**	**$ 27,609**	**$ –**	**$ –**
Stock index fund	**31,349**	**–**	**31,349**	**–**
Private investment funds[1]	**49,162**	**–**	**–**	**49,162**
Real estate partnerships[2][3]	**18,852**	**–**	**–**	**18,852**
Collective mutual funds and investment trusts				
Domestic Small Cap Value	**22,233**	**–**	**22,233**	**–**
International Equity	**91,474**	**–**	**91,474**	**–**
Emerging Markets	**32,098**	**–**	**32,098**	**–**
Fixed Income Funds	**220,850**	**–**	**220,850**	**–**
Global Asset Allocation	**68,019**	**–**	**68,019**	**–**
Cash and cash equivalents	**5,165**	**5,165**	**–**	**–**
Total collective mutual funds and investment trusts	**439,839**	**5,165**	**434,674**	**–**
Guaranteed annuity contracts	**4,188**	**–**	**4,188**	**–**
Equity securities				
Consumer discretionary and services	**18,297**	**18,297**	**–**	**–**
Consumer staples	**3,764**	**3,764**	**–**	**–**
Financial services	**17,507**	**17,507**	**–**	**–**
Healthcare	**13,261**	**13,261**	**–**	**–**
Materials and processing	**14,392**	**14,392**	**–**	**–**
Other energy	**9,108**	**9,108**	**–**	**–**
Producer durables	**3,070**	**3,070**	**–**	**–**
Technology	**19,834**	**19,834**	**–**	**–**
Utilities	**2,807**	**2,807**	**–**	**–**
Total equity securities	**102,040**	**102,040**	**–**	**–**
	$ 673,039	**$ 134,814**	**$ 470,211**	**$ 68,014**

(In Thousands)

12. Retirement Benefits (continued)

	June 30, 2013			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
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	–	–	–	–
Domestic Small Cap Value	12,640	–	12,640	–
International Equity	45,236	–	45,236	–
Fixed Income Funds	102,409	–	102,409	–
Cash and cash equivalents	4,384	4,384	–	–
Total collective mutual funds and investment trusts	164,669	4,384	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

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), Prisma Spectrum, 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, Prisma Spectrum, 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 tables set forth by level, within the fair value hierarchy, the ECH Plan's assets carried at fair value as of June 30, 2014

	June 30, 2014			
	Total Fair Value	**Level 1**	**Level 2**	**Level 3**
Debt securities – U S Treasury and government corp, agency	$ 8,866,754	$ –	$ 8,866,754	$ –
Government MBS	91,594	–	91,594	–
Corporate debt securities	1,238,411	–	1,238,411	–
Collective mutual funds				
Domestic Small Cap Value	281,267	–	281,267	–
International Equity	44,448	–	44,448	–
Emerging Markets	–	–	–	–
Fixed Income	7,255,133	–	7,255,133	–
Global Asset Allocation	–	–	–	–
Cash and cash equivalents	1,510,354	1,510,354	–	–
Total collective mutual funds and investment trusts	9,091,202	1,510,354	7,580,848	–
Equity securities				
Consumer discretionary and services	4,281,770	4,281,770	–	–
Consumer staples	2,576,000	2,576,000	–	–
Financial services	4,537,957	4,537,957	–	–
Healthcare	2,841,388	2,841,388	–	–
Materials and processing	2,439,231	2,439,231	–	–
Other energy	3,000,957	3,000,957	–	–
Producer durables	1,344,115	1,344,115	–	–
Technology	4,853,002	4,853,002	–	–
Utilities	56,618	56,618	–	–
Total equity securities	25,931,038	25,931,038	–	–
Total assets at fair value	$ 45,218,999	$ 27,441,392	$ 17,777,607	$ –

(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, 2014

	Level 3 Assets	
	Private Investment and Absolute Return Funds	**Real Estate Partnerships**
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, beginning of year as of June 30, 2013	93,512	17,194
Realized gains	**21,613**	**1,595**
Unrealized (losses) gains	**(16,162)**	**1,018**
Purchases	**33,709**	–
Sales, issuances, and settlements	**(83,510)**	**(955)**
Balance, end of year as of June 30, 2014	**$ 49,162**	**$ 18,852**

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		
2015	$ 23,864	$ 1,406
2016	26,959	914
2017	30,195	890
2018	33,701	913
2019	37,315	3,261
2020 and thereafter	240,142	13,120

(In Thousands)

12. Retirement Benefits (continued)

Defined Contribution Plans

WSH sponsors two defined contribution plans the Ephrata Community Hospital 403(b) Plan which is for the benefit of eligible employees of ECH, NLCMG, and PSNLCMG, and the WellSpan Health 403(b) Plan which is for the benefit of WSH, YH, WMG, HCP, WSS, VNAHHS, VNACS, GH, AHSCP, SCP, and WRx 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 $18,531 and $15,154 for the years ended June 30, 2014 and 2013, respectively

13. Noncontrolling Interest

In 2014 and 2013, WSH accounted for the following noncontrolling interests in joint ventures controlled by WSH based on the noncontrolling partner's share of the related income and (loss) of the venture and the ending equity balance of the venture

	Noncontrolling Interest %	Noncontrolling Interest at June 30 2014	2013	Income (Loss) on Noncontrolling Interest for the Year Ended June 30 2014	2013
AHSCP	32%	**$ 2,000**	$ 2,142	**$ 597**	$ 716
Q-WH	50*	**–**	–	**–**	(1)
CHIP	49*	**–**	–	**–**	(128)
CTCC	50	**1,177**	1,402	**(150)**	(43)
LHCP	50	**1,449**	1,501	**73**	72
AHCA	43	**587**	665	**(78)**	(7)
		$ 5,213	$ 5,710	**$ 442**	$ 609

*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

(In Thousands)

14. Investments in Joint Ventures

In 2014 and 2013, WSH accounted for the following investments in joint ventures on the equity method of accounting, and recorded the related equity in income (loss) on joint ventures

	Ownership %	Investment at June 30 2014	Investment at June 30 2013	Equity in Income (Loss) on Investments for the Year Ended June 30 2014	Equity in Income (Loss) on Investments for the Year Ended June 30 2013
DRF	33%	**$ 215**	$ 233	**$ (18)**	$ –
PHO	50%	**–**	72	**(71)**	(14)
CA	4%	**315**	–	**–**	–
ERC	51%	**1,226**	–	**797**	–
AHP	14%	**808**	–	**(192)**	–
QUEST	30%	**91**	62	**9**	6
CPAL	30%	**525**	351	**–**	1
		$ 3,180	$ 718	**$ 525**	$ (7)

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

(In Thousands)

15. Commitments and Contingencies (continued)

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, 2014

2015	$	13,176
2016		11,581
2017		10,279
2018		9,400
2019		7,267
2020 and thereafter		28,821
Total minimum payments required	$	80,524

Rent expense under operating leases was $12,981 and $7,050 for the years ended June 30, 2014 and 2013, 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 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

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

(In Thousands)

15. Commitments and Contingencies (continued)

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	
	2014	**2013**
Program activities	**$ 1,153,116**	$ 1,010,059
General and administrative	**226,953**	184,044
	$ 1,380,069	$ 1,194,103

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, 2014, 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 2010

18. Subsequent Events

The Company has evaluated subsequent events that have occurred for recognition or disclosure through October 9, 2014, the date the financial statements were available to be issued

Supplementary Information (2014 Only)

WellSpan Health

Consolidating Balance Sheet
(In Thousands)

June 30, 2014

	York Hospital	Gettysburg Hospital Consolidated	Ephrata Community Hospital Consolidated	WellSpan Specialty Services Consolidated	WellSpan Medical Group	Apple Hill Surgical Center Partners	WellSpan Health	WellSpan Health Care Services Consolidated	York Health Plan	WellSpan Reciprocal Risk Retention Group	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Assets													
Current assets													
Cash and cash equivalents	$ 76.707	$ 22.431	$ 8.885	$ 918	$ 3.406	$ 1.920	$ 6.133	$ 8.307	$ 1.150	$ 998	$ 1.251	$ (4.029)	$ 128.077
Due from affiliates	1.384	20	–	95	1.712	84	2.465	139	–	1	–	(5.900)	–
Assets limited as to use	–	–	–	–	–	–	–	–	–	4.164	–	–	4.164
Patient accounts receivable, net	118.777	20.876	22.634	7.994	15.764	981	–	3.521	–	–	–	–	190.547
Other receivables	5.583	1.089	561	435	3.544	19	2.488	95	276	96	4	–	14.190
Inventories	5.866	937	5.383	683	459	472	85	3.136	–	–	–	–	17.021
Prepaid expenses	1.748	434	2.473	156	870	40	19.057	420	72	111	–	–	25.381
Total current assets	210.065	45.787	39.936	10.281	25.755	3.516	30.228	15.618	1.498	5.370	1.255	(9.929)	379.380
Investments limited as to use													
Board-designated	640.563	109.092	34.891	30.297	–	–	11.048	5.059	–		512	–	831.462
Self-insurance trust	–	–	–	–	–	–	–	–	–	11.247	–	–	11.247
Temporarily restricted investments	1.134	595	120	1.341	–	–	–	–	–		6.014	–	9.204
Permanently restricted investments	656	–	–	2.998	–	–	–	–	–		–	–	3.654
Beneficial interest in perpetual trusts	7.308	7.156	734	3.262	–	–	–	–	–		–	–	18.460
	649.661	116.843	35.745	37.898	–	–	11.048	5.059	–	11.247	6.526	–	874.027
Pledges receivable, net	–	140	596	29	–	–	–	–	–	–	1.924	–	2.689
Property and equipment, net	206.062	42.755	69.923	65.756	14.617	4.634	58.358	93.767	603	–	3	–	556.478
Investments in joint ventures	–	–	1.748	–	–	–	5.208	179	–	–	–	(3.955)	3.180
Notes receivable – affiliates	79.547	–	–	–	–	–	30.642	–	–	43	–	(110.232)	–
Deferred financing costs, net	1.765	180	229	358	–	5	–	396	–	–	–	–	2.933
Interest in net assets of Foundation	6.014	–	–	–	–	–	–	–	–	–	–	(6.014)	–
Other assets	–	6.184	984	–	–	195	28.118	473	–	–	–	–	35.954
Total assets	$ 1,153,114	$ 211,889	$ 149,161	$ 114,322	$ 40,372	$ 8,350	$ 163,602	$ 115,492	$ 2,101	$ 16,660	$ 9,708	$ (130,130)	$ 1,854,641

WellSpan Health

Consolidating Balance Sheet (continued)
(In Thousands)

June 30, 2014

	York Hospital	Gettysburg Hospital Consolidated	Ephrata Community Hospital Consolidated	WellSpan Specialty Services Consolidated	WellSpan Medical Group	Apple Hill Surgical Center Partners	WellSpan Health	WellSpan Health Care Services Consolidated	York Health Plan	WellSpan Reciprocal Risk Retention Group	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Liabilities and net assets													
Current liabilities													
Current portion of capital lease obligations	$ 2.620	$ 122	$ 238	$ –	$ –	$ –	$ 817	$ –	$ –	$ –	$ –	$ –	$ 3.797
Current portion of long-term debt	7.069	1.276	1.688	855	–	1.771	44	949	–	–	–	–	13.652
Accounts payable and accrued expenses	13.542	1.982	6.469	1.320	382	169	15.908	1.357	125	47	9	–	41.310
Bank payable	–	–	–	85	–	–	3.314	630	–	–	–	(4.029)	–
Accrued interest payable	1.583	3	23	–	–	1	–	–	–	–	–	–	1.610
Accrued salaries and wages	26.706	4.402	14.180	2.414	24.721	452	17.438	610	614	–	18	–	91.555
Advances from third-party payor	2.518	484	348	293	633	–	84	–	103	1.051	30	–	5.544
Self-insurance costs and postretirement benefits	879	–	2.900	–	–	–	14.530	–	–	4.164	–	–	22.473
Estimated third-party payor settlements	9.027	725	1.120	336	–	–	–	–	–	–	–	–	11.208
Due to affiliates	–	956	1.379	–	–	–	–	3.106	81	–	378	(5.900)	–
Total current liabilities	63.944	9.950	28.345	5.303	25.736	2.393	52.135	6.652	923	5.262	435	(9.929)	191.149
Estimated self-insurance costs	–	–	250	–	–	–	39.241	–	–	10.990	–	–	50.481
Long-term capital lease obligations, less current portion	3.451	262	–	–	–	–	1.758	–	–	–	–	–	5.471
Long-term debt, less current portion	243.436	33.881	41.633	57.923	–	–	2.303	66.319	–	–	–	–	445.495
Accrued retirement benefits	18.993	–	14.887	–	–	–	158.630	–	–	–	–	–	192.510
Note payable – affiliates	29	6	–	29.242	7	–	79.548	1.400	–	–	–	(110.232)	–
Interest rate swap agreements	25.278	5.090	1.585	–	–	–	–	11.827	–	–	–	–	43.780
Other noncurrent liabilities	1.511	–	–	–	–	–	–	–	–	–	–	–	1.511
Total liabilities	356.642	49.189	86.700	92.468	25.743	2.393	333.615	86.198	923	16.252	435	(120.161)	930.397
Net assets													
Unrestricted	778.282	154.335	60.660	14.090	14.602	5.957	(170.308)	26.081	1.178	408	1.315	(5.955)	880.645
Temporarily restricted	4.202	1.204	1.067	1.504	27	–	295	–	–	–	7.958	–	16.257
Permanently restricted	7.974	7.161	734	6.260	–	–	–	–	–	–	–	–	22.129
Interest in net assets of Foundation	6.014	–	–	–	–	–	–	–	–	–	–	(6.014)	–
WellSpan Health net assets	796.472	162.700	62.461	21.854	14.629	5.957	(170.013)	26.081	1.178	408	9.273	(11.969)	919.031
Noncontrolling interest	–	–	–	–	–	–	–	3.213	–	–	–	2.000	5.213
Total net assets	796.472	162.700	62.461	21.854	14.629	5.957	(170.013)	29.294	1.178	408	9.273	(9.969)	924.244
Total liabilities and net assets	$ 1.153.114	$ 211.889	$ 149.161	$ 114.322	$ 40.372	$ 8.350	$ 163.602	$ 115.492	$ 2.101	$ 16.660	$ 9.708	$ (130.130)	$ 1.854.641

WellSpan Health

Consolidating Statement of Operations
(In Thousands)

Year Ended June 30, 2014

	York Hospital	Gettysburg Hospital Consolidated	Ephrata Community Hospital Consolidated	WellSpan Specialty Services Consolidated	WellSpan Medical Group	Apple Hill Surgical Center Partners	WellSpan Health	WellSpan Health Care Services Consolidated	York Health Plan	WellSpan Reciprocal Risk Retention Group	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted revenues, gains, and other support													
Net patient service revenue	$ 872.828	$ 151.577	$ 160.861	$ 56.805	$ 159.997	$ 12.077	$ –	$ 1.987	$ –	$ –	$ –	$ 1.192	$ 1.417.324
Provision for uncollectible accounts	(38.790)	(12.275)	(5.770)	(2.125)	(5.780)	(236)	–	–	–	–	–		(64.976)
Net patient service revenue less provision for uncollectible accounts	834.038	139.302	155.091	54.680	154.217	11.841	–	1.987	–	–	–	1.192	1.352.348
Capitation revenue	3.702	–	–	–	8.751	–	–	–	–	–	–		12.453
Other revenue	12.022	1.079	2.017	1.434	88.382	21	307.811	52.074	8.383	6.923	883	(418.426)	62.603
Net assets released from restrictions used for operations	3.521	295	39	5	–	–	591	–	–	–	1.107		5.558
Total revenues, gains, and other support	853.283	140.676	157.147	56.119	251.350	11.862	308.402	54.061	8.383	6.923	1.990	(417.234)	1.432.962
Expenses													
Salaries and wages	243.777	41.878	75.241	21.204	182.946	3.365	76.943	5.446	4.208	–	448	–	655.456
Employee benefits	94.017	15.128	21.324	8.117	49.084	1.328	164.163	2.167	1.794	–	164	(136.459)	220.827
Professional fees	141.077	23.521	3.222	2.041	4.953	885	1.408	1.067	774	185	21	(155.013)	24.141
Supplies and other	259.098	39.325	52.114	18.313	36.562	3.959	62.588	35.576	1.883	3.899	1.355	(124.880)	389.792
Depreciation and amortization	29.062	4.976	8.003	5.118	3.817	614	12.644	3.872	132	–	1	–	68.239
Interest	12.416	1.800	1.112	4.717	–	16	5.340	3.025	–	–	–	(6.812)	21.614
Total operating expenses	779.447	126.628	161.016	59.510	277.362	10.167	323.086	51.153	8.791	4.084	1.989	(423.164)	1.380.069
Operating income (loss)	73.836	14.048	(3.869)	(3.391)	(26.012)	1.695	(14.684)	2.908	(408)	2.839	1	5.930	52.893
Other income (expense)													
Contributions	445	195	433	181	–	–	–	49	–	–	571	–	1.874
Investment income, net	104.054	19.722	2.455	5.856	74	8	1.852	1	8	346	17	(6.812)	127.581
Equity in income of joint ventures	2.125	349	797	66	486	41	975	55	–	–	–	(4.369)	525
Gain (loss) on sale of assets other	69	4	21	(3)	(59)	25	(34)	437	–	–	–	–	460
Other income (expense)	(1.850)	(101)	(34)	130	–	11	(57)	(18)	–	–	–	882	(1.037)
Contributions received in the acquisition of Ephrata Community Hospital and Subsidiaries	–	–	–	–	–	–	32.549	–	–	–	–	63.794	96.343
Change in fair value of interest rate swap agreements	112	(18)	(192)	–	–	–	–	(277)	–	–	–	–	(375)
Total other income (expense)	104.955	20.151	3.480	6.230	501	85	35.285	247	8	346	588	53.495	225.371
Excess (deficiency) of revenues over expenses before noncontrolling interest	178.791	34.199	(389)	2.839	(25.511)	1.780	20.601	3.155	(400)	3.185	589	59.425	278.264
Noncontrolling interest	–	–	–	–	–	–	–	155	–	–	–	(597)	(442)
Excess (deficiency) of revenues over expenses	178.791	34.199	(389)	2.839	(25.511)	1.780	20.601	3.310	(400)	3.185	589	58.828	277.822
Other changes in unrestricted net assets													
Change in unrealized gains (losses) on assets limited as to use and investments	–	–	–	–	–	–	–	–	–	5	–	–	5
Net assets released from restrictions for purchase of property and equipment	1.099	18	484	–	–	–	67	–	–	–	–	–	1.668
Merged Assets	–	–	63.794	–			–	–	–	–	–	(63.794)	–
Distributions to partners	–	–	–	–	–	(1.922)	–	–	–	(3.596)	–	5.518	–
Other change in retirement liability	(1.145)	–	(3.229)	–	–	–	(14.778)	–	–	–	–	–	(19.152)
Transfers with affiliates	(42.200)	(7.800)	–	–	30.725	–	18.675	600	–	–	–	–	–
Increase (decrease) in unrestricted net assets	$ 136.545	$ 26.417	$ 60.660	$ 2.839	$ 5.214	$ (142)	$ 24.565	$ 3.910	$ (400)	$ (406)	$ 589	$ 552	$ 260.343

WellSpan Health

Consolidating Statement of Changes in Net Assets
(In Thousands)

Year Ended June 30, 2014

	York Hospital	Gettysburg Hospital Consolidated	Ephrata Community Hospital Consolidated	WellSpan Specialty Services Consolidated	WellSpan Medical Group	Apple Hill Surgical Center Partners	WellSpan Health	WellSpan Health Care Services Consolidated	York Health Plan	WellSpan Reciprocal Risk Retention Group	York Health Foundation	Consolidating Eliminations	Consolidated Totals
Unrestricted net assets													
Excess (deficiency) of revenues over expenses	$ 178.791	$ 34.199	$ (389)	$ 2.839	$ (25.511)	$ 1.780	$ 20.601	$ 3.310	$ (400)	$ 3.185	$ 589	$ 58.828	$ 277.822
Other changes in unrestricted net assets													
Change in unrealized gains (losses) on assets limited as to use and investments	–	–	–	–	–	–	–	–	–	5	–	–	5
Net assets released from restrictions for purchase of property and equipment	1.099	18	484	–	–	–	67	–	–	–	–	–	1.668
Merged assets	–	–	63.794	–	–	–	–	–	–	–	–	(63.794)	–
Distributions to partners	–	–	–	–	–	(1.922)	–	–	–	(3.596)	–	5.518	–
Other change in retirement liability	(1.145)	–	(3.229)	–	–	–	(14.778)	–	–	–	–	–	(19.152)
Transfers with affiliates	(42.200)	(7.800)	–	–	30.725	–	18.675	600	–	–	–	–	–
Increase (decrease) in unrestricted net assets	136.545	26.417	60.660	2.839	5.214	(142)	24.565	3.910	(400)	(406)	589	552	260.343
Temporarily restricted net assets													
Net realized and unrealized gains and losses on investments	25	10	–	97	–	–	–	–	–	–	1.044	–	1.176
Net investment income	59	91	(1)	126	–	–	–	–	–	–	33	–	308
Merged assets	–	–	1.514	–	–	–	–	–	–	–	–	–	1.514
Change in net assets of Foundation	1.072	–	–	–	–	–	–	–	–	–	–	(1.072)	–
Contributions	3.869	525	77	(50)	4	–	441	–	–	–	1.627	–	6.493
Net assets released from restrictions	(4.620)	(313)	(523)	(5)	–	–	(658)	–	–	–	(1.107)	–	(7.226)
Increase (decrease) in temporarily restricted net assets	405	313	1.067	168	4	–	(217)	–	–	–	1.597	(1.072)	2.265
Permanently restricted net assets													
Net investment income	324	77	1	140	–	–	–	–	–	–	–	–	542
Net realized and unrealized gains and losses on investments	651	783	59	505	–	–	–	–	–	–	–	–	1.998
Merged assets	–	–	674	–	–	–	–	–	–	–	–	–	674
Contributions	102	31	–	104	–	–	–	–	–	–	–	–	237
Net assets released from restrictions	(269)	(115)	–	(113)	–	–	–	–	–	–	–	–	(497)
Increase in permanently restricted net assets	808	776	734	636	–	–	–	–	–	–	–	–	2.954
Increase (decrease) in net assets	137.758	27.506	62.461	3.643	5.218	(142)	24.348	3.910	(400)	(406)	2.186	(520)	265.562
Net assets													
Beginning of year	658.714	135.194	–	18.211	9.411	6.099	(194.361)	22.171	1.578	814	7.087	(11.449)	653.469
End of year	$ 796.472	$ 162.700	$ 62.461	$ 21.854	$ 14.629	$ 5.957	$ (170.013)	$ 26.081	$ 1.178	$ 408	$ 9.273	$ (11.969)	$ 919.031

York Hospital and Gettysburg Hospital (Obligated Group)

Combining Balance Sheet

(In Thousands)

June 30, 2014

	York Hospital	Gettysburg Hospital (Only)	Combining Eliminations	Combined Totals
Assets				
Current assets				
Cash and cash equivalents	$ 76,707	$ 21,784	$ –	$ 98,491
Due from affiliates	1,384	–	–	1,384
Patient accounts receivable, net	118,777	20,876	–	139,653
Other receivables	5,583	1,083	–	6,666
Inventories	5,866	937	–	6,803
Prepaid expenses	1,748	434	–	2,182
Total current assets	210,065	45,114	–	255,179
Investments limited as to use				
Board-designated	640,563	100,440	–	741,003
Temporarily restricted investment	1,134	371	–	1,505
Permanently restricted investment	656	–	–	656
Beneficial interest in perpetual trusts	7,308	–	–	7,308
	649,661	100,811	–	750,472
Property and equipment, net	206,062	42,751	–	248,813
Notes receivable – affiliates	79,547	–	–	79,547
Deferred financing costs, net	1,765	180	–	1,945
Interest in net assets of the Foundation	6,014	16,845	–	22,859
Other assets	–	6,103	–	6,103
Total assets	$ 1,153,114	$ 211,804	$ –	$ 1,364,918

	York Hospital	Gettysburg Hospital (Only)	Combining Eliminations	Combined Totals
Liabilities and net assets				
Current liabilities				
Current portion of capital lease obligations	$ 2,620	$ 122	$ –	$ 2,742
Current portion of long-term debt	7,069	1,276	–	8,345
Accounts payable and accrued expenses	13,542	1,958	–	15,500
Accrued interest payable	1,583	3	–	1,586
Accrued salaries and wages	26,706	4,402	–	31,108
Advances from third-party payor	2,518	423	–	2,941
Estimated third-party payor settlements	9,027	725	–	9,752
Estimated self-insurance costs and postretirement benefits	879	–	–	879
Due to affiliates	–	989	–	989
Total current liabilities	63,944	9,898	–	73,842
Long-term capital lease obligations, less current portion	3,451	262	–	3,713
Long-term debt, less current portion	243,436	33,881	–	277,317
Accrued retirement benefits	18,993	–	–	18,993
Notes payable – affiliates	29	6	–	35
Interest rate swap contracts	25,278	5,090	–	30,368
Other noncurrent liabilities	1,511	–	–	1,511
Total liabilities	356,642	49,137	–	405,779
Net assets				
Unrestricted	778,282	145,125	–	923,407
Temporarily restricted	4,202	697	–	4,899
Permanently restricted	7,974	–	–	7,974
Interest in net assets of the Foundation	6,014	16,845	–	22,859
Total net assets	796,472	162,667	–	959,139
Total liabilities and net assets	$ 1,153,114	$ 211,804	$ –	$ 1,364,918

York Hospital and Gettysburg Hospital (Obligated Group)

Combining Statement of Operations
(In Thousands)

Year Ended June 30, 2014

	York Hospital	Gettysburg Hospital (Only)	Combining Eliminations	Combined Totals
Unrestricted revenues, gains, and other support				
Net patient service revenue	$ 872,828	$ 151,577	$ –	$ 1,024,405
Provision for uncollectible accounts	(38,790)	(12,275)	–	(51,065)
Net patient service revenue less provision for uncollectible accounts	834,038	139,302	–	973,340
Capitation revenue	3,702	–	–	3,702
Other revenue	12,022	1,090	(426)	12,686
Net assets released from restrictions used for operations	3,521	159	–	3,680
Net revenues, gains, and other support	853,283	140,551	(426)	993,408
Expenses				
Salaries and wages	243,777	41,688	–	285,465
Employee benefits	94,017	15,056	–	109,073
Professional fees	141,077	23,488	–	164,565
Supplies and other	259,098	39,123	(426)	297,795
Depreciation and amortization	29,062	4,974	–	34,036
Interest	12,416	1,800	–	14,216
Total operating expenses	779,447	126,129	(426)	905,150
Operating income	73,836	14,422	–	88,258
Other income (expense)				
Contributions	445	77	–	522
Investment income, net	104,054	18,524	–	122,578
Equity in income of joint ventures	2,125	349	–	2,474
Loss on sale of assets/other	69	4	–	73
Change in fair value of interest rate swap agreements	112	(18)	–	94
Other expense, net	(1,850)	(475)	–	(2,325)
Total other income	104,955	18,461	–	123,416
Excess of revenues over expenses	178,791	32,883	–	211,674
Other changes in unrestricted net assets				
Net assets released from restrictions used for purchase of property and equipment	1,099	18	–	1,117
Other change in retirement liability	(1,145)	–	–	(1,145)
Transfers with affiliates	(42,200)	(7,800)	–	(50,000)
Increase in unrestricted net assets	$ 136,545	$ 25,101	$ –	$ 161,646

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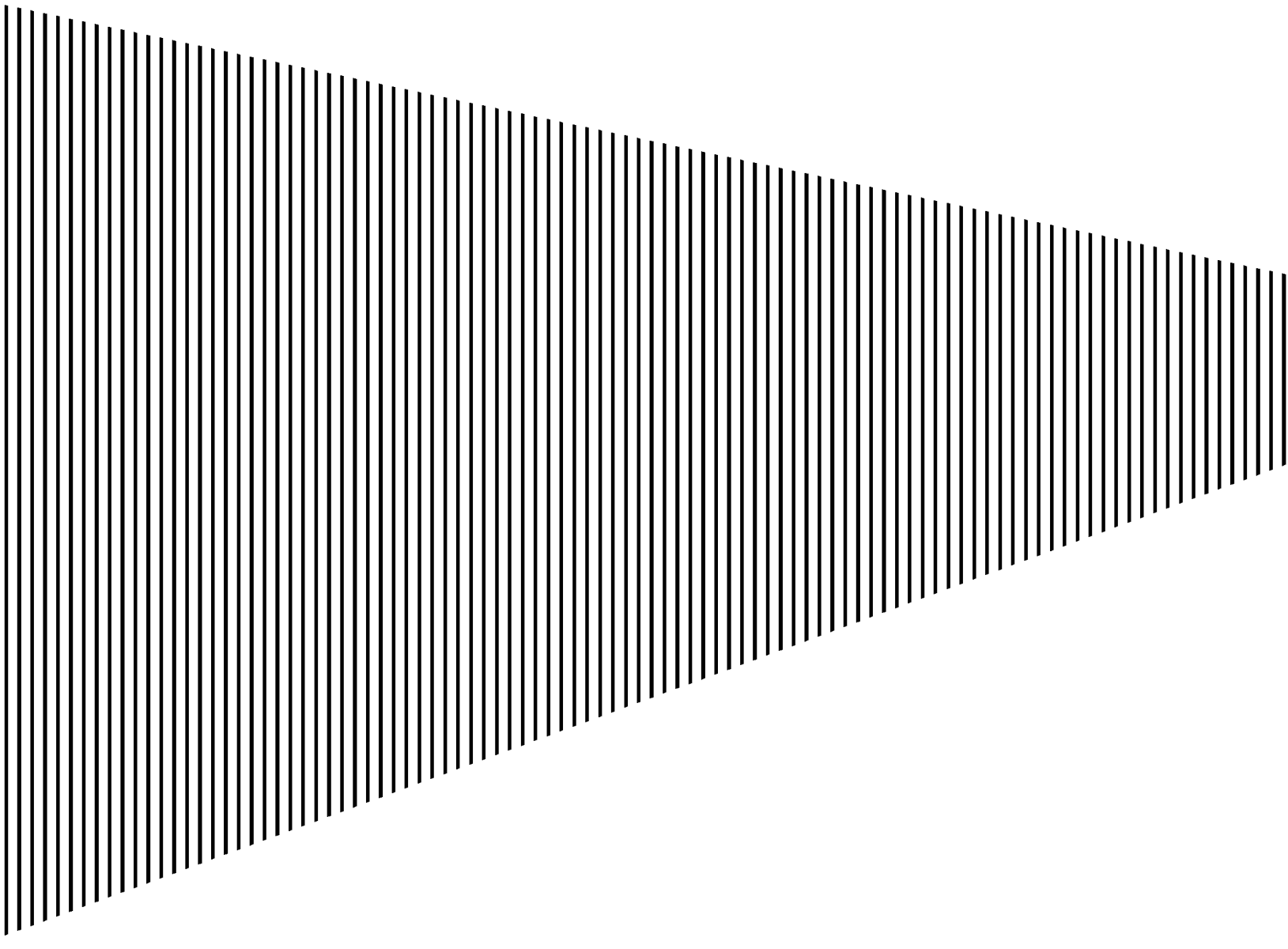
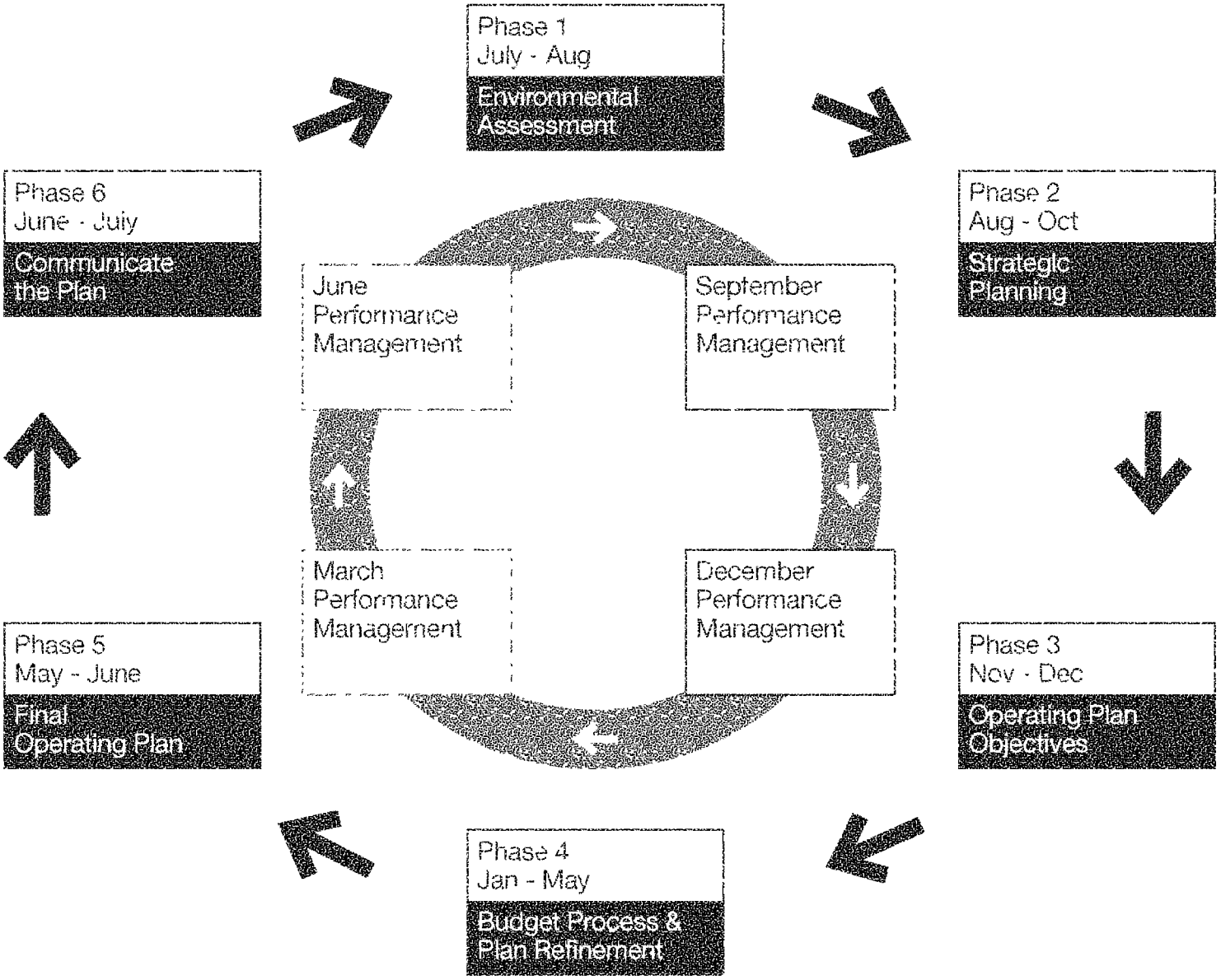


The WellSpan Community Health Improvement Plan

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 affordable 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] Sexual Assault [illegible] (SANE) [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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