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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
WAYNE MEMORIAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 601 PARK STREET Suite

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
HONESDALE, PA 18431

D Employer identification number
24-0798839

E Telephone number
(570) 253-8100

G Gross receipts $ 96,878,036

F Name and address of principal officer
DAVID HOFF
601 PARK STREET
HONESDALE, PA 18431

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 WMH ORG

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

L Year of formation 1907

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OPERATES A 98-BED ACUTE CARE HOSPITAL, WITH AN ADDITIONAL 14 BEDS DEDICATED TO INPATIENT REHAB

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**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	852
6	Total number of volunteers (estimate if necessary)	**6**	167
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	105
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	331,541	255,030
9	Program service revenue (Part VIII, line 2g)	77,964,995	80,633,641
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,184,518	3,717,440
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-740,584	-170,522
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	79,740,470	84,435,589
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,843,366	1,286,154
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	37,525,148	38,279,267
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	38,683,867	40,787,116
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	78,052,381	80,352,537
19	Revenue less expenses Subtract line 18 from line 12	1,688,089	4,083,052

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	100,517,105	108,391,095
21	Total liabilities (Part X, line 26)	41,600,692	42,149,047
22	Net assets or fund balances Subtract line 21 from line 20	58,916,413	66,242,048

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

****** 2015-05-04
Signature of officer Date

DAVID HOFF CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Brian D Todd				P00422601

Firm's name ▶ BKD LLP — Firm's EIN ▶

Firm's address ▶ 910 E ST LOUIS 200/PO BOX 1190 SPRINGFIELD, MO 658062523 — Phone no (570) 253-8100

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

WAYNE MEMORIAL HOSPITAL PROVIDES QUALITY HEALING AND COMFORT TO THOSE IN NEED GUIDED BY COMPASSION, ADVOCACY, RESPECT, EXCELLENCE AND SERVICE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 33,852,050 including grants of $) (Revenue $ 57,743,590)

OUTPATIENT SERVICES ARE OFFERED IN A VARIETY OF AREAS, INCLUDING LAB, RADIOLOGY, REHABILITATION SERVICES SUCH AS PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY AND PRIMARY CARE WMH ALSO PROVIDES OUTPATIENT EMERGENCY, DIAGNOSTIC, AND REHABILITATIVE SERVICES OUR EMERGENCY DEPARTMENT OFFERS PHYSICIAN CARE 24 HOURS A DAY TO ALL, REGARDLESS OF ABILITY TO PAY

4b (Code) (Expenses $ 20,846,793 including grants of $) (Revenue $ 19,709,239)

INPATIENT SERVICES PROVIDES A FULL CONTINUUM OF CARE, FROM BIRTHING SUITES TO CHEMOTHERAPY, ENDOSCOPY, CARDIOLOGY PROCEDURES, RESPIRATORY THERAPY, IMAGING SCANS, HOME HEALTH AND HOSPICE CARE FOR THE POPULATION WE SERVE, APPROXIMATELY 100,000 PEOPLE IN MOSTLY RURAL WAYNE AND PIKE COUNTIES, PENNSYLVANIA

4c (Code) (Expenses $ 4,974,984 including grants of $) (Revenue $ 3,180,812)

INPATIENT REHABILITATION PROVIDES PHYSICAL, OCCUPATIONAL, AUDIOLOGY AND SPEECH THERAPY WITH SKILL CERTIFIED THERAPISTS AN INDIVIDUALIZED REHABILITATION PROGRAM DESIGNED TO ENHANCE FUNCTION AND INDEPENDENCE IS DEVELOPED FOR EACH PATIENT BY A TEAM OF SPECIALIZED REHABILITATION PROFESSIONALS EACH PATIENT'S EVALUATION AND PROGRESS IS DIRECTED AND MONITORED BY A PHYSIATRIST AND AN INTERDISCIPLINARY TEAM CONSISTING OF A PRIMARY REHABILITATION NURSE, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS, AND A SOCIAL WORKER

4d Other program services (Describe in Schedule O)

(Expenses $ 1,286,154 including grants of $ 1,286,154) (Revenue $)

4e **Total program service expenses** ▶ 60,959,981

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 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		No
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		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		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**	Yes	
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**	Yes	
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**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		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**		No
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**		
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	105		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	852		
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			No
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			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response 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**	16		
	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**	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		Yes	
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**		No
b	Other officers or key employees of the organization	**15b**		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

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

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

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

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

▶ DAVID HOFF 601 PARK STREET
HONESDALE, PA 18431 (570) 253-8100

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) LEE OAKES CHAIR	8 8	X		X				0	0	
(2) DIRK MUMFORD 1ST VICE CHAIR	2 9 2 9	X		X				0	0	
(3) LEONARD TASSELMYER 2ND VICE CHAIR ENDING 6/14	8 8	X		X				0	0	
(4) JUDI MORTENSEN SECRETARY	8 8	X		X				0	0	
(5) TED EDGAR TREASURER	8 8	X		X				0	0	
(6) JOANN HUDAK TRUSTEE/2ND VICE CHR BEG 6/14	8 8	X		X				0	0	
(7) HUGH RECHNER TRUSTEE	8 1 0	X						0	0	
(8) WENDELL HUNT TRUSTEE	8 8	X						0	0	
(9) JULIE SEILER TRUSTEE	8 8	X						0	0	
(10) DAVID MURRAY TRUSTEE ENDING 03/14	8 8	X						0	0	
(11) SANDRA MEAGHER TRUSTEE ENDING 06/14	8 8	X						0	0	
(12) DR DAVID CAUCCI TRUSTEE	39 2 8	X						437,095	0	28,829
(13) JOSEPH HARCUM TRUSTEE	8 8	X						0	0	
(14) WILLIAM R DEWAR III MD TRUSTEE	8 8	X						0	0	
(15) SUSAN MANCUSO TRUSTEE	8 8	X						0	0	
(16) SCOTT EPSTEIN MD TRUSTEE	8 8	X						0	0	
(17) FRANK BORELLI TRUSTEE	8 8	X						0	0	

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) ALFRED G HOWELL TRUSTEE ENDING 10/13	8 1 3	X								
(19) MILTON ROEGNER TRUSTEE BEGINNING 10/13	8 1 3	X						0	0	
(20) MARTHA WILSON TRUSTEE BEGINNING 3/14	8 8	X						0	0	
(21) DAVID HOFF CEO	32 0 8 0			X				0	466,280	77,870
(22) MICHAEL CLIFFORD CFO	18 8 21 2			X				0	230,712	41,891
(23) JEFFERY MOGERMAN PHYSICIAN	40 0					X		761,184	0	27,917
(24) INTIKHAR-AHAMAD SH CHOUHDRY PHYSICIAN	40 0					X		266,742	0	27,693
(25) LILLIAN LONGENDORFER PHYSICIAN	40 0					X		252,501	0	19,290
(26) LISA HAYES CERTIFIED RN ANESTHETIST	40 0					X		154,279	0	14,387
(27) SHARIE L MORGANTI CERTIFIED RN ANESTHETIST	40 0					X		175,750	0	8,009

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,047,551	696,992	245,886

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 ▶ 12

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
WAYNE MEMORIAL HEALTH SYSTEM,	ADMINISTRATIVE SVCS	1,076,124
N AMERICAN PTRS IN ANESTHESIA,	ANESTHESIOLOGY SVCS	1,102,250
LABORATORY CORP OF AMERICA,	LABORATORY SVCS	842,788
AIMADVANCE INPATIENT MEDICINE,	HOSPITALIST SVCS	657,397
CHARLES W GRIMM CONSTRUCTION,	CONSTRUCTION	1,043,942

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 ▶ 15

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				
	e	Government grants (contributions)	1e	44,134			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	210,896			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		255,030			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	623000	78,400,088	78,400,088		
	b	MEANINGFUL USE REVENUE	623000	1,338,236	1,338,236		
	c	PHARMACY	446110	419,995	419,995		
	d	CAFETERIA	722514	278,105	278,105		
	e	OTHER REVENUE	900099	197,217	197,217		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		80,633,641			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,633,494			1,633,494
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	382,096				
	b	Less rental expenses	347,575				
	c	Rental income or (loss)	34,521 / 0				
	d	Net rental income or (loss) . . . . . ▶		34,521			34,521
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	14,178,735 / 83				
	b	Less cost or other basis and sales expenses	12,094,872				
	c	Gain or (loss)	2,083,863 / 83				
	d	Net gain or (loss) . . . . . ▶		2,083,946			2,083,946
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	GAIN/(LOSS) ON EQUITY INVESTEE	900099	-205,043		105	-205,148
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		-205,043			
	12	**Total revenue.** See Instructions . . . . . ▶		84,435,589	80,633,641	105	3,546,813

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	1,286,154	1,286,154		
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	454,127	454,127		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	11,097	11,097		
7 Other salaries and wages	29,533,830	20,906,546	8,627,284	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,952,691	1,383,035	569,656	
9 Other employee benefits	4,181,949	2,967,511	1,214,438	
10 Payroll taxes	2,145,573	1,537,096	608,477	
11 Fees for services (non-employees)				
a Management	1,362,765		1,362,765	
b Legal	111,135		111,135	
c Accounting	97,715		97,715	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	260,837		260,837	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	8,480,106	7,581,323	898,783	
12 Advertising and promotion	173,434		173,434	
13 Office expenses	7,338,115	4,692,407	2,645,708	
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	1,693,348	1,071,546	621,802	
17 Travel	218,176	213,507	4,669	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	57,668	38,651	19,017	
20 Interest	595,096	444,130	150,966	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	2,953,301	2,204,099	749,202	
23 Insurance	823,327	614,463	208,864	
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 BAD DEBT	8,549,900	8,549,900		
b MEDICAL SUPPLIES & DRUGS	5,874,552	5,874,552		
c REPAIRS & MAINTENANCE	2,112,172	1,064,787	1,047,385	
d LICENSES, DUES, SUBSCRIPTIONS	85,469	65,050	20,419	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	80,352,537	60,959,981	19,392,556	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		1,520	1	1,470
	2	Savings and temporary cash investments		10,923,473	2	15,154,522
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		10,225,148	4	8,703,280
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		778,118	8	632,605
	9	Prepaid expenses and deferred charges		1,566,616	9	1,253,918
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 84,057,078			
	b	Less accumulated depreciation	10b 61,906,039	21,815,129	10c	22,151,039
	11	Investments—publicly traded securities		44,621,807	11	50,777,732
	12	Investments—other securities See Part IV, line 11		615,308	12	638,682
	13	Investments—program-related See Part IV, line 11		4,790,002	13	5,020,528
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		5,179,984	15	4,057,319
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		100,517,105	16	108,391,095
Liabilities	17	Accounts payable and accrued expenses		15,140,037	17	15,624,988
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		24,463,925	20	23,967,635
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		92,556	23	47,440
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		1,904,174	25	2,508,984
	26	**Total liabilities.** Add lines 17 through 25		41,600,692	26	42,149,047
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		56,794,513	27	63,932,044
	28	Temporarily restricted net assets		154,050	28	248,241
	29	Permanently restricted net assets		1,967,850	29	2,061,763
		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		58,916,413	33	66,242,048
	34	Total liabilities and net assets/fund balances		100,517,105	34	108,391,095

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	84,435,589
2	Total expenses (must equal Part IX, column (A), line 25)	2	80,352,537
3	Revenue less expenses Subtract line 2 from line 1	3	4,083,052
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	58,916,413
5	Net unrealized gains (losses) on investments	5	3,183,401
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	59,182
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	66,242,048

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
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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 C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

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

Name of the organization	**Employer identification number**
WAYNE MEMORIAL HOSPITAL	24-0798839

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ **Yes** ☐ **No**

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		10,545
j	Total Add lines 1c through 1i			10,545
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 1(I)	LOBBYING EXPENDITURES WAYNE MEMORIAL HOSPITAL PAYS ANNUAL MEMBERSHIP DUES TO THE HOSPITAL & HEALTH SYSTEM ASSOCIATION OF PENNSYLVANIA (HAP) AND AMERICAN HOSPITAL ASSOCIATION (AHA) THE HOSPITAL IS NOTIFIED EACH YEAR THAT A PORTION OF THE MEMBERSHIP DUES IS USED FOR LOBBYING ACTIVITIES THE PORTION OF FEES PAID REPRESENTING LOBBYING EXPENDITURES WAS $5,265 FOR HAP AND $5,280 FOR AHA, TOTALING $10,545 IN LOBBYING EXPENDITURES

Part IV Supplemental Information *(continued)*

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
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

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

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

4 Describe in Part 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		1,984,110		1,984,110
b Buildings		32,319,584	22,269,394	10,050,190
c Leasehold improvements		3,135,617	1,686,067	1,449,550
d Equipment		44,694,452	36,975,236	7,719,216
e Other		1,923,315	975,342	947,973
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				22,151,039

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	0
EST MALPRACTICE CLAIMS	1,733,984
DUE TO 3RD PARTIES	775,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	2,508,984

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	79,026,906
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	3,183,401		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-8,895,527		
e	Add lines **2a** through **2d**			2e	-5,712,126
3	Subtract line **2e** from line **1**			3	84,739,032
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	-303,443		
c	Add lines **4a** and **4b**			4c	-303,443
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	84,435,589

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	71,889,375
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	347,575		
e	Add lines **2a** through **2d**			2e	347,575
3	Subtract line **2e** from line **1**			3	71,541,800
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	260,837		
b	Other (Describe in Part XIII)	4b	8,549,900		
c	Add lines **4a** and **4b**			4c	8,810,737
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	80,352,537

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
SCHEDULE D, PART X, LINE 2	UNCERTAIN TAX POSITIONS MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS
SCHEDULE D, PART XI, LINE 2D	AMOUNTS INCLUDED ON LINE 1 BUT NOT ON FORM 990, PART VIII, LINE 12 $(8,549,900) BAD DEBT EXPENSE (260,837) INVESTMENT MANAGEMENT FEES (157,022) CHANGE IN DEFINED BENEFIT PENSION PLAN 44,134 NET ASSETS RELEASED FROM RESTRICTION 28,098 TRANSFER FROM AFFILIATE ---------- $(8,895,527)
SCHEDULE D, PART XI, LINE 4B	AMOUNTS INCLUDED ON FORM 990, PART VIII, LINE 12, BUT NOT ON LINE 1 $(347,575) RENTAL EXPENSES 44,132 TEMPORARILY RESTRICTED CONTRIBUTIONS ---------- $(303,443)
SCHEDULE D, PART XII, LINE 2D	AMOUNTS INCLUDED ON LINE 1 BUT NOT ON FORM 990, PART IX, LINE 25 $ 347,575 RENTAL EXPENSES
SCHEDULE D, PART XII, LINE 4B	AMOUNTS INCLUDED ON FORM 990, PART IX, LINE 25, BUT NOT ON LINE 1 $ 8,549,900 BAD DEBT EXPENSE

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
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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 ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	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)			443,868		443,868	0 620 %
b Medicaid (from Worksheet 3, column a)			9,379,434	6,047,113	3,332,321	4 640 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			9,823,302	6,047,113	3,776,189	5 260 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	21	23,588	192,137	7,960	184,177	0 260 %
f Health professions education (from Worksheet 5)			399,185		399,185	0 560 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,286,154		1,286,154	1 790 %
j **Total.** Other Benefits	21	23,588	1,877,476	7,960	1,869,516	2 610 %
k **Total.** Add lines 7d and 7j	21	23,588	11,700,778	6,055,073	5,645,705	7 870 %

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	2		76,980		76,980	0 110 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1	136	9,965		9,965	0 010 %
7	Community health improvement advocacy						
8	Workforce development	3	118	2,596		2,596	
9	Other						
10	**Total**	6	254	89,541		89,541	0 120 %

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	8,549,900		
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	2,638,499		
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	28,265,802
6	Enter Medicare allowable costs of care relating to payments on line 5	6	26,569,991
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	1,695,811
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 WAYNE MEMORIAL 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**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW WMH ORG			
b	☐ Other website (list url)			
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**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	11		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used			
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		No
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		No
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
SCHEDULE H, PART I, LINE 7I	CONTRIBUTIONS TO THE COMMUNITY THE HOSPITAL SUBSIDIZED BOTH IN & OUT OF SCOPE (NON PRIMARY CARE SERVICES - PEDIATRICS, SURGEONS AND SPECIALIST) SERVICES OF WAYNE MEMORIAL COMMUNITY HEALTH CENTERS (WMCHC) WITH A CASH CONTRIBUTION OF $1,286,154 WMCHC'S SURGEONS AND SPECIALIST PROVIDE INPATIENT AND OUTPATIENT CARE AT WAYNE MEMORIAL HOSPITAL AS WELL AS SERVICES OUT OF THEIR HEALTH CENTER OFFICES WMCHC PEDIATRIC PRACTITIONERS PROVIDE INPATIENT AND OUTPATIENT CARE AT WAYNE MEMORIAL HOSPITAL AND OUTPATIENT SERVICES IN THE HONESDALE AND CARBONDALE AREA WMCHC WOULD NOT BE ABLE TO PROVIDE THESE SERVICES AND THEY WOULD NOT BE AVAILABLE IN THE COMMUNITY WITHOUT THE SUBSIDY

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7, COLUMN F	PERCENT OF TOTAL EXPENSE TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR WHICH EQUALS TOTAL EXPENSES PER PART IX, LINE 25, OF THE FORM 990 WAS REDUCED BY BAD DEBT EXPENSE THE AMOUNT OF BAD DEBT EXPENSE THAT WAS REMOVED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN SCHEDULE H, PART I, LINE 7, COLUMN (F) WAS $ 8,549,900

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7	COSTING METHODOLOGY THE COST TO CHARGE RATIO CALCULATED ON IRS WORKSHEET 2 WAS USED IN THE CALCULATION OF COST ON IRS WORKSHEETS 1 AND 3

Form and Line Reference	Explanation
SCHEDULE H, PART II	COMMUNITY BUILDING ACTIVITIES WAYNE MEMORIAL HOSPITAL AND ITS AFFILIATES PROMOTE THE HEAL TH OF THE COMMUNITIES IT SERVES THROUGH A VARIETY OF COMMUNITY BUILDING ACTIVITIES THE RA TIONALE, PROGRAM METHODOLOGY AND IMPLEMENTATION FOR THE FOLLOWING PROGRAM IS TYPICAL OF TH E OTHER PROGRAMS DESCRIBED HEREIN AND SHOULD SERVE AS THE MODEL FOR THOSE OTHER PROGRAMS I N ADDRESSING THE REQUIREMENTS OF THIS SECTION OF THE FORM THE IN-SCHOOL WALKING PROGRAM I S A PARTNERSHIP OF WAYNE MEMORIAL HOSPITAL WITH THE WAYNE HIGHLANDS, WALLENPAUPACK AREA, F OREST CITY REGIONAL, AND WESTERN WAYNE SCHOOL DISTRICTS IN THE WMH SERVICE AREA WMH PROVI DES LEADERSHIP, DIRECTION AND FACILITATION FOR THE PROGRAM THAT RUNS MONDAY THROUGH THURSD AY, FROM 6PM TO 8 PM, WHENEVER THE SCHOOLS ARE IN SESSION - HEALTH PROBLEM-SEDENTARY LIFE STYLE OR LACK OF EXERCISE A SEDENTARY LIFESTYLE OR LACK OF EXERCISE HAS BEEN IDENTIFIED A S A LEADING RISK FACTOR BY THE CENTERS FOR DISEASE CONTROL (CDC) AND THE PENNSYLVANIA DEPA RTMENT OF HEALTH FOR OBESITY, HEART DISEASE, DIABETES, HYPERTENSION, AND A NUMBER OF OTHER CHRONIC DISEASES - NEED/PROBLEM IDENTIFICATION WMH'S TOGETHER FOR HEALTH (TFH) SCHOOL P ROGRAM WAS ESTABLISHED IN 1995, FOLLOWING A SERIES OF MEETINGS INVOLVING THE HOSPITAL, SCH OOL DISTRICTS AND OTHER AREA HEALTH AND HUMAN SERVICE PROVIDERS THE PROGRAM HAS BEEN RUN DURING THE FALL AND SPRING SEMESTERS SINCE THAT TIME AND RESULTS OF CLINICAL AND SELF- EVA LUATIONS OF THE STUDENTS PROVIDED THE IMPETUS FOR OTHER COMMUNITY BENEFIT ACTIVITIES, INCL UDING THE IN-SCHOOL WALKING PROGRAM THE TOGETHER FOR HEALTH PROGRAM ADDRESSES SCHOOL IDEN TIFIED NEEDS OF YOUTH THROUGH PROVIDING SCREENINGS, RISK ASSESSMENT, AND HANDS ON PROGRAMS THE PROGRAM OCCURS IN 3 SCHOOL DISTRICTS AND UTILIZING PARTNERSHIPS WITH COMMUNITY RESOU RCES DIRECT COMMUNITY BENEFIT IS THE DECISIONS OF YOUTH TO IMPROVE LIFESTYLE CHOICES AND ULTIMATELY, IMPROVING THE LONG RANGE COMMUNITY HEALTH STATUS FOR EXAMPLE, IN THE TOGETHER FOR HEALTH PROGRAM, DURING THE STUDENT EVALUATION OF THE WORKSHOP "MEET THE CLINICIAN" WI TH MONICA PEK MD, TO STATEMENT #1 "I WILL THINK ABOUT WHAT I CONSUME" - 93% ANSWERED YES A ND 7% ANSWERED NO, STATEMENT # 2 "I WILL STRIVE TO BE HEALTHIER" 96% ANSWERED YES AND 4% A NSWERED NO - IMPORTANCE OF THE HEALTH PROBLEM LACK OF EXERCISE HAS MANIFOLD NEGATIVE AFF ECTS ON INDIVIDUALS OF ALL AGES AND INCOME LEVELS RURAL, LOW INCOME, ELDERLY AND INDIVIDU ALS WITH DISABILITIES ARE PARTICULARLY VULNERABLE COMMUNITY MEMBERS WHOSE STATUS LEADS TO POOR ACCESS, AND POOR MOTIVATIONAL DRIVE TO ACCESS, LIMITED RESOURCES TO ADDRESS THIS ISSU E MAKING SAFE, ACCESSIBLE AREAS FOR WALKING IN LARGE, PROTECTED BUILDINGS WHEN THEY ARE N OT IN USE, LED TO THE CONCEPT OF WALKING IN THE SCHOOLS PROVIDING A SAFE ATMOSPHERE WITHI N THE SCHOOLS LOCATED NEAR WHERE THEY LIVE HAS ASSISTED MORE THAN 500 PEOPLE THIS YEAR - ACTIVITY IMPACT PARTICIPANT RESPONSES TO THE PROGRAM INDICATE THAT IT HAS HELPED THEM FEE L BETTER, LOSE WEIGHT, ENJOY FELLOWSHIP WITH PAST AND NEW FRIENDS, AND GIVEN THEM ENERGY, BETTER HEALTH AND A BETTER SELF IMAGE THAN PRIOR TO THEIR PARTICIPATION - COMMUNITY BENEF IT ENHANCING PUBLIC HEALTH, ADVANCING WELL BEING KNOWLEDGE AND, ULTIMATELY, RELIEF OF THE GOVERNMENTAL BURDEN OF CARING FOR THOSE INDIVIDUALS INVOLVED WHOSE SEDENTARY AND CARELESS LIFESTYLES WOULD OTHERWISE INHIBIT GOOD HEALTH ARE THE PRINCIPAL BENEFITS OF THE PROGRAM THE PROGRAM IS OPEN TO ANY MEMBERS OF THE COMMUNITY WHO WISH TO PARTICIPATE - PURPOSE T HE PURPOSE OF THE PROGRAM IS EXCLUSIVELY FOR THE BENEFIT OF THE INDIVIDUALS PARTICIPATING, WITH THE INCUMBENT BENEFIT OF IMPROVING THE HEALTH STATUS OF THE COMMUNITY - SUPPORT TH ERE ARE A NUMBER WAYS IN WHICH THE COMMUNITY SUPPORTS THE DESCRIBED PROGRAMS THE LOCAL RA DIO STATION PROVIDES PUBLIC SERVICE ANNOUNCEMENTS FREE OF CHARGE TO LET THE PUBLIC KNOW HO W THEY CAN PARTICIPATE THE RADIO STATION NOW AIRES ON 2 STATIONS AND HAS A WEB POD AVAILA BLE 24 HOURS A DAY FLYERS ARE DISTRIBUTED THROUGH THE WAYNE/PIKE STATE HEALTH IMPROVEMENT PLAN (SHIP) PARTNERSHIP MEMBER BUSINESSES, ORGANIZATIONS, SCHOOLS, DOCTOR'S OFFICES, AND OTHERS FURTHER, THE WAYNE MEMORIAL HOSPITAL COMMUNITY HEALTH DEPARTMENT HAS RESPONDED TO OPPORTUNITIES FOR INVOLVEMENT IN COMMUNITY BENEFIT INITIATIVES BY ENTHUSIASTICALLY DEDICAT ING THEIR TIME, EXPERTISE AND RESOURCES THE PREVENTION INITIATIVE IS THE PENNSYLVANIA STA TE HEALTH IMPROVEMENT PLAN(SHIP) PARTNERSHIP FOR WAYNE AND PIKE COUNTIES IT IS COMPRISED OF GREATER THAN 300 ORGANIZATIONS, BUSINESS, CONCERNED PEOPLE THAT MEET TOGETHER TO IDENTI FY NEEDS, REVIEW AVAILABLE RESOURCES AND BECOME THE CATALYST FOR CHANGE ACCOMPLISHING A HE ALTHIER COMMUNITY AND REDUCING THE BURDEN ON MANY GOVERNMENT ENTITIES RACHEL'S CHALLENGE DURING THE FALL OF 2013, MORE THAN 11,000 PEOPLE FROM WAYNE COUNTY AND SURROUNDINGS DIREC TLY PARTICIPATED IN A NATIONALLY RECOGNIZED SOCIAL INITIATIVE - RACHEL'S CHALLENGE WMH FA CILITATED A RACHEL'S CHALLENGE PROFESSIONAL WORKSH

Form and Line Reference	Explanation
SCHEDULE H, PART II	OP AND COORDINATED PROGRAMS FOR FOREST CITY REGIONAL, WALLENPAUPACK AREA, WAYNE HIGHLAND, AND WESTERN WAYNE SCHOOL DISTRICTS THROUGHOUT THE REMAINDER OF 2013 AND 2014, WMH PARTICI PATED IN MANY ACTS OF KINDNESS DONE IN THE "SPIRIT OF RACHEL'S CHALLENGE" IMPACTING OUR CO MMUNITY IN MOST POSITIVE AND POIGNANT WAYS WMH ACCOMPLISHED THIS THROUGH NETWORKING WITH FELLOW COMMUNITY PARTNERS IN THE PENNSYLVANIA STATE HEALTH IMPROVEMENT PLAN PARTNERSHIP (S HIP) AND THROUGH RADIO ADS AND A RADIO SHOW, HOSPITAL AND BUSINESS LOBBY DISPLAYS, PROVISI ON OF SPACE FOR PRESENTATIONS AND ADMINISTRATIVE SUPPORT WMH ALSO ASSISTED WITH FINANCIAL SUPPORT, PROVIDED PROGRAM/SUPPORT STAFF AND SUPPLIES FOR MANY ACTIVITIES, SUCH AS THE GO ORANGE RACHEL'S CHALLENGE RECOMMITMENT DAY IN MARCH OF 2014

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION A, LINE 2	BAD DEBT EXPENSE THE BAD DEBT COST ENTERED ON LINE 2, PART III OF SCHEDULE H WAS CALCULATED BY TAKING THE BAD DEBT EXPENSE SHOWN ON THE HOSPITAL'S FINANCIALS STATEMENTS ($8,549,900)

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION A, LINE 3	BAD DEBT EXPENSE ATTRIBUTABLE TO CHARITY CARE THE HOSPITAL DOES NOT TRACK BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IF THIS HOSPITAL IS AWARE OR BECOMES AWARE OF A PATIENT'S ELIGIBILITY FOR CHARITY CARE THEN BAD DEBT EXPENSE WOULD NOT BE RECORDED FOR SUCH A PATIENT CHARITY CARE WOULD BE RECORDED IF THAT PATIENT IS ELIGIBLE

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION A, LINE 4	BAD DEBT EXPENSE FOOTNOTE THE HOSPITAL'S FINANCIAL STATEMENTS DID NOT CONTAIN A FOOTNOTE THAT DESCRIBED BAD DEBT EXPENSE THE HOSPITAL RECORDS BAD DEBT EXPENSE AS THE BALANCE WRITTEN OFF ON A GIVEN ACCOUNT IF THERE ARE NO PAYMENTS OR ADJUSTMENTS ON THE ACCOUNT THE AMOUNT WRITTEN OFF WOULD REPRESENT THE AMOUNT CHARGED FOR SERVICES IF THERE ARE PAYMENTS AND/OR ADJUSTMENTS THEN THE AMOUNT WRITTEN OFF WOULD BE THE NET BALANCE OF THE ACCOUNT THE ADJUSTMENTS ON THE ACCOUNT WOULD BE FOR CONTRACTUAL ADJUSTMENTS WITH THIRD PARTIES INCLUDING MEDICARE, MEDICAID AND COMMERCIAL INSURERS AS WELL AS ANY OTHER DISCOUNT AVAILABLE TO ALL PATIENTS ACCOUNTS ARE WRITTEN OFF WHEN THEY ARE DETERMINED TO BE UNCOLLECTIBLE BASED UPON MANAGEMENT'S ASSESSMENT OF INDIVIDUAL ACCOUNTS THE ALLOWANCE OF DOUBTFUL COLLECTIONS IS ESTIMATED BASED UPON A PERIODIC REVIEW OF THE ACCOUNTS RECEIVABLE AGING, PAYER CLASSIFICATIONS AND APPLICATION OF HISTORICAL WRITE-OFF PERCENTAGES

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION B, LINE 8	COMMUNITY BENEFIT THE HOSPITAL BECAME A SOLE COMMUNITY HOSPITAL (SCH) EFFECTIVE DECEMBER 8, 2013 PRIOR TO THAT THE HOSPITAL WAS MEDICARE DEPENDENT HOSPITAL (MDH) A MDH MUST HAVE 60% OF ITS INPATIENT DAYS OR ADMISSIONS ATTRIBUTABLE TO ITS MEDICARE PATIENTS IN 2 OUT OF 3 OF ITS MOST RECENT FISCAL YEARS MDH IS PAID SIMILARLY TO A SOLE COMMUNITY HOSPITAL BUT AT A LESSER RATE A MDH IS PAID THE GREATER OF THE FEDERAL INPATIENT PROSPECTIVE PAYMENT SYSTEM (IPPS) RATES OR 75% OF THE DIFFERENCE BETWEEN THE HOSPITAL SPECIFIC COST FOR A BASE PERIOD ROLLED FORWARD FOR MARKET BASKET INCREASES FROM THE BASE PERIOD AND THE IPPS RATES A SCH RECEIVES 100% OF THE HOSPITAL SPECIFIC COST ROLLED FORWARD FOR FUTURE PERIODS BY MARKET BASKET INCREASES DETERMINED BY THE MEDICARE PROGRAM

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION C, LINE 9B	COLLECTION POLICY THE WRITTEN HOSPITAL COLLECTION POLICY CONTAINS PROVISION FOR FINANCIAL COUNSELING FOR PATIENT INCLUDING APPLYING TO INSURANCE AVAILABLE SUCH AS BLUE CHIP OR ADULT BASIC ASSISTANCE WILL ALSO BE PROVIDED TO HELP PATIENT WITH MEDICAL ASSISTANCE APPLICATIONS AND CHARITY CARE APPLICATIONS CHARITY CARE APPLICANTS ARE URGED TO APPLY FOR MEDICAL ASSISTANCE BUT IT IS NOT A REQUIREMENT QUALIFICATION FOR CHARITY CARE IS BASED ON 200 % OF THE CURRENT FEDERAL POVERTY GUIDELINES THE PATIENT ACCOUNTS MANAGER REVIEWS THE APPLICATIONS AND NOTIFIES THE APPLICANT WHETHER THEIR APPLICATION HAS BEEN APPROVED THOSE PATIENTS QUALIFYING FOR CHARITY CARE HAVE THEIR PATIENT ACCOUNT BALANCES WRITTEN OFF COMPLETELY IF A PATIENT HAS FUTURE BILLS THEY ARE REVIEWED AND IF FINANCIAL INFORMATION IS STILL CURRENT THEY ARE ALSO WRITTEN OFF IF THE PATIENT HAS A FUTURE BILL AND THE FINANCIAL INFORMATION IS NOT CURRENT WE REQUEST THE CURRENT INFORMATION SO WE CAN REVIEW FOR CHARITY CARE

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 2	NEEDS ASSESSMENT THE COMMUNITY NEEDS ASSESSMENT METHODOLOGY THAT WAYNE MEMORIAL HOSPITAL USED RELATED TO THE TIME FRAME 7/1/2012 - 6/30/2013 FOLLOWED A MODEL THAT INVOLVED CONTRACTING WITH AN OUTSIDE ORGANIZATION, A CONSULTING FIRM, TO CONDUCT THE STUDY THIS ASSESSMENT CONFORMS TO THE IRS REQUIREMENT THAT NONPROFIT HOSPITALS MUST COMPLETE A COMMUNITY NEEDS ASSESSMENT EVERY THREE YEARS WAYNE MEMORIAL HOSPITAL BEGAN A NEW COMPLIANT NEEDS ASSESSMENT IN DECEMBER 2012 AND COMPLETED IT IN JUNE OF 2013 - BACKGROUND IN THE FALL OF 2012, UNDER THE GUIDANCE OF WAYNE MEMORIAL HOSPITAL, A GROUP OF INDIVIDUALS REPRESENTING VARIOUS HEALTH CARE AND HUMAN SERVICE PROVIDERS IN WAYNE AND PIKE COUNTIES, PA AND THE COMMUNITY OF CARBONDALE IN LACKAWANNA COUNTY, PA MET TO CONSIDER A PLAN TO PRODUCE A COMPREHENSIVE NEEDS AND RESOURCE ASSESSMENT FOR THE AREA THE PRODUCT WOULD BENEFIT HEALTH CARE AND HUMAN SERVICE PROVIDER ORGANIZATIONS/AGENCIES AND LOCAL GOVERNMENTS IN PIKE AND WAYNE COUNTIES IN TERMS OF ORGANIZATIONAL POLICY CONSIDERATIONS AND IN PREPARATION OF FUNDING PROPOSALS TO GOVERNMENTAL AND PRIVATE FUNDERS AS A RESULT OF THAT ORIGINAL MEETING, A COMMUNITY NEEDS ASSESSMENT STEERING COMMITTEE WAS STARTED AS AN INDEPENDENT GRASS ROOTS COLLABORATION OF COMMUNITY ACTIVISTS, HEALTH CARE PROVIDERS AND EDUCATORS THAT BEGAN REGULAR MEETINGS TO COMPOSE A REQUEST FOR PROPOSALS (RFP) TO ACCOMPLISH THE ASSESSMENT THE COMMITTEE INCLUDED REPRESENTATIVES FROM WAYNE MEMORIAL HOSPITAL (WMH), WAYNE MEMORIAL COMMUNITY HEALTH CENTERS, THE CARBONDALE AREA, WAYNE AND PIKE COUNTY GOVERNMENTS, PPL, INC , THE PIKE INTERAGENCY COUNCIL AND AREA SCHOOL DISTRICTS AN RFP WAS CREATED AND SENT TO QUALIFIED REGIONAL CONSULTING FIRMS TO COMPLETE A COMMUNITY HEALTH AND HUMAN SERVICES NEEDS AND RESOURCES ASSESSMENT FOR THE COUNTIES OF PIKE AND WAYNE AND THE COMMUNITY OF CARBONDALE IN LACKAWANNA AND SURROUNDING AREAS IN NORTHEASTERN PENNSYLVANIA - THE ASSESSMENT IN JANUARY 2013, A FIRM WAS CHOSEN, HMS ASSOCIATES OF GETZVILLE, NY, THAT HAD PERFORMED A SIMILAR HEALTH NEEDS ASSESSMENT FOR WAYNE AND PIKE IN 2009 AND ANOTHER SIMILAR ASSESSMENT FOR PIKE COUNTY IN 2004 FROM FEBRUARY THROUGH JUNE 2013 THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WAS PERFORMED INVOLVING STATISTICAL DATA COLLECTION FROM SOURCES IN PENNSYLVANIA, NEW YORK AND NEW JERSEY WAS CONSIDERED ALONG WITH COMMUNITY PERCEPTIONS AND LOCAL EXPERT OPINIONS GATHERED THROUGH NUMEROUS FOCUS GROUPS, ONE-ON-ONE INTERVIEWS AND AN IN-DEPTH ONLINE COMMUNITY SURVEY DEVELOPED BY HMS - GEOGRAPHIC AREA ASSESSED THE AREA ASSESSED WERE THE COUNTIES OF WAYNE AND PIKE, PA AND THE COMMUNITY OF CARBONDALE AND ITS SURROUNDINGS IN LACKAWANNA AND PORTIONS OF SUSQUEHANNA COUNTY, PA - HOW FREQUENTLY THE ASSESSMENT IS CONDUCTED THE FIRST INCIDENCE OF A NEEDS ASSESSMENT OF THIS DEPTH FOR THE HOSPITAL'S SERVICE AREA WAS THE ONE PERFORMED IN 2009, REFERRED TO IN THE ASSESSMENT ABOVE PRIOR TO THAT, CHNAS WERE PERFORMED INTERNALLY APPROXIMATELY EVERY THREE YEARS UNDER THE DIRECTION OF THE WAYNE MEMORIAL HOSPITAL COMMUNITY ADVISORY BOARD STARTING IN 1996 IT IS THE INTENTION OF WAYNE MEMORIAL TO FULFILL THE REQUIREMENT OF THE IRS COMMUNITY BENEFIT MANDATE TO PERFORM A SIMILAR NEEDS ASSESSMENT TO THE 2009 STUDY EVERY THREE YEARS - PROCESS FOR PRIORITIZING NEEDS AN IN-DEPTH ANALYSIS WAS MADE OF ALL COLLECTED DATA, WHICH WAS WEIGHTED THROUGH A FORMULA DEVELOPED THAT JUXTAPOSED DATA COLLECTED FOLLOWING MASLOW'S HIERARCHY OF NEEDS AND EMPIRICAL EMPHASIS IDENTIFIED BY EXPERTS AND PROVIDERS INVOLVED IN THE STUDY THIS FORMULA WAS USED TO ESTABLISH A FINAL ACTIONABLE LIST OF THE HIGHEST PRIORITY HEALTH SERVICE NEEDS FOR THE TWO-COUNTY REGION THOSE PRIORITY ITEMS WERE ANALYZED AND PRIORITIZED BY THE HOSPITAL'S STRATEGY COMMITTEE AND AN IMPLEMENTATION PLAN WAS DEVELOPED BY THE COMMITTEE AND ULTIMATELY APPROVED BY THE WAYNE MEMORIAL HOSPITAL BOARD OF TRUSTEES IN OCTOBER 2013 (THE EXTENDED DEADLINE APPROVED BY THE IRS FOR THIS YEAR'S CHNA IMPLEMENTATION PLAN) THE TOP IDENTIFIED NEEDS WERE 1 MENTAL HEALTH AND SUBSTANCE ABUSE 2 CHRONIC DISEASES 3 NEWBORN HEALTH 4 PREVENTABLE INPATIENT CARE 5 IMPROVED ACCESS TO PHYSICIAN SPECIALISTS 6 TRANSPORTATION 7 TRANSLATION 8 COUNSELING 9 HELP UNDERSTANDING MEDICAL CARE AND ACCESS 10 SUPPORT GROUPS - AVAILABILITY OF THE ASSESSMENT TO THE COMMUNITY THE FINAL ASSESSMENT PRODUCT WAS MADE AVAILABLE TO THE GENERAL PUBLIC VIA WAYNE MEMORIAL HOSPITAL'S WEB SITE AND INCLUDES A 21 PAGE CHNA EXECUTIVE SUMMARY AND AN 89 PAGE CHNA USER GUIDE THAT CAN BE PRINTED THE USER GUIDE INCLUDES THE DETAILED RESULTS OF THE ONLINE COMMUNITY SURVEY PERFORMED AS PART OF THE STUDY

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE THE HOSPITAL EDUCATES AND INFORMS 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 HOSPITAL'S CHARITY CARE POLICY THROUGH ITS SCHEDULING, REGISTRATION, SOCIAL SERVICES AND BILLING DEPARTMENTS ITS PATIENTS AND PERSONS WHO MAY BE BILLED FOR PATIENT CARE ARE ALSO MADE AWARE OF THEIR ELIGIBILITY THROUGH WMCHC A CLINICAL AFFILIATE OF THE HOSPITAL WHO RECEIVES SUBSTANTIAL FINANCIAL SUPPORT FROM THE HOSPITAL AND IS A FEDERALLY QUALIFIED HEALTH CENTER FEDERALLY QUALIFIED HEALTH CENTERS IMPROVE THE HEALTH OF THE NATION'S UNDERSERVED COMMUNITIES AND VULNERABLE POPULATIONS BY ASSURING ACCESS TO COMPREHENSIVE, CULTURALLY COMPETENT, QUALITY PRIMARY HEALTH CARE SERVICES HEALTH CENTER PROGRAM GRANTS SUPPORT A VARIETY OF COMMUNITY-BASED AND PATIENT-DIRECTED HEALTH CARE SERVICES, PRINCIPALLY TO AN INCREASING NUMBER OF THE NATION'S UNDERSERVED WMCHC RECEIVED AN ANNUAL BASE GRANT OF $835,179 TO PROVIDE SERVICES TO THE AREA'S UNINSURED AND UNDERINSURED POPULATIONS IN FY 2014, WMCHC RECEIVED ADDITIONAL FUNDING IN THE AMOUNT OF $63,270 FROM THE MEDICAL HOME GRANT, $1,275,559 OF CAPITAL GRANT FUNDING, $65,830 FOR OUTREACH AND ENROLLMENT AND $146,326 IN OTHER GRANTS THE HOSPITAL GAVE THE FQHC $560,237 TO SUPPORT IN SCOPE ACTIVITIES, $652,636 TO SUPPORT OUT OF SCOPE ACTIVITIES AND $73,282 FOR CAPITAL PROJECTS PRIMARY CARE SERVICES ARE CONSIDERED IN SCOPE AND NON PRIMARY CARE SERVICES ARE CONSIDERED OUT OF SCOPE PATIENTS AND OTHERS ARE MADE AWARE OF THE PROGRAMS AVAILABLE ANYTIME FROM THE SCHEDULING OF AN APPOINTMENT TO FINAL DISPOSITION OF THEIR BILL IF THERE IS ANY INDICATION OF THE NEED OR REQUEST FOR HELP IN PAYING FOR SERVICES BEING SCHEDULED, PROVIDED OR BILLED FOR WAYNE MEMORIAL IS THE LEAD AGENT FOR THE PENNSYLVANIA STATE HEALTH IMPROVEMENT PLAN PARTNERSHIP FOR WAYNE AND PIKE COUNTIES WITH ABOUT 300 MEMBERS THIS NETWORKING PARTNERSHIP PROVIDES A MODALITY TO ASSIST THE LOW INCOME AND THE UNINSURED THE TOGETHER FOR HEALTH PROGRAM RUN BY THE HOSPITAL FOR 700 SEVENTH GRADERS AND 700 ELEVENTH GRADERS PROVIDES SCREENINGS FOR ANEMIA, LEUKEMIA, DIABETES, HYPERTENSION, ELEVATED BMI, MENTAL ILLNESS, ELEVATED CHOLESTEROL, ETC EDUCATIONAL WRITTEN MATERIALS, LIFESTYLE TOOLS AND PROFESSIONAL PRESENTATION ARE PROVIDED STUDENTS PARTICIPATE IN THE PROGRAM FOR ABOUT 6 HOURS THE STUDENTS THAT DO NOT HAVE A PRIMARY CARE PROVIDER ARE TOLD ABOUT THE LOCAL FEDERALLY QUALIFIED HEALTH CARE CENTERS (WMCHC) THAT PROVIDES PRIMARY CARE, BEHAVIORAL HEALTH AND DENTAL SERVICES A COPY OF OUR COLLECTION POLICY, CHARITY CARE APPLICATION AND "DOES WAYNE MEMORIAL PARTICIPATE WITH MY INSURANCE?" IS MADE AVAILABLE AT MANY LOCATIONS HEALTH AND HUMAN SERVICES AGENCIES ARE MADE AWARE OF THE WAYNE MEMORIAL COLLECTION POLICY, CHARITY CARE APPLICATION PROCESS AND KEPT INFORMED OF INSURANCE PARTICIPATION THROUGH A WELL-ESTABLISHED NETWORK THIS INCLUDES BUT IS NOT LIMITED TO A DISCUSSION AND WRITTEN MATERIAL AT COUNTY INTERAGENCY MEETING, SHIP PARTNERSHIP DISTRIBUTION LIST, LOBBY DISPLAYS, PHYSICIAN PRACTICES NETWORK MEETINGS, "HEALTHWORKS" A 15 MINUTE WEEKLY RADIO SHOW, TO NAME A FEW IN THE EVENT OF A LANGUAGE BARRIER IT IS THE POLICY OF WAYNE MEMORIAL HOSPITAL TO OBTAIN ASSISTANCE FOR NON-ENGLISH SPEAKING PATIENTS AND/OR THOSE WITH A LANGUAGE BARRIER AN AUXILIARY AID OR INDIVIDUAL CERTIFIED IN SIGN LANGUAGE OR TRANSLATION WILL BE PROVIDED AT THE REQUEST OF THE PATIENT, OR PATIENT'S AUTHORIZED REPRESENTATIVE, OR AS OTHERWISE DETERMINED TO BE NECESSARY

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 4	COMMUNITY INFORMATION THE PRIMARY SERVICE AREA OF WAYNE MEMORIAL HOSPITAL INCLUDES ALL OF WAYNE COUNTY, PENNSYLVANIA AND ALL OF WESTERN, NORTHERN AND PORTIONS OF EASTERN AND SOUTH ERN PIKE COUNTY, PA, THE SOUTHEASTERN PORTION OF SUSQUEHANNA COUNTY, PA, THE COMMUNITY OF CARBONDALE AND ITS IMMEDIATELY SURROUNDING COMMUNITIES IN LACKAWANNA COUNTY, PA, AND THE S OUTHWESTERN PORTION OF WESTERN SULLIVAN COUNTY, NEW YORK THE SECONDARY SERVICE AREA INCLU DES THE BALANCE OF PIKE COUNTY AND EASTERN PORTIONS OF LACKAWANNA AND SUSQUEHANNA AND NORT HERN MONROE COUNTY IN PENNSYLVANIA ALTHOUGH SOME PORTIONS OF PIKE COUNTY THAT ARE INCLUDE D IN THE NEWBURGH, NY MSA (METROPOLITAN STATISTICAL AREA) AND ALL OF LACKAWANNA COUNTY, WH ICH ARE CLASSIFIED AS URBAN, THE WMH SERVICE AREA IS PREDOMINANTLY RURAL - SERVICE AREA C ONGRESSIONAL DISTRICTS THE CONGRESSIONAL DISTRICTS INCLUDED IN THE WMH SERVICE AREA ARE P A-10 AND NY-22 (UPDATED 2012) SERVICE AREA CENSUS TRACTS THE CENSUS TRACTS INCLUDED IN T HE WMH SERVICE AREA ARE THE FOLLOWING 9502, 9523, 9524, 9601, 9602, 9603, 9604, 9605, 960 6, 9607, 9608, 9609, 9610, 9611, 9612, 9613, 9614, 1101, 1106, 1107, 1108, AND 1109 (UPDA TED 2012) SERVICE AREA ZIP CODES THE ZIP CODES INCLUDED IN THE WMH SERVICE AREA ARE THE F OLLOWING 12723, 12741, 12748, 12764, 18324, 18328, 18336, 18337, 18403, 18405, 18407, 184 13, 18414, 18415, 18417, 18421, 18425, 18426, 18427, 18428, 18431, 18433, 18436, 18437, 18 439, 18443, 18444, 18445, 18453, 18455, 18461, 18462, 18463, 18470, 18472, - HOSPITALS I N SERVICE AREA THE ONLY HOSPITAL IN WAYNE CO , PA IS WAYNE MEMORIAL HOSPITAL, A NONPROFIT ACUTE CARE COMMUNITY-BASED HOSPITAL, THERE IS NO HOSPITAL LOCATED IN PIKE COUNTY, PA, THE ONLY HOSPITAL IN THE PORTION OF MONROE CO , PA THAT IS PART OF WMH'S SERVICE AREA IS POCO NO MEDICAL CENTER, A NONPROFIT ACUTE CARE HOSPITAL, THE ONLY HOSPITAL IN THE PORTION OF LA CKAWANNA CO , PA THAT IS PART OF WMH'S SERVICE AREA WAS MARION COMMUNITY HOSPITAL, A CRITI CAL ACCESS HOSPITAL THAT CLOSED ITS DOORS ON FEBRUARY 28, 2012, THERE ARE NO HOSPITALS IN THE PORTIONS OF SULLIVAN CO , NY OR SUSQUEHANNA COUNTY, PA THAT ARE PARTS OF WMH'S SERVICE AREA - MEDICALLY UNDERSERVED AREAS FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS (MU AS) IN THE WMH SERVICE AREA INCLUDE THE FOLLOWING LACKAWANNA CO , MUA - 8 CENSUS TRACTS, MONROE CO , STROUDSBURG - LOW INCOME MUP, PIKE CO - GREENE SERVICE AREA, MUA, WAYNE CO - DAMASCUS SERVICE AREA MUA, SULLIVAN CO , NY - 3 LOW INCOME MUPS HEALTH PROFESSIONAL SHOR TAGE AREAS (HPSAS) INCLUDE LACKAWANNA - 4 SERVICE AREAS, PIKE -4 SERVICE AREAS, SUSQUEHANN A - 8 SERVICE AREAS, WAYNE - 10 SHORTAGE AREAS - COMMUNITY DEMOGRAPHICS BESIDES THE INCR EASE IN WMH'S SERVICE AREA CAUSED BY THE AFOREMENTIONED CLOSURE OF MARION COMMUNITY HOSPIT AL IN CARBONDALE, THE CONTINUED RATE OF RAPID GROWTH OF THE POPULATION OVER THE PAST DECAD E IS ONE OF THE MOST SIGNIFICANT ASPECTS OF THE WMH SERVICE AREA THE MOST RECENT POPULATI ON ESTIMATE PROVIDED BELOW FOR THE 2013, HOWEVER, SHOWS A REVERSAL OF THE DECADES-LONG GRO WTH FOR PIKE COUNTY THE TARGET POPULATION FOR WMH AND WMCHC SERVICES IS COMPRISED OF PRED OMINANTLY LOW INCOME, DISPROPORTIONATELY ELDERLY, MOBILITY/TRANSPORTATION CHALLENGED, OFTE N SIGNIFICANTLY OVERWEIGHT AND PRONE TO REFRAIN FROM HEALTH-RELATED PHYSICAL ACTIVITIES T HEY ARE FREQUENTLY UNMOTIVATED TO TAKE RESPONSIBILITY FOR THEIR HEALTH STATUS THE CORE OF THE HOSPITAL'S USERS CONSISTS IN LARGE PART OF RURAL LOW TO MODERATE INCOME RESIDENTS AN OTHER DOMINANT FACTOR OF SERVICE AREA DEMOGRAPHICS IS THE SIGNIFICANT IN-MIGRATION THAT WA YNE, AND ESPECIALLY PIKE, COUNTIES' POPULATIONS HAVE EXPERIENCED IN RECENT TIMES THE 2010 U S CENSUS SHOWED THAT THE AREA POPULATION INCREASED FOR THE SERVICE AREAS FROM THE 200 0 CENSUS PIKE SHOWED THE LARGEST GROWTH 23 9% TO 57,369, WAYNE GREW 10 7% TO 52,822, SUL LIVAN (NY) 4 9% TO 77,547, AND, LACKAWANNA 0 6% TO 214,437 2012 U S CENSUS BUREAU POPUL ATION ESTIMATES (THE MOST RECENT AVAILABLE FOR THE AREA) SHOWED A DROP IN POPULATION FOR T HE AREA, WITH THE EXCEPTION OF LACKAWANNA CO , WHICH REMAINED ESSENTIALLY STABLE LACKAWA NNA +0 1%, PIKE - 0 9%, SULLIVAN (NY) -1 0%, SUSQUEHANNA -1 6%, AND WAYNE -1 7% A SIGNIF ICANT NUMBER OF THE NEW RESIDENTS THAT ARRIVED IN THE 2000-2010 DECADE CAME WITHOUT ESTABL ISHED CARE PATTERNS THE TWO-HOUR PROXIMITY TO NEW YORK CITY ACCELERATED THIS MIGRATION AF TER THE TERRORIST ATTACKS OF 2001 THESE MIGRANTS, IN LARGE PART, CONSIST OF LOW INCOME, Y OUNG ADULTS AND FAMILIES SEEKING TO ESCAPE THE HIGH COST OF THE URBAN AREAS, ALONG WITH RE TIREES MOVING FOR THE SAME REASON THE RETIREES CONSIST OF BOTH MEDICARE AGE POPULATION AN D A SIGNIFICANT NUMBER OF 55 TO 65 YEAR OLD RETIREES WITHOUT THE BENEFIT OF CORPORATE RETI REMENT BENEFITS AND THEY OFTEN PRESENT SEEKING SLIDING FEE SCALE SERVICES BOTH MIGRANT GR OUPS REPRESENT A SIGNIFICANT NEED FOR THE COMMUNITY HAVING MOVED TO A DISTANT COMMUNITY, THESE PATIENTS OFTEN SEEK EPISODIC CARE AT VARIOUS

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 4	LOCATIONS AND ARE ABUSERS OF EMERGENCY ROOM SERVICES - RATES OF UNINSURED AND UNDERINSUR ED (NOTE SOME DATA SETS ARE NOT AVAILABLE IN THE 06-DEC-2012 OR 20133 SET THE DATA PROV IDED ARE FROM THE 2006-2008 AMERICAN COMMUNITY SURVEY 3-YEAR ESTIMATES SURVEY) ACCORDING TO THE U S CENSUS BUREAU, 2006-2008 ACS ESTIMATES, SERVICE AREA POPULATION OF UNINSURED NUMBERS IS 8,849, OR 8 0% OF THE POPULATION - PERCENT OF FAMILIES ON MEDICAID OR OTHER AS SISTANCE ACCORDING TO THE U S CENSUS BUREAU, 2006-2008 AMERICAN COMMUNITY SURVEY 3-YEAR ESTIMATES, THE NUMBER OF FAMILIES IN THE SERVICE AREA ON MEDICAID IS 16,639, OR 15 1% OF THE POPULATION - AGE BREAKDOWN AND RECENT TRENDS ACCORDING TO THE U S CENSUS BUREAU, 2 006-2008 AMERICAN COMMUNITY SURVEY 3-YEAR ESTIMATES, AGE BREAKDOWN OF THE SERVICE AREA POP ULATION IS AS FOLLOWS UNDER 5 YEARS OF AGE 4,954 OR 4 5% 5-17 YEARS 12,373 OR 11 2% 18-34 YEARS 18,070 OR 16 4% 35-64 YEARS 46,874 OR 42 5% 65 AND OLDER 27,297 OR 24 8% - PERCENTA GES OF NON-ENGLISH SPEAKING POPULATIONS ACCORDING TO THE U S CENSUS BUREAU AMERICAN COM MUNITY SURVEY, 06-DEC-2012, NON-ENGLISH SPEAKING POPULATIONS IN THE SERVICE AREA AVERAGE 6 9% OF THE TOTAL POPULATION - MAJOR HEALTH PROBLEMS AND HEALTH STATISTICS THE FOLLOWING SELECT HEALTH CAUSES OF DEATH AND STATISTICS ARE INDICATIVE OF MAJOR AREAS OF CONCERN FOR THE SERVICE AREA (ALL DERIVE FROM HEALTHY PEOPLE 2020 INITIATIVES, 2009 DATA SETS) (NOTE CARBONDALE DATA IS ENCOMPASSED IN LACKAWANNA COUNTY STATISTICS) CORONARY HEART DISEASE - (# OF DEATHS/100,000) PIKE - 116 3, WAYNE - 174 6, LACKAWANNA - 166 7, PA - 128 3, HP202 0 TARGET - 100 8 BREAST CANCER - (#OF DEATHS/100,000) PIKE - 21 2, WAYNE 27 7, LACKAWANNA - 21 6, PA 24 0, HP2020 TARGET - 20 6 PROSTATE CANCER - (# OF DEATHS/100,000) PIKE - 23 5, WAYNE - 29 3, LACKAWANNA - 24 0, PA - 21 0, HP 2020 TARGET - 21 2 UNINTENTIONAL INJURY - (# OF DEATHS/100,000) PIKE - 37 6, WAYNE 57 0, LACKAWANNA - 42 8, PA 39 2, HP2020 TARGET - 36 0 MOTOR VEHICLE CRASH - (# OF DEATHS/100,000) PIKE - 15 8, WAYNE - 26 9, LACKAWANNA - 14 8, PA - 12 2, HP 2020 TARGET - 10 2 SUICIDE - (# OF DEATHS /100,000) PIKE - 10 3, W AYNE - 16 3, LACKAWANNA - 14 8, PA - 12 2, HP 2020 TARGET - 10 2 YOUNG ADULT - (# OF DEATH S/100,000) PIKE - 192 8, WAYNE - 166 3, LACKAWANNA - 106 7, PA - 85 9, HP 2020 TARGET - 8 8 5 ALL CANCER - (# OF DEATHS/100,000) PIKE - 153 5, WAYNE - 197 2, LACKAWANNA - 195 4, P A - 184 0, HP 2020 TARGET - 160 6

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH THE MAJORITY OF MEMBERS OF THE WAYNE MEMORIAL HOSPITAL GOVERNING BOARD ARE INDEPENDENT BOARD MEMBERS, COMPRISED OF RESIDENTS OF THE ORGANIZATION'S PRIMARY SERVICE AREA OF WAYNE AND PIKE COUNTY, PENNSYLVANIA THERE ARE ONLY THREE OUT OF FOURTEEN BOARD MEMBERS THAT ARE EMPLOYEES OF THE HOSPITAL OR PROVIDE SERVICES OR MERCHANDISE TO THE HOSPITAL OR RELATED ENTITIES - THE WAYNE MEMORIAL HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY FOR ALL OF ITS DEPARTMENTS, WITH THE EXCEPTION OF ANESTHESIOLOGY, LABORATORY AND RADIOLOGY, AS SERVICES IN THESE DEPARTMENTS ARE PROVIDED ON AN EXCLUSIVE BASIS TO BENEFIT PATIENT CARE MEMBERS OF OUR MEDICAL STAFF ARE REQUIRED, WHILE PARTICIPATING AT THE HOSPITAL, TO TREAT ALL PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY OR THEIR INSURANCE STATUS - WAYNE MEMORIAL HOSPITAL UTILIZES ANY EXCESS FUNDS OVER EXPENSES TO IMPROVE PATIENT CARE, CONDUCT MEDICAL EDUCATION, OR SUPPORT OTHER NOT FOR PROFIT ORGANIZATIONS - WAYNE MEMORIAL HOSPITAL'S EMERGENCY DEPARTMENT SERVES ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY - THE HOSPITAL PARTICIPATES IN MEDICARE, MEDICAID, CHAMPUS, TRI-CARE AND OTHER GOVERNMENTAL SPONSORED HEALTHCARE PROGRAMS FURTHER, THE HOSPITAL HAS A CHARITY CARE POLICY, WHICH STRIVES TO QUALIFY THOSE PATIENTS FOR CHARITY CARE, WHO MEET CERTAIN INCOME LEVELS

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM THE HOSPITAL IS PART OF AN AFFILIATED HEALTH CARE SYSTEM UNDER COMMON GOVERNANCE AND CONTROL THAT INCLUDES THE HOSPITAL AND WAYNE MEMORIAL LONG TERM CARE WHICH OPERATES WAYNE WOODLANDS MANOR IT IS ALSO A CLINICAL AFFILIATE OF WAYNE MEMORIAL COMMUNITY HEALTH CENTERS (WMCHC) WHICH IT SUPPORTS CLINICALLY AND FINANCIALLY WAYNE WOODLANDS MANOR WAS OPENED IN 1994 AND HAS PROVIDED AND CONTINUES TO PROVIDE SERVICES PRIMARILY TO MEDICAID RECIPIENTS (OVER 75% OF ITS RESIDENTS) MOST COUNTIES IN PENNSYLVANIA HAVE COUNTY OWNED AND OPERATED NURSING HOMES THAT PROVIDE SERVICES TO THIS SEGMENT OF THEIR COUNTY POPULATION WAYNE COUNTY DOES NOT HAVE A "COUNTY" NURSING HOME THIS COMMUNITY NEED IS MET BY WAYNE MEMORIAL LONG TERM CARE BY ITS OPERATION OF WAYNE WOODLANDS MANOR THE HOSPITAL HAS SUPPORTED WMCHC WHICH SERVES A NUMBER OF MUA'S AND MUP'S THE HOSPITAL HAS FINANCED WMCHC WORKING CAPITAL NEEDS WITH A LINE OF CREDIT THAT WAS AND CONTINUES TO BE NECESSARY BECAUSE THE COMMONWEALTH OF PENNSYLVANIA'S MEDICAID PROGRAM DID NOT PAY ADEQUATELY (PRIOR TO NOVEMBER 2010) NOR MAKE TIMELY SETTLEMENTS FOR CARE PROVIDED IN ADDITION, THE WAYNE MEMORIAL HOSPITAL HAS AN AFFILIATION WITH THE COMMONWEALTH MEDICAL COLLEGE (SCRANTON, PA) FOR THE PROVISION OF CLINICAL EDUCATION EXPERIENCES AT THE HOSPITAL AND WITHIN THE COMMUNITY THE HOSPITAL CONSIDERS THIS A RESPONSIBILITY CONSISTENT WITH ITS MISSION TO BE INVOLVED IN EDUCATION WAYNE MEMORIAL HEALTH SYSTEM AND THE WAYNE MEMORIAL HOSPITAL PROVIDE SIGNIFICANT COMMUNITY BENEFITS IN TERMS OF NEEDED HEALTH CARE SERVICES, PROVIDING SERVICES REGARDLESS OF THE ABILITY TO PAY, CLINICAL EDUCATION, AND PROVIDING A VAST NETWORK OF PRIMARY CARE PHYSICIANS IN ITS SERVICE AREA

Additional Data

Software ID:
Software Version:
EIN: 24-0798839
Name: WAYNE MEMORIAL HOSPITAL

990 Schedule H, Supplemental Information

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
SCHEDULE H, PART V, SECTION B, LINE 3	
SCHEDULE H, PART V, LINE 6	IMPLEMENTATION STRATEGY IN RESPONSE TO THE RESULTS OF WAYNE MEMORIAL HOSPITAL'S MOST RECE NTLY CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT, THE ORGANIZATION ADOPTED AN IMPLEMENTATI ON STRATEGY THE IMPLEMENTATION STRATEGY IS ATTACHED
SCHEDULE H, PART V, SECTION B, LINE 7	ADDRESSING IDENTIFIED NEEDS ALTHOUGH WAYNE MEMORIAL HOSPITAL RECOGNIZES THE IMPORTANCE OF ALL THE NEEDS IDENTIFIED BY THE COMMUNITY, CERTAIN NEEDS ARE NOT WITHIN THE PURVIEW OF WM H AND ARE NOT ADDRESSED
SCHEDULE H, PART V, SECTION B, LINE 10	NO FPG DISCOUNT USED THE HOSPITAL DID NOT PROVIDE DISCOUNTED CARE AS IT ONLY PROVIDES FREE CARE AT THE 200% FPG LEVEL
SCHEDULE H, PART V, SECTION B, LINE 20D	MAXIMUM AMOUNTS CHARGED TO FAP-ELIGIBLE INDIVIDUALS AS THE ORGANIZATION ONLY OFFERS FREE CARE, THERE ARE NO AMOUNTS CHARGED TO FAP-ELIGIBLE INDIVIDUALS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) WAYNE MEMORIAL COMMUNITY HEALTH CENTER 601 PARK STREET HONESDALE,PA 18431	23-2180889	501(C)(3)	1,286,154				EXEMPT PURPOSES

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
SCHEDULE I, PART I, LINE 2	MONITORING USE OF GRANT FUNDS THE BOARD MONITORS THE FUNDS GIVEN TO WAYNE MEMORIAL COMMUNITY HEALTH CENTERS ("WMCHC") BY REVIEWING THE WORKINGS AND PROGRESS OF THAT CORPORATION THERE IS A CLINICAL RELATIONSHIP AND THE HOSPITAL WORKS DIRECTLY WITH WMCHC SO THEY ARE ABLE TO MAKE SURE THE FUNDS ARE BEING USED PROPERLY

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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
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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**		
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**		
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**		

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)DR DAVID CAUCCI TRUSTEE	(i)	436,845	250	0	15,300	13,529	465,924	0
	(ii)	0	0	0	0	0	0	0
(2)DAVID HOFF CEO	(i)	0	0	0	0	0	0	0
	(ii)	333,430	99,642	33,208	64,298	13,572	544,150	0
(3)MICHAEL CLIFFORD CFO	(i)	0	0	0	0	0	0	0
	(ii)	173,290	32,602	24,820	29,187	12,704	272,603	0
(4)JEFFERY MOGERMAN PHYSICIAN	(i)	672,789	88,395	0	15,300	12,617	789,101	0
	(ii)	0	0	0	0	0	0	0
(5)INTIKHAR-AHAMAD SH CHOUHDRY PHYSICIAN	(i)	266,742	0	0	15,300	12,393	294,435	0
	(ii)	0	0	0	0	0	0	0
(6)LILLIAN LONGENDORFER PHYSICIAN	(i)	252,251	250	0	14,362	4,928	271,791	0
	(ii)	0	0	0	0	0	0	0
(7)LISA HAYES CERTIFIED RN ANESTHETIST	(i)	154,029	250	0	4,704	9,683	168,666	0
	(ii)	0	0	0	0	0	0	0
(8)SHARIE L MORGANTI CERTIFIED RN ANESTHETIST	(i)	175,500	250	0	8,009	0	183,759	0
	(ii)	0	0	0	0	0	0	0

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
SCHEDULE J, PART I, LINE 3	CEO COMPENSATION WAYNE MEMORIAL HEALTH SYSTEM, A RELATED ORGANIZATION, DETERMINES THE COMPENSATION OF THE CEO USING THE FOLLOWING METHODS COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE THE BOARD MAKES THE FINAL DECISION USING THE INFORMATION PROVIDED BY THE CONSULTANT
SCHEDULE J, PART I, LINE 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN WAYNE MEMORIAL HEALTH SYSTEM, A RELATED ORGANIZATION, COVERS THE FOLLOWING INDIVIDUALS WITH 457(F) SUPPLEMENTAL RETIREMENT AGREEMENTS (SERP) WHICH WERE FUNDED THIS YEAR BY THE AMOUNTS SHOWN BELOW DAVID HOFF $ 42,795 MICHAEL CLIFFORD $ 2,397

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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
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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	THE WAYNE MEMORIAL HOSPITAL AND HEALTH AUTHORITY	23-2152053	946016HU9	12-20-2012	4,703,786	REFUND REMAINING 2007 BONDS, PAY I		X	X			X
B	THE WAYNE MEMORIAL HOSPITAL AND HEALTH AUTHORITY	23-2152053	946016JD5	01-30-2013	9,998,351	ADVANCE REFUND 2003 BONDS, PAY ISS		X	X			X
C	THE WAYNE MEMORIAL HOSPITAL & HEALTH AUTHORITY	23-2152053	940616GS5	10-25-2012	9,997,040	REFUND '05 & A PART OF '07 BONDS		X	X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	325,000	5,000	165,000	
2	Amount of bonds legally defeased	0	0	0	
3	Total proceeds of issue	4,651,757	9,894,478	9,997,040	
4	Gross proceeds in reserve funds	254,563	692,238	461,420	
5	Capitalized interest from proceeds	0	0	0	
6	Proceeds in refunding escrows	0	0	0	
7	Issuance costs from proceeds	41,571	92,127	187,404	
8	Credit enhancement from proceeds	40,533	82,916	92,379	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	0	0	0	
11	Other spent proceeds	4,315,090	9,027,197	9,255,837	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2012	2013	2012	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X		X			
b	Exception to rebate?		X		X		X		
c	No rebate due?		X		X		X		
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X				X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X				X		
b	Name of provider	0		0		0			
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)?		X		X		X		
b	Name of provider	0		0		0			
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

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?		X		X		X		

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

Open to Public Inspection

Name of the organization
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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) JEAN DEWAR	WIFE OF DR WILLIAM DEWAR	11,097	EMPLOYEE COMPENSATION		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

Open to Public Inspection

Name of the organization
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

Return Reference	Explanation
FORM 990, PART III, LINE 4D	OTHER PROGRAM SERVICES THE ORGANIZATION PROVIDED GRANTS TO WAYNE MEMORIAL COMMUNITY HEALTH CENTER SEE SCHEDULE I FOR MORE INFORMATION

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	BUSINESS & FAMILY RELATIONSHIPS MILTON ROEGNER AND WILLIAM CHATLOS, A TRUSTEE FOR WAYNE MEMORIAL HEALTH FOUNDATION, HAVE A BUSINESS RELATIONSHIP SANDRA MEAGHER AND MATTHEW MEAGHER, A TRUSTEE FOR WAYNE MEMORIAL HEALTH FOUNDATION, HAVE A FAMILY RELATIONSHIP

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	DELEGATE MANAGEMENT DUTIES WAYNE MEMORIAL HEALTH SYSTEM, INC , PROVIDES MANAGEMENT OVER THE ORGANIZATION THROUGH DIRECT EMPLOYMENT OF THE DIRECTORS AND OFFICERS OF THE ORGANIZATION THE MANAGEMENT SERVICES PROVIDED ARE REIMBURSED TO WAYNE MEMORIAL HEALTH SYSTEM THROUGH A MANAGEMENT FEE

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINES 6, 7A & 7B	MEMBERS OR STOCKHOLDERS THE BOARD SHALL CONSIST OF THOSE INDIVIDUALS WHO ARE TRUSTEES OF WAYNE MEMORIAL HEALTH SYSTEM, A RELATED ORGANIZATION THEIR TERM OF OFFICE SHALL COINCIDE WITH THEIR TERM OF OFFICE ON THE BOARD OF WAYNE MEMORIAL HEALTH SYSTEM RESIGNATION OR REMOVAL FROM THE BOARD OF WAYNE MEMORIAL HEALTH SYSTEM SHALL CONSTITUTE RESIGNATION OR REMOVAL FROM THE BOARD OF THIS CORPORATION THE FOLLOWING DECISIONS OF THE GOVERNING BODY ARE SUBJECT TO APPROVAL BY WAYNE MEMORIAL HEALTH SYSTEM, INC (A) AMENDMENT OF THE BYLAWS OR THE ARTICLES OF CORPORATION (B) MERGER OR CONSOLIDATION WITH ANY OTHER ENTITY (C) DISSOLUTION AND DISTRIBUTION OF ASSETS IN CONNECTION THEREWITH (D) ELECTION OF OFFICERS OF THIS CORPORATION (E) ADOPTION OF INVESTMENT POLICIES AND SELECTION OF INVESTMENT ADVISORS (F) INVESTMENT OF RESTRICTED GIFTS (G) SELECTION OF AUDITORS AND ATTORNEYS (H) ADOPTION OF OPERATING AND CAPITAL BUDGETS (I) APPROVAL OF FUND-RAISING PROGRAMS (J) DONATION OR TRANSFER OF ANY ASSET WITH AN AGGREGATE VALUE IN EXCESS OF SUCH AMOUNT AS MAY BE DETERMINED BY THE BOARD OF WAYNE MEMORIAL HEALTH SYSTEM FROM TIME TO TIME (K) CREATION OF ANY LIEN OR SECURITY INTEREST IN ASSETS OF THE CORPORATION (L) DESIGNATION OR RESTRICTION OF GIFTS WITH A MARKET VALUE IN EXCESS OF SUCH AMOUNT AS MAY BE DETERMINED BY THE BOARD OF WAYNE MEMORIAL HEALTH SYSTEM FROM TIME TO TIME, AND (M) ANY OTHER MATTER THAT WOULD REQUIRE THE APPROVAL OF THE MEMBERS OF A PENNSYLVANIA NONPROFIT CORPORATION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	990 REVIEW POLICY THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM BASED ON THE AUDITED FINANCIAL STATEMENTS AND INFORMATION PROVIDED BY THE ACCOUNTING DEPARTMENT OF THE ORGANIZATION A COPY OF THE FORM 990 WILL BE REVIEWED WITH THE RESOURCE MANAGEMENT COMMITTEE WHICH IS RESPONSIBLE FOR THE FINANCIAL OVERSIGHT OF ALL ENTITIES OF THE WAYNE MEMORIAL HEALTH SYSTEM A COPY OF THE 990 WILL BE DISTRIBUTED VIA E-MAIL TO EACH BOARD MEMBER BEFORE THE RETURN IS SUBMITTED TO THE IRS MANAGEMENT WILL DISCUSS ANY QUESTIONS THAT ANY BOARD MEMBER MAY HAVE AT THE NEXT FULL BOARD MEETING

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST POLICY CONFLICT OF INTEREST STATEMENTS ARE COMPLETED BY EVERY BOARD MEMBER AND MANAGER ANNUALLY EACH INDIVIDUAL IS REQUIRED TO SIGN AND RETURN THE STATEMENTS TO THE ADMINISTRATION OFFICE THE AUDIT COMMITTEE IS RESPONSIBLE FOR MONITORING COMPLIANCE WITH ANY CONFLICT OF INTEREST THROUGHOUT THE YEAR IF A CONFLICT ARISES, THE PERSON WITH THE CONFLICT WILL RECUSE THEMSELVES FROM VOTING AND/OR DISCUSSING THE MATTER

Return Reference	Explanation
FORM 990, SECTION VI, SECTION B, LINES 15A & 15B	COMPENSATION REVIEW WAYNE MEMORIAL HEALTH SYSTEM, INC , (AND ALL RELATED ENTITIES) UTILIZES A COMPENSATION COMMITTEE OF THE BOARD TO SET COMPENSATION OF ITS CEO AND OTHER SENIOR MANAGERS, INCLUDING CFO, DIRECTOR OF PATIENT CARE SERVICES, DIRECTOR OF HUMAN RESOURCES, DIRECTOR OF FACILITY SERVICES, DIRECTOR OF ANCILLARY SERVICES AND THE EXECUTIVE DIRECTOR OF THE WAYNE MEMORIAL HEALTH FOUNDATION THE COMPENSATION COMMITTEE IS MADE UP OF INDEPENDENT DIRECTORS, WHO, WITH THE ASSISTANCE OF A NATIONAL COMPENSATION CONSULTING FIRM, UTILIZE COMPARABLE DATA FROM THE MARKETPLACE, LOOKING AT SUCH THINGS AS COMPARABLE ORGANIZATIONS IN TERMS OF REVENUE, SIZE, COMPLEXITY AND GEOGRAPHIC REGION THE ORGANIZATION HAS ADOPTED A PHILOSOPHY OF PAYING AT THE 50TH PERCENTILE OF THE MARKETPLACE ALL MEETINGS OF THE COMPENSATION COMMITTEE ARE DOCUMENTED AND MINUTES ARE MAINTAINED OF THE DELIBERATION AND DECISION-MAKING PROCESS THE PROCESS NORMALLY OCCURS IN OCTOBER OF THE YEAR THE COMPENSATION CHANGES ARE GRANTED THE LAST REVIEW OF EXECUTIVE COMPENSATION WAS 09/05/2014

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	DOCUMENT DISCLOSURE. THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND/OR FINANCIAL STATEMENTS AVAILABLE TO PUBLIC UPON REQUEST

Return Reference	Explanation
PART VII, SECTION A, LINE 1A, COLUMN D	TRUSTEE COMPENSATION NO TRUSTEE RECEIVES COMPENSATION FOR THEIR SERVICES TO THE BOARD DR DAVID CAUCCI RECEIVES COMPENSATION FROM THE ORGANIZATION FOR HIS ROLE AS A PHYSICIAN

Return Reference	Explanation
FORM 990, PART IX, COLUMN A, LINE 11G	BREAK OUT OF OTHER FEES FOR SERVICES $ 2,593,413 PHARMACY 1,276,756 ANESTHESIA 1,063,166 LABORATORY 723,630 ADMINISTRATIVE 623,378 THERAPY 593,151 HOSPITALIST 485,305 EMERGENCY ROOM 278,321 HOUSEKEEPING 259,326 HEMATOLOGY 164,295 PET SCAN 126,890 MAINTENANCE 93,343 MEDICAL RECORDS 91,769 RADIOLOGY 72,256 NURSING ADMINISTRATIVE 35,107 OTHER MISCELLANEOUS ---------- $ 8,480,106

Return Reference	Explanation
FORM 990, PART XI, LINE 9	RECONCILIATION OF NET ASSETS OTHER CHANGES IN NET ASSETS ARE AS FOLLOWS $ (157,022) CHANGE IN DEFINED BENEFIT PENSION PLAN 93,913 CHANGE IN BENEFICIAL INTEREST IN PERPETUAL TRUST 94,193 CHANGE IN INTEREST IN NET ASSETS OF FOUNDATION 28,098 TRANSFER FROM AFFILIATE ---------- $ 59,182

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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

Open to Public Inspection

Name of the organization
WAYNE MEMORIAL HOSPITAL

Employer identification number
24-0798839

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
(1) WAYNE MEMORIAL HEALTH FOUNDATION INC 601 PARK STREET HONESDALE, PA 18431 23-2208596	FUNDRAISING	PA	501(C)(3)	11 A I	WMHS		No
(2) WAYNE MEMORIAL HEALTH SYSTEM INC 601 PARK STREET HONESDALE, PA 18431 23-2221292	OVERSIGHT	PA	501(C)(3)	11 B II	NA		No
(3) WAYNE MEMORIAL LONG TERM CARE 37 WOODLANDS DRIVE WAYMART, PA 18472 23-2719336	NURSING HOME	PA	501(C)(3)	9	WMHS		No

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	

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) WAYNE HEALTH SERVICES INC 601 PARK STREET HONESDALE, PA 18431 23-2376183	DME, RENT, PHARM	PA	WMHF	C-CORPORATION	13,089	36,016	1 000 %		No
(2) CHARITABLE TRUST	TRUST	PA	WMH	TRUST	249	22,916	100 000 %	Yes	

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		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

(a) Name of 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

Wayne Memorial Health System, Inc.

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2014 and 2013

BKD LLP
CPAs & Advisors

Wayne Memorial Health System, Inc.

June 30, 2014 and 2013

Contents

Independent Auditor's Report

Board of Directors
Wayne Memorial Health System, Inc
Honesdale, Pennsylvania

We have audited the accompanying consolidated financial statements of Wayne Memorial Health System, Inc (the "System"), 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wayne Memorial Health System, Inc as of June 30, 2014 and 2013, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Supplementary Information

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements as a whole The accompanying consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it

BKD, LLP

Springfield, Missouri
October 31, 2014

Wayne Memorial Health System, Inc.

Consolidated Balance Sheets

June 30, 2014 and 2013

Assets

	2014	2013
Current Assets		
Cash and cash equivalents	$ 8,321,776	$ 6,160,479
Assets limited as to use - current	2,267,830	1,067,872
Patient accounts receivable, net of allowance, 2014 - $4,922,000, 2013 - $3,996,000	9,624,325	10,771,638
Other receivables	459,699	639,976
Due from Wayne Memorial Community Health Centers	133,106	188,578
Supplies	1,121,396	1,009,363
Estimated amounts due from third-party payers	40,538	803,811
Prepaid expenses and other	1,125,922	1,371,712
Total current assets	23,094,592	22,013,429
Assets Limited As To Use		
Internally designated	62,590,663	55,195,199
Held by trustee	4,787,961	3,721,932
	67,378,624	58,917,131
Less amount required to meet current obligations	2,267,830	1,067,872
	65,110,794	57,849,259
Property and Equipment, Net	29,218,681	29,025,439
Other Assets		
Deferred financing costs	351,337	466,207
Investments in and advances to equity investees	2,835,563	2,633,149
Beneficial interest in perpetual trusts	1,957,849	1,863,936
Other	2,112,684	1,797,625
	7,257,433	6,760,917
Total assets	$ 124,681,500	$ 115,649,044

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2014	2013
Current Liabilities		
Current maturities of long-term debt	$ 2,410,134	$ 833,261
Accounts payable	3,301,884	3,229,337
Accrued expenses and other	7,580,194	7,094,741
Estimated amounts due to third-party payers	775,000	411,270
Total current liabilities	14,067,212	11,568,609
Estimated Professional Liability Claims	1,733,984	1,504,174
Accrued Pension Costs	6,000,147	6,129,579
Other Liabilities	673,575	528,964
Long-Term Debt	25,140,962	27,255,069
Total liabilities	47,615,880	46,986,395
Net Assets		
Unrestricted	74,742,873	66,517,767
Temporarily restricted	260,984	177,032
Permanently restricted	2,061,763	1,967,850
Total net assets	77,065,620	68,662,649
Total liabilities and net assets	$ 124,681,500	$ 115,649,044

Wayne Memorial Health System, Inc.

Consolidated Statements of Operations

Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue (net of contractual discounts and allowances)	$ 87,490,288	$ 85,330,609
Provision for uncollectible accounts	(8,707,234)	(6,116,891)
Net patient service revenue less provision for uncollectible accounts	78,783,054	79,213,718
Equipment rental and sales	1,032,102	1,011,746
Other	3,749,763	2,454,509
Net assets released from restrictions used for operations	62,432	36,092
Total unrestricted revenues, gains and other support	83,627,351	82,716,065
Expenses		
Salaries and wages	35,159,623	34,752,880
Employee benefits	9,872,025	9,417,123
Supplies and other	31,008,116	30,973,778
Professional fees	2,498,722	2,536,332
Depreciation and amortization	3,574,425	3,305,787
Interest	794,181	1,030,983
Total expenses	82,907,092	82,016,883
Operating Income	720,259	699,182
Other Income (Expense)		
Contributions received	83,418	101,591
Investment return	7,616,727	5,027,106
Gain (loss) on investment in equity investees	(45,757)	716,638
Loss on extinguishment of debt	(50,826)	(700,693)
Other	(5,806)	458
Total other income (expense)	7,597,756	5,145,100
Excess of Revenues Over Expenses from Continuing Operations	8,318,015	5,844,282
Gain from Discontinued Operations	-	99,078
Excess of Revenues Over Expenses	8,318,015	5,943,360
Net assets released from restrictions used for acquisition of property and equipment	64,113	264,088
Change in defined benefit pension plan gains and losses and prior service credits	(157,022)	1,602,692
Increase in Unrestricted Net Assets	$ 8,225,106	$ 7,810,140

Wayne Memorial Health System, Inc.

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Net Assets		
Excess of revenues over expenses	$ 8,318,015	$ 5,943,360
Net assets released from restrictions used for acquisition of property and equipment	64,113	264,088
Change in defined benefit pension plan gains and losses and prior service credits	(157,022)	1,602,692
Increase in unrestricted net assets	8,225,106	7,810,140
Temporarily Restricted Net Assets		
Contributions received	201,328	371,912
Investment return	9,169	(3,866)
Net assets released from restrictions	(126,545)	(300,180)
Increase in temporarily restricted net assets	83,952	67,866
Permanently Restricted Net Assets		
Change in beneficial interest in perpetual trusts	93,913	173,748
Increase in permanently restricted net assets	93,913	173,748
Change in Net Assets	8,402,971	8,051,754
Net Assets, Beginning of Year	68,662,649	60,610,895
Net Assets, End of Year	$ 77,065,620	$ 68,662,649

Wayne Memorial Health System, Inc.

Consolidated Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	$ 8,402,971	$ 8,051,754
Items not requiring (providing) cash		
Depreciation and amortization	3,574,425	3,305,787
Defined benefit pension plan adjustments	157,022	(1,602,692)
Net loss on investments	(6,113,530)	(4,009,315)
Change in beneficial interest in perpetual trusts	(93,913)	(173,748)
(Gain) loss on investment in equity investees	45,757	(716,638)
Restricted contributions	(201,328)	(371,912)
(Gain) loss on disposal of equipment	5,816	(232,443)
Loss on extinguishment of debt	50,826	700,693
Provision for uncollectible accounts	8,707,234	6,116,891
Changes in		
Patient accounts receivable, net	(7,559,921)	(7,061,372)
Supplies, prepaid and other current assets	(1,025)	2,433,247
Estimated amounts due to third-party payers	1,127,003	(407,541)
Estimated self-insurance costs	229,810	(1,377,813)
Accounts payable and accrued expenses	780,609	22,313
Net cash provided by operating activities	9,111,756	4,677,211
Investing Activities		
Purchase of assets limited as to use	(18,867,082)	(15,609,984)
Proceeds from disposition of assets limited ast to use	16,519,119	15,643,410
Net proceeds from related party	55,472	130,188
Investment in equity investees	(248,171)	(599,611)
Purchase of property and equipment	(4,052,531)	(2,075,634)
Proceeds from sale of property and equipment	500	625,000
Net cash used in investing activities	(6,592,693)	(1,886,631)
Financing Activities		
Proceeds from restricted contributions	201,328	371,912
Payment of deferred financing costs	-	(476,265)
Proceeds from issuance of long-term debt	3,200,000	24,538,331
Principal payments on long-term debt	(3,759,094)	(26,820,355)
Net cash used in financing activities	(357,766)	(2,386,377)
Increase in Cash and Cash Equivalents	2,161,297	404,203
Cash and Cash Equivalents, Beginning of Year	6,160,479	5,756,276
Cash and Cash Equivalents, End of Year	$ 8,321,776	$ 6,160,479
Supplemental Cash Flows Information		
Interest paid	$ 866,167	$ 1,375,157
Property and equipment acquired in accounts payable	$ 354,695	$ 719,147

Wayne Memorial Health System, Inc.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Principles of Consolidation

Wayne Memorial Health System, Inc (the "System") earns revenues by providing health care services to patients in Honesdale, Pennsylvania, and the surrounding communities in Wayne and Pike County, Pennsylvania

The consolidated financial statements include the consolidated financial statements of Wayne Memorial Hospital (the "Hospital"), Wayne Memorial Long-Term Care, Inc ("WMLTC" or "Manor") and Wayne Memorial Health Foundation, Inc (the "Foundation") The Foundation controls Wayne Health Services, Inc (Services)

The Hospital primarily earns revenues by providing inpatient, outpatient and emergency care services

The Manor operates a 121-bed skilled nursing facility in Waymart, Pennsylvania, known as Wayne Woodlands Manor

The Foundation supports the activities of the System and the Hospital The Foundation owns 99% of the outstanding common stock of Services Services operations include the sale and rental of durable medical equipment to the general public, retail pharmacy operations, and the rental of office and retail space

All significant intercompany transactions and balances have been eliminated in consolidation

Discontinued Operations

In May 2012, the WMLTC's Board of Directors approved the closure of Wayne Delaware Manor, a 29-bed personal care facility Its operations have been reported as discontinued operations in the accompanying consolidated statements of operations

Total unrestricted revenues, gains and other support were $240,154 in 2013 Total expenses were $141,076 in 2013

During 2013, the related assets were sold for $625,000 The gain on sale is included in discontinued operations in the accompanying consolidated statements of operations

Use of Estimates

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

Cash Equivalents

The System considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents Cash equivalents consisted of money market accounts and certificates of deposit

At June 30, 2014, the System's cash accounts exceeded federally insured limits by approximately $7,800,000 The System has entered into a separate agreement which collateralizes approximately $5,500,000 of cash amounts that exceed federally insured limits

The System also utilizes sweep products as part of their cash management policy, which are not FDIC insured At June 30, 2014, the System held approximately $900,000 in sweep products

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value The investment in equity investees is reported on the equity method of accounting Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets Other investment return is reflected in the statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions

Assets Limited As To Use

Assets limited as to use include (1) assets set aside by the Board of Directors for future capital improvements and over which the Board retains control and may at its discretion subsequently use for other purposes and (2) assets held by trustees related to bond agreements and self-insurance plans Amounts required to meet current liabilities of the System are included in current assets

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the System analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts

For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and, in addition to the allowance for contractual adjustments, provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The System's allowance for doubtful accounts for self-pay patients increased from 89% of self-pay accounts receivable at June 30, 2013, to 93% of self-pay accounts receivable at June 30, 2014 In addition, the System's write-offs increased approximately $1,735,000 from approximately $5,889,000 for the year ended June 30, 2013, to approximately $7,781,000 for the year ended June 30, 2014 Allowance for uncollectible accounts activity for 2014 and 2013, is shown in the following table

	2014	2013
Balance, beginning of year	$ 3,996,000	$ 3,768,000
Provision for year	8,707,234	6,116,891
Accounts charged off during year	(7,781,234)	(5,888,891)
Balance, end of year	$ 4,922,000	$ 3,996,000

Other Receivables

Other receivables are stated at their outstanding principal amount, net of allowance for uncollectible notes The System provides an allowance for uncollectible notes, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions Notes are written off based on individual credit evaluation and specific circumstances of the borrower

Supplies

The System states supply inventories at the lower of cost, determined using the first-in, first-out method, or market

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated on a straight-line basis over the estimated useful life of each asset Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor Monetary gifts that must be used to acquire property and equipment are reported as restricted support The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service

Long-Lived Asset Impairment

The System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value No asset impairment was recognized during the years ended June 30, 2014 and 2013

Deferred Financing Costs

Deferred financing costs represents costs incurred in connection with issuance of long-term debt Such costs are being amortized using the interest method over the term of the related debt

Deferred Annuities

Annuity obligations represent the amount of various planned giving instruments where the Foundation has fiduciary responsibility for the safekeeping, investment management and distribution of such funds to designated individuals Annuity obligations, which are included in accrued expenses and other long-term liabilities, are valued at the actuarial present value of the expected payments based upon the life expectancy for the annuitants The present value of the estimated future payments at June 30, 2014 and 2013, was $232,470 and $240,019 respectively

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity, with the income derived from these assets either expendable at the discretion of management or restricted by the donor for specific purposes

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date

Net Patient Service Revenue

The System has agreements with third-party payers that provide for payments to the System at amounts different from its established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are adjusted in future periods as final settlements are determined

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medical Assistance programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under the Medicare program are generally made for up to four years based on a statutory formula Payments under the Medical Assistance program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program

The System recognizes revenue at the end of the reporting period when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period

The System recognized revenue of approximately $1,300,000 and $0 during 2014 and 2013, respectively, which is included in other revenue in the consolidated statement of operations

Charity Care

The System provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy Because the System does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique The resulting discount is amortized using the level-yield method and is reported as contribution revenue

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are initially reported as temporarily restricted contributions Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor

Estimated Self-Insurance Costs

The System maintains estimated reserves for self-insurance costs for certain employee health and workers' compensation claims These reserves include an estimate of the ultimate costs for both reported claims and claims incurred but not reported

The System is liable for employee health claims up to $215,000 per claim An excess insurance policy insures individual claims above $215,000

The System is liable for workers' compensation claims up to $500,000 per employee An excess insurance policy insures individual claims above $500,000 up to $1,000,000 The System maintains a $200,000 irrevocable stand-by letter of credit to secure future obligations under the program

Estimated Professional Liability Claims

The System recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any Professional liability claims are described more fully in *Note 8*

Income Taxes

The System's companies, with the exception of Services, have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law However, the System is subject to federal income tax on any unrelated business taxable income

Services account for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*)

The System files tax returns in the U S federal jurisdiction With a few exceptions, the System is no longer subject to U S federal examinations by tax authorities for years before 2011

Excess of Revenues Over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include the change in the defined benefit pension liability and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation These reclassifications had no effect on the change in net assets

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued

Note 2: Net Patient Service Revenue

The System recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided Thus, the System records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided This provision for uncollectible accounts is presented on the statement of operations as a component of net patient service revenue The System has agreements with third-party payers that provide for payments to the System at amounts different from its established rates These payment arrangements include

Medicare - Hospital Inpatient acute care services and substantially all outpatient services rendered to Medicare 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 The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor The Hospital became designated as a Sole Community Hospital by Medicare during the year ended June 30, 2014 Previously, the Hospital was designated as a Medicare Dependent Hospital

Medical Assistance - Hospital Inpatient and outpatient services rendered to Medical Assistance program beneficiaries are paid at prospectively determined rates

Blue Cross - Hospital Inpatient and outpatient services rendered to Blue Cross insured patients are reimbursed at prospectively determined rates for all services

Medicare – Manor The Manor is paid under a prospective payment system for Medicare Part A services Under the prospective payment system there is no additional settlement on the difference between the interim per diem rates paid and actual costs The Manor is paid on a fee schedule basis for Medicare Part B therapy services There will be no additional settlement on the difference between payments received and actual costs for Part B therapy services

Medical Assistance – Manor The Manor is reimbursed for services rendered to Medical Assistance patients on the basis of estimated per diem rates The reimbursement plan is on a prospective basis and, subject to certain limitations, no additional settlement will be made on the difference between the interim per diem rates paid and actual costs

Laws and regulations governing the Medicare and Medical Assistance programs are complex and subject to interpretation and change As a result, it is reasonably possible that recorded estimates will change materially in the near term

The Hospital has undergone Medicare claim reviews by Recovery Audit Contractors Due to these claim reviews, Medicare has denied certain claims and requested repayment An estimated loss of $400,000 at June 30, 2014 and 2013 has been recorded for certain claims for which the Hospital believes will ultimately be repaid to the Medicare program due to these claim reviews Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

On March 1, 2013, certain provisions of the Federal Government's *Budget Control Act of 2011* went into effect Among these provisions are mandatory payment reductions under the Medicare program, known as sequestration Under these provisions, Medicare reimbursement was reduced by two percent on all claims with dates-of-service or dates-of-discharge on or after April 1, 2013 The continuation of these payment cuts for an extended period of time will have an adverse effect on operating results of the System

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the years ended June 30, 2014 and 2013, respectively, was approximately

	2014	2013
Medicare	$ 35,189,968	$ 34,892,468
Medical Assistance	11,594,722	10,628,756
Blue Cross	14,803,616	14,441,109
Other third-party payers	19,168,173	18,660,357
Patients	6,733,809	6,707,919
	$ 87,490,288	$ 85,330,609

Note 3: Concentration of Credit Risk

The System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements The mix of receivables from patients and third-party payers at June 30, 2014 and 2013, was

	2014	2013
Medicare	36%	31%
Medical Assistance	9%	8%
Blue Cross	17%	18%
Other third-party payers	22%	27%
Patients	16%	16%
	100%	100%

Note 4: Investments and Investment Return

Assets limited as to use include

	2014	2013
Internally designated		
Cash and cash equivalents	$ 1,989,731	$ 2,327,358
Mutual funds - equity securities	14,130,588	16,456,604
Mutual funds - fixed income securities	12,728,766	9,447,913
Certificates of deposit	3,167,762	2,725,845
Equity securities - consumer discretionary	3,340,444	2,215,457
Equity securities - consumer staples	1,481,478	1,064,737
Equity securities - energy	2,524,180	1,926,641
Equity securities - financials	2,749,616	1,935,959
Equity securities - health care	3,323,413	2,331,874
Equity securities - industrials	1,180,950	1,218,962
Equity securities - information technology	4,672,245	3,287,548
Equity securities - materials	467,996	651,463
Equity securities - telecommunications	465,727	297,273
Equity securities - other	461,323	509,484
U S government obligations securities	6,774,008	5,801,380
Corporate bonds	3,132,436	2,996,701
	$ 62,590,663	$ 55,195,199

	2014	2013
Held by trustee		
Cash and cash equivalents	$ 3,393,630	$ 2,027,277
Certificates of deposit	230,000	230,000
U S government obligations securities	342,257	366,547
Corporate bonds	822,074	1,098,108
	$ 4,787,961	$ 3,721,932

Total investment return is comprised of the following

	2014	2013
Interest and dividend income	$ 1,785,953	$ 1,255,521
Realized gains on sales of investments	2,427,832	1,134,164
Change in unrealized gains on trading securities	3,685,698	2,875,151
Investment advisory fees	(273,587)	(241,596)
	$ 7,625,896	$ 5,023,240

Total investment return is reflected in the statements of operations and changes in net assets as follows

	2014	2013
Unrestricted net assets		
Investment return	$ 7,616,727	$ 5,027,106
Temporarily restricted net assets		
Investment return	9,169	(3,866)
	$ 7,625,896	$ 5,023,240

Note 5: Investment in and Advances to Equity Investee

Community Hospital Alternative for Risk Transfer (CHART)

The System has a 2 5% ownership of Community Hospital Alternative for Risk Transfer (CHART), a reciprocal risk retention group CHART is accounted for using the equity method of accounting in the accompanying financial statements

Financial position and results of operations of CHART as of December 31 are summarized below

	2013	2012
Total assets	$ 217,993,665	$ 216,163,442
Total liabilities	132,840,547	136,638,508
Total subscribers' surplus	85,153,118	79,524,934
Revenues	41,742,297	36,357,019
Net income	14,389,442	12,612,700

During 2014 and 2013, respectively, the System received $150,075 and $116,430 in distributions from CHART

Keystone ACO

During 2013, the Hospital entered into an agreement with unrelated entities to form a new organization to participate in the Medicare Shared Saving program (Accountable Care Organization), of which the Hospital owns 20% Total capital commitments are $400,000, with $400,000 contributed as of June 30, 2014 As of and for the year ended June 30, 2014, Keystone ACO had assets of $1,026,457 and expenses of $876,227 with no revenue recorded

Salem Properties Group

During 2013, the Hospital purchased a 50% interest in Salem Properties Group for $400,000, whose purpose is to own and rent real estate As of and for the years ended June 30, 2014 and 2013, Salem Properties Group had assets of $856,327 and $775,911, respectively, revenues of $24,795 and $8,402, respectively, and expenses of $40,914 and $38,884, respectively

Upper Delaware Valley Cancer Center

The Foundation is a one-half member in Pike County Cancer Consortium Inc., which is a 50% general partner of Upper Delaware Valley Cancer Center, a facility for radiation therapy services in Pike County, Pennsylvania

Financial position and results of operations of Upper Delaware Valley Cancer Center as of December 31 are summarized below

	2013	2012
Total assets	$ 2,155,848	$ 2,568,316
Total liabilities	1,684,865	1,641,614
Total partners' capital	470,983	926,702
Revenues	1,984,513	2,792,405
Net loss	(455,719)	(164,100)

Note 6: Property and Equipment

Property and equipment consists of the following at June 30

	2014	2013
Land	$ 3,285,034	$ 3,285,034
Land improvements	1,792,609	1,773,357
Buildings and building improvements	44,365,102	44,117,820
Major moveable equipment	34,747,128	32,525,410
Fixed equipment	12,221,432	12,152,261
Leasehold improvements	3,137,266	1,975,963
Construction in progress	151,520	207,462
	99,700,091	96,037,307
Less accumulated depreciation	70,481,410	67,011,868
	$ 29,218,681	$ 29,025,439

Note 7: Beneficial Interest in Perpetual Trusts

The System is an income beneficiary of several perpetual trusts controlled by unrelated third-party trustees The beneficial interests in the assets of these trusts are included in the System's financial statements as permanently restricted net assets Income is distributed in accordance with the individual trust documents and is included in investment return The estimated value of the expected future cash flows is $1,957,849 and $1,863,936, which represents the fair value of the trust assets at June 30, 2014 and 2013, respectively Trust income distributed to the System for the years ended June 30, 2014 and 2013, was $62,601 and $59,071, respectively

Note 8: Professional Liability Claims

The System is a member of the Community Hospital Alternative for Risk Transfer (CHART), a Reciprocal Risk Retention Group approved to provide malpractice coverage in Pennsylvania, New York and West Virginia, which provides malpractice insurance to the System This group was formed in order to stabilize the cost and availability of malpractice insurance for Pennsylvania community hospitals by taking advantage of the self-funding capabilities of a large homogenous group and leveraging the group's purchasing power The group's members are provided with primary and excess liability malpractice insurance under claims-made policies

The insurance provided is under a claims-made policy Under such a policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred, are covered

The System is accounting for this investment using the equity method as discussed in *Note 5*

Based upon the System's claims experience, an accrual had been made for the System's estimated medical malpractice costs (reported and unreported incidents), including costs associated with litigating or settling claims, under its malpractice insurance policy, amounting to approximately $1,733,984 and $1,504,174 as of June 30, 2014 and 2013, respectively An estimate of expected insurance recoveries has also been recorded in the amount of $842,932 and $603,621 as of June 30, 2014 and 2013, respectively It is reasonably possible that these estimates could change materially in the near term

Excess coverage is also provided by the Medical Care Availability and Reduction of Error Fund (the "MCare Fund") created by Pennsylvania Act No 13 of 2002 An actuarial study has determined that the MCare Fund is underfunded, and the state has indicated that the unfunded liability will be funded through future MCare Fund assessments as claims are eventually settled and paid No provision has been made in the financial statements for any future MCare assessments, as the System's portion of the MCare Fund unfunded liability cannot be reasonably estimated

Note 9: Long-Term Debt

	2014	2013
Health Facilities Revenue Bonds, Series 2003 (A)	$ -	$ 3,040,000
Hospital Revenue Refunding Bonds, Series 2012 (B)	9,825,000	9,990,000
Hospital Revenue Refunding Bonds, Series A of 2012 (C)	4,355,000	4,680,000
Hospital Revenue Refunding Bonds, Series 2013 (D)	9,825,000	9,830,000
Bank note payable (E)	3,083,995	-
Mortgage payable (F)	452,026	515,000
Capital lease obligation (G)	47,440	92,556
	27,588,461	28,147,556
Less unamortized bond discount	37,365	59,226
Less current maturities	2,410,134	833,261
	$ 25,140,962	$ 27,255,069

(A) Due in varying annual installments through July 1, 2023, with interest rates ranging from 3 15% to 4 40% Secured by the gross revenues, substantially all property and equipment of the Manor, and separate insurance policy In 2014, the bonds were advance refunded with proceeds from the Bank Note issuance described in (E)

(B) Due in varying annual installments through July 1, 2027, with interest rates ranging from 2 00% to 3 40% Proceeds from the Series 2012 issue were used to refund the 2005 Series and a portion of the 2007 Series Secured by the gross revenues, substantially all property and equipment of the Hospital, and separate insurance policy The bond insurer is currently rated AA- by Standard and Poor's

(C) Due in varying annual installments through July 1, 2024, with interest rates ranging from 0 75% to 3 00% Proceeds from the Series A of 2012 were used to refund a portion of the Series 2007 Bonds Secured by the gross revenues, substantially all property and equipment of the Hospital, and separate insurance policy The bond insurer is currently rated AA- by Standard and Poor`s

(D) Due in varying annual installments through July 1, 2021, with interest rates ranging from 0 70% to 3 00% Proceeds from the Series 2013 were used to refund a portion of the Series 2003 Bonds Secured by the gross revenues, substantially all property and equipment of the Hospital, and separate insurance policy The bond insurer is currently rated AA- by Standard and Poor`s

The above items (A) through (D) are payable through loan agreements between the Hospital and Manor with Wayne County Hospital and Health Facilities Authority (Authority) for bonds issued by the Authority As part of the agreements, the Hospital and Manor are required to meet certain debt service coverage amounts

(E) During 2014, the Health Facilities Revenue Bonds, Series 2003 were refinanced through issuance of a bank note - due in March 2022 and payments of $38,339 due monthly including interest at 3 55% The note is secured by certain property

(F) Due in June 2020 and payments of $7,284 due monthly including interest at 4 95% The note is secured by certain property

(G) Due in July 2015, payments of $4,062 due monthly including interest at 5 034% The note is secured by certain equipment Total amounts due were $48,744 at June 30, 2014, including imputed interest of $1,304

Aggregate annual maturities of long-term debt at June 30, 2014

2015	$ 2,410,134
2016	2,618,032
2017	2,689,855
2018	2,772,336
2019	2,825,503
Thereafter	14,272,601
	$ 27,588,461

Note 10: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods

	2014	2013
Health care services and purchases of property and equipment	$ 260,984	$ 177,032

During 2014 and 2013, net assets of $64,113 and $264,088, respectively, were released to purchase equipment During 2014 and 2013, net assets were released from donor restrictions by incurring expenses, satisfying various health care services purposes in the amounts of $62,432 and $36,092, respectively

Permanently restricted net assets are restricted to

	2014	2013
Beneficial interest in perpetual trusts, the income is temporarily restricted for various projects	$ 2,061,763	$ 1,967,850

Note 11: Charity Care

The costs of charity care provided under the System's charity care policy were approximately $451,000 and $503,000 for 2014 and 2013, respectively The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges

Note 12: Functional Expenses

The System provides health care services primarily to residents within its geographic area Expenses related to providing these services are as follows

	2014	2013
Health care services	$ 62,834,362	$ 62,139,424
General and administrative	19,726,852	19,508,676
Fundraising	345,878	368,783
	$ 82,907,092	$ 82,016,883

Note 13: Pension Plans

Defined Contribution Plan

The System has a defined contribution pension plan covering certain employees The Board of Directors annually determines the amount, if any, of the System's contributions to the plan Pension expense for the defined contribution plan was approximately $990,000 and $871,000 for 2014 and 2013, respectively

Deferred Compensation Plan

The System has a deferred compensation plan for the benefit of certain employees Plan assets are classified as other long-term assets and liabilities

Defined Benefit Plan

The Hospital has a noncontributory defined benefit pension plan covering certain employees The Hospital offered certain employees the option to freeze their activity in the pension plan effective April 1, 2009, and participate in the defined contribution plan

The Hospital makes contributions to the plan in conformity with the required level of funding determined by the plan's actuary and by applicable regulations The Hospital expects to contribute $455,557 to the plan in 2015

The Hospital uses a June 30 measurement date for the plan Information about the plan's funded status follows

	2014	2013
Benefit obligation	$(23,405,108)	$(21,169,002)
Fair value of plan assets	17,404,961	15,039,423
Funded status	$ (6,000,147)	$ (6,129,579)
Accumulated benefit obligation	$ 22,093,095	$ 20,163,629
Benefit costs	$ 875,452	$ 1,076,395
Benefits paid	$ 1,123,352	$ 1,277,896
Employer contributions	$ 1,161,906	$ 1,592,847

Amounts recognized in the consolidated balance sheets

	2014	2013
Noncurrent liabilities	$ 6,000,147	$ 6,129,579

Amounts recognized in unrestricted net assets and not yet recognized as components of net periodic benefit cost consist of

	2014	2013
Net loss	$ 8,054,853	$ 7,909,229
Net prior service credit	(8,511)	(19,909)
	$ 8,046,342	$ 7,889,320

The following amounts have been recognized in the consolidated statements of changes in net assets

	2014	2013
Change in unamortized items		
Actuarial loss (gain)	$ 760,325	$ (838,246)
Amortization of		
Prior service credit	11,398	16,617
Actuarial loss	(614,701)	(781,063)
	$ 157,022	$ (1,602,692)

The estimated prior service credit and net loss for the defined benefit plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $2,516 and $616,234, respectively

Weighted average assumptions used to determine benefit obligations

	2014	2013
Discount rate	4 04%	4 59%
Salary increases	3 50%	3 50%
Expected long-term return on assets	7 25%	7 25%

Weighted average assumptions used to determine benefit costs

	2014	2013
Discount rate	4 59%	4 08%
Salary increases	3 50%	3 50%
Expected long-term return on assets	7 25%	7 25%

The expected return on plan assets is based upon historical returns for specified benchmark investment categories that are weighted by target allocations of plan assets Such returns are reviewed to ascertain the reasonableness of the assumptions utilized for the current plan year Adjustments are made to the expected return on plan assets assumption when deemed necessary based upon revised expectations of future investment performance of the overall capital markets

Target asset allocation is 40% debt securities and 60% equity securities Actual asset allocation at June 30, 2014 and 2013 was

	2014	2013
Cash and cash equivalents	3%	4%
Equity securities	61%	61%
Debt securities	36%	35%
	100%	100%

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30

2015	$ 1,966,421
2016	892,467
2017	1,181,559
2018	1,702,192
2019	1,202,188
2020-2024	8,597,718
	$ 15,542,545

Pension Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy Level 1 plan assets include cash equivalents, equity securities and equity mutual funds If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows Level 2 plan assets include corporate bonds, U S government notes, government and agency obligations and other assets In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy The Hospital has no pension plan investments classified as Level 3

The fair values of the Hospital's pension plan assets at June 30, 2014 and 2013, by asset class are as follows

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2014				
Cash and cash equivalents	$ 452,275	$ 452,275	$ -	$ -
Equity securities				
Consumer discretionary	1,373,565	1,373,565	-	-
Consumer staples	458,295	458,295	-	-
Energy	917,562	917,562	-	-
Financials	822,165	822,165	-	-
Health care	1,256,974	1,256,974	-	-
Industrials	400,045	400,045	-	-
Information technology	1,936,351	1,936,351	-	-
Material	233,669	233,669	-	-
Telecommunications	103,579	103,579	-	-
Other	124,269	124,269	-	-
Mutual funds - equity	3,045,877	3,045,877	-	-
Corporate bonds	3,551,187	-	3,551,187	-
U S government notes	2,066,737	-	2,066,737	-
Government and agency obligations	662,411	-	662,411	-

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2013				
Cash and cash equivalents	$ 635,155	$ 635,155	$ -	$ -
Equity securities				
Consumer discretionary	1,065,572	1,065,572	-	-
Consumer staples	277,649	277,649	-	-
Energy	760,084	760,084	-	-
Financials	551,051	551,051	-	-
Health care	977,185	977,185	-	-
Industrials	417,839	417,839	-	-
Information technology	1,329,584	1,329,584	-	-
Material	336,387	336,387	-	-
Telecommunications	76,005	76,005	-	-
Other	113,216	113,216	-	-
Mutual funds - equity	3,246,886	3,246,886	-	-
Corporate bonds	2,850,604	-	2,850,604	-
U S government notes	2,007,828	-	2,007,828	-
Government and agency obligations	394,378	-	394,378	-

Note 14: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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 must maximize the use of observable inputs and minimize the use of unobservable inputs There is a hierarchy of three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2014 and 2013

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2014				
Equity securities	$20,667,372	$ 20,667,372	$ -	$ -
Mutual funds - equity	14,130,588	14,130,588	-	-
Mutual funds - fixed income	12,728,766	12,728,766	-	-
U S government agency obligations	7,116,265	-	7,116,265	-
Corporate bonds	3,954,510	-	3,954,510	-
Beneficial interest in perpetual trusts	1,957,849	-	1,957,849	-
June 30, 2013				
Equity securities	$15,439,398	$ 15,439,398	$ -	$ -
Mutual funds - equity	16,456,604	16,456,604	-	-
Mutual funds - fixed income	9,447,913	9,447,913	-	-
U S government agency obligations	6,167,927	-	6,167,927	-
Corporate bonds	4,094,809	-	4,094,809	-
Beneficial interest in perpetual trusts	1,863,936	-	1,863,936	-

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy There have been no significant changes in the valuation techniques during the year ended June 30, 2014

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include equity securities and mutual funds If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows These pricing models, or matrix prices, are based upon quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security Level 2 securities include U S government obligations and corporate bonds In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy The System has no investments classified as Level 3

Beneficial Interest in Perpetual Trusts

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy

Realized and unrealized gains and losses for items reflected in the table above are included in change in net assets in the statements of changes in net assets as follows

	2014	2013
Change in beneficial interest in perpetual trusts	$ 93,913	$ 173,748

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value

Cash and Cash Equivalents

The carrying amount approximates fair value

Long-Term Debt

Fair value is estimated based on the borrowing rates currently available to the System for debt with similar terms and conditions

The following table presents estimated fair values of the System's financial instruments at June 30, 2014 and 2013

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	$ 8,321,776	$ 8,321,776	$ 6,160,479	$ 6,160,479
Assets limited as to use	67,378,624	67,378,624	58,917,131	58,917,131
Financial liabilities				
Long-term debt	27,551,096	27,744,552	28,088,330	27,512,159

Note 15: Transactions with Wayne Memorial Community Health Centers

The System and Wayne Memorial Community Health Centers (WMCHC) are clinical affiliates The System provides administrative, accounting and management services to WMCHC Revenues recognized related to these services were $146,040 and $148,188 in 2014 and 2013, respectively

The System provides support to WMCHC to fund its operations Funds provided were $1,286,154 and $1,843,366 in 2014 and 2013, respectively, and are included in supplies and other expense

WMCHC owes the System approximately $1,960,000 and $1,875,000 at June 30, 2014 and 2013, respectively The amounts are included in other receivables, due from related party, prepaid expenses and other long-term assets

Included in amounts due to the System is a $1,650,000 loan agreement between WMCHC and the Hospital Borrowings are unsecured and are due on demand Interest is payable monthly at the prime rate (3 25% at June 30, 2014 and 2013) Through June 30, 2014 and 2013, the Hospital advanced $1,503,327 and $1,203,801, respectively, to WMCHC The Hospital does not expect WMCHC to repay, and does not plan to demand repayment of, the outstanding balance of the loan prior to June 30, 2015 As a result, the amount due from WMCHC is classified as a noncurrent asset in the consolidated balance sheet The Hospital has established an allowance for doubtful accounts of $723,882 and $469,801 related to this loan at June 30, 2014 and 2013, respectively During 2015, the Hospital increased the amount available under the loan agreement to $2,050,000

The Hospital has guaranteed to fund certain operational losses of WMCHC during 2015

Note 16: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable even when the timing and/or method of settlement may be conditional on a future event At June 30, 2014 and 2013, the System had an asset retirement obligation (ARO) related to asbestos remediation in accordance with state regulations Environmental regulations exist in Pennsylvania that require the System to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished

A liability has not been recognized in the accompanying financial statements because the range of time over which the System may settle the obligation is unknown and cannot be reasonably estimated The System will recognize a liability when sufficient information is available to reasonably estimate fair value

Note 17: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations Those matters include the following

Allowance for Net Patient Service Revenue

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1* and *2* Allowance for adjustments includes estimated adjustments for the Recovery Auditor Contractor program These estimates could change materially in the near term

Estimated Insurance Costs

Estimates related to the accruals for medical malpractice, workers' compensation and health insurance claims are described in *Notes 1* and *8*

Pension Benefit Obligations

The System has a noncontributory defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the linear method It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term

Collective Bargaining Agreements

Approximately 32% of the System's employees are covered by collective bargaining agreements

Real Estate Taxes

As not-for-profit corporations in the Commonwealth of Pennsylvania, the Hospital and Manor are organizations which presently qualify for an exemption from real property taxes, however, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge such exemption The possible future effects of this matter, if any, are not determinable

Litigation

In the normal course of business, the System is, from time to time, subject to allegations that may or do result in litigation Some of these allegations are in areas not covered by the System's self-insurance program (discussed elsewhere in these notes) or by commercial insurance, for example, allegations regarding employment practices or performance of contracts The System evaluates such allegations by conducting investigations to determine the validity of each potential claim Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

Current Economic Conditions

Economic conditions continue to present hospitals with difficult circumstances and challenges The high unemployment rate has made it difficult for certain of our patients to pay for services rendered As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue Further, the effect of economic conditions at the federal and state level may have an adverse effect on cash flows related to the Medicare and Medical Assistance program Each of these factors could have an adverse impact on the System's future operating results

Investments

The System invests in various investment securities Investment securities are exposed to various risks such as interest rate, market and credit risks Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidating balance sheets

Note 18: Patient Protection and Affordable Care Act

The *Patient Protection and Affordable Care Act* (PPACA) will substantially reform the United States health care system. The legislation impacts multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid and insurance companies. Starting in 2014, the legislation requires the establishment of health insurance exchanges, which will provide individuals without employer provided health care coverage the opportunity to purchase insurance. It is anticipated that some employers currently offering insurance to employees will opt to have employees seek insurance coverage through the insurance exchanges. It is possible that the reimbursement rates paid by insurers participating in the insurance exchanges may be substantially different than rates paid under current health insurance products. Another significant component of the PPACA is the expansion of the Medicaid program to a wide range of newly eligible individuals. In anticipation of this expansion, payments under certain existing programs, such as Medicare disproportionate share, will be substantially decreased. Each state's participation in an expanded Medicaid program is optional.

The PPACA is extremely complex and may be difficult for the federal government and each state to implement. While the overall impact of the PPACA cannot currently be estimated, it is possible that it will have a negative impact on the System's net patient service revenue. Additionally, it is possible the System will experience payment delays and other operational changes during PPACA's implementation.

Supplementary Information

Wayne Memorial Health System, Inc.

Consolidating Schedule – Balance Sheet Information

June 30, 2014

Assets

	Wayne Memorial Health System	Wayne Memorial Hospital	Wayne Memorial Long-Term Care	Wayne Memorial Health Foundation	Wayne Health Services	Eliminations	Total
Current Assets							
Cash and cash equivalents	$ 146.779	$ 7.077.084	$ 879.068	$ 103.669	$ 115.176	$ -	$ 8.321.776
Assets limited as to use - current	-	2.267.830	-	-	-	-	2.267.830
Patient accounts receivable, net of allowance	-	8.244.381	1.156.105	-	223.839	-	9.624.325
Other receivables	-	458.899	800	-	-	-	459.699
Due from Wayne Memorial Community Health Centers	-	133.106	-	-	-	-	133.106
Supplies	-	632.605	25.956	-	462.835	-	1.121.396
Estimated amounts due from third-party payers	-	-	40.538	-	-	-	40.538
Prepaid expenses and other	3.618	902.581	175.770	3.088	40.865	-	1.125.922
Total current assets	150.397	19.716.486	2.278.237	106.757	842.715	-	23.094.592
Assets Limited As To Use							
Internally designated	-	54.068.679	2.642.252	5.879.732	-	-	62.590.663
Held by trustee	-	4.787.961	-	-	-	-	4.787.961
	-	58.856.640	2.642.252	5.879.732	-	-	67.378.624
Less amount required to meet current obligations	-	2.267.830	-	-	-	-	2.267.830
	-	56.588.810	2.642.252	5.879.732	-	-	65.110.794
Property and Equipment, Net	-	22.151.039	3.252.689	1.068.797	2.746.156	-	29.218.681
Other Assets							
Deferred financing costs	-	351.337	-	-	-	-	351.337
Investments in and advances to equity investees	2.135.278	631.180	-	369.405	-	(300.300)	2.835.563
Beneficial interest in perpetual trusts	-	1.957.849	-	-	-	-	1.957.849
Other	477.105	1.629.879	-	5.700	-	-	2.112.684
Due from affiliates	-	2.099.470	-	-	-	(2.099.470)	-
Interest in net assets of affiliate	-	3.265.045	-	-	-	(3.265.045)	-
	2.612.383	9.934.760	-	375.105	-	(5.664.815)	7.257.433
Total assets	$ 2.762.780	$ 108.391.095	$ 8.173.178	$ 7.430.391	$ 3.588.871	$ (5.664.815)	$ 124.681.500

Wayne Memorial Health System, Inc.

Consolidating Schedule – Balance Sheet Information

June 30, 2014

Liabilities and Net Assets

	Wayne Memorial Health System	Wayne Memorial Hospital	Wayne Memorial Long-Term Care	Wayne Memorial Health Foundation	Wayne Health Services	Eliminations	Total
Current Liabilities							
Current maturities of long-term debt	$ -	$ 2,017,440	$ 326,172	$ -	$ 66,522	$ -	$ 2,410,134
Accounts payable	10,283	2,880,841	235,945	7,362	167,456	(3)	3,301,884
Accrued expenses and other	498,499	6,744,000	273,700	36,000	27,995	-	7,580,194
Estimated amounts due to third-party payers	-	775,000	-	-	-	-	775,000
Total current liabilities	508,782	12,417,281	835,817	43,362	261,973	(3)	14,067,212
Estimated Professional Liability Claims	-	1,733,984	-	-	-	-	1,733,984
Accrued Pension Costs	-	6,000,147	-	-	-	-	6,000,147
Other Liabilities	477,105	-	-	196,470	-	-	673,575
Due to Affiliates	18,680	-	-	325,440	1,755,350	(2,099,470)	-
Long-Term Debt	-	21,997,635	2,757,823	-	385,504	-	25,140,962
Total liabilities	1,004,567	42,149,047	3,593,640	565,272	2,402,827	(2,099,473)	47,615,880
Net Assets							
Common stock	-	-	-	-	300,300	(300,300)	-
Unrestricted	1,758,213	63,932,044	4,576,895	6,502,864	885,744	(2,912,887)	74,742,873
Temporarily restricted	-	248,241	2,643	258,341	-	(248,241)	260,984
Permanently restricted	-	2,061,763	-	103,914	-	(103,914)	2,061,763
Total net assets	1,758,213	66,242,048	4,579,538	6,865,119	1,186,044	(3,565,342)	77,065,620
Total liabilities and net assets	$ 2,762,780	$ 108,391,095	$ 8,173,178	$ 7,430,391	$ 3,588,871	$ (5,664,815)	$ 124,681,500

Wayne Memorial Health System, Inc.

Consolidating Schedule – Statement of Operations Information

June 30, 2014

	Wayne Memorial Health System	Wayne Memorial Hospital	Wayne Memorial Long-Term Care	Wayne Memorial Health Foundation	Wayne Health Services	Eliminations	Total
Unrestricted Revenues, Gains and Other Support							
Net patient service revenue (net of contractual discounts and allowances)	$ -	$ 78,400,088	$ 9,090,200	$ -	$ -	$ -	$ 87,490,288
Provision for uncollectible accounts	-	8,549,900	157,334	-	-	-	8,707,234
Net patient service revenue less provision for uncollectible accounts	-	69,850,188	8,932,866	-	-	-	78,783,054
Equipment rental and sales	-	-	-	-	1,032,102		1,032,102
Other	1,674,182	2,765,170	190,968	73,739	1,534,027	(2,488,323)	3,749,763
Net assets released from restrictions used for operations	-	12,536	1,138	48,758	-	-	62,432
Total unrestricted revenues, gains and other support	1,674,182	72,627,894	9,124,972	122,497	2,566,129	(2,488,323)	83,627,351
Expenses							
Salaries and wages	1,430,134	29,970,183	3,336,629	-	422,677	-	35,159,623
Employee benefits	232,945	8,265,616	1,249,948	-	123,516	-	9,872,025
Supplies and other	541	27,727,530	3,702,991	238,747	1,826,630	(2,488,323)	31,008,116
Professional fees	16,100	2,282,471	54,015	43,860	102,276	-	2,498,722
Depreciation and amortization	-	3,048,479	289,186	34,820	201,940	-	3,574,425
Interest	-	595,096	144,877	28,451	137,354	(111,597)	794,181
Total expenses	1,679,720	71,889,375	8,777,646	345,878	2,814,393	(2,599,920)	82,907,092
Operating Income (Loss)	(5,538)	738,519	347,326	(223,381)	(248,264)	111,597	720,259
Other Income (Expense)							
Contributions received	-	-	-	93,770	-	(10,352)	83,418
Investment return	-	6,700,819	313,738	713,025	742	(111,597)	7,616,727
Gain (loss) on investment in equity investees	256,778	(205,043)	-	(97,492)	-	-	(45,757)
Loss on extinguishment of debt	-	-	(50,826)	-	-	-	(50,826)
Other	-	562	(501)	-	(5,867)	-	(5,806)
Total other income (expense)	256,778	6,496,338	262,411	709,303	(5,125)	(121,949)	7,597,756
Excess (Deficiency) of Revenues Over Expenses	251,240	7,234,857	609,737	485,922	(253,389)	(10,352)	8,318,015
Net assets released from restrictions used for acquisition of property and equipment	-	31,598	25,015	7,500	-	-	64,113
Transfer from (to) affiliates	-	28,098	-	(38,450)	-	10,352	-
Change in defined benefit pension plan gains and losses and prior service credits	-	(157,022)	-	-	-	-	(157,022)
Increase (Decrease) in Unrestricted Net Assets	$ 251,240	$ 7,137,531	$ 634,752	$ 454,972	$ (253,389)	$ -	$ 8,225,106

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
REGIONAL PRIORITIES Based on statistical and qualitative assessments, the Primary and Preventive Health Care Services Need Index (PCNI) provides benchmarks in 4 areas using data from the 9 counties in Pennsylvania's HCCCC Region 6 that includes Bradford Lackawanna Luzerne Monroe Pike Sullivan Susquehanna Wayne Wyoming This PCNI approach focuses on primary and acute medical care and prevention *It does not address issues like mental health, oral health, transportation and counseling, which show as high priorities in the more refined county and community levels below*	1 Chronic Diseases • heart • cancer • lower respiratory • cerebrovascular • Alzheimer's • diabetes • accidents, all* 2 Newborn Health • birth related – MA	1a WMH provides specialized inpatient treatment/education for heart, COPD, CHF, acute MI, diabetes and pneumonia WMH also provides cancer care/infusion clinic, cardiac rehab, pulmonary rehab, patient awareness, education and prevention initiatives through its Community Health Department WMH provides accident prevention education through its Community Health Department b Diabetes education classes have expanded from hospital to WMCHC Family Health Centers WMCHC Behavioral Health Center provides education and counseling on prevention of accidental drug overdose c Private practices provide chronic disease services d Wayne and Pike Counties' Area Agencies on Aging provide services for the elderly 2a WMH provides child birth services through its New	1a WMH b WMCHC c Community and private primary care providers d Wayne/Pike Area Agencies on Aging 2a WMH b WMCHC Women's	1a/b WMH and WMCHC will partner w/ Geisinger MC (4 of its hospitals), Evangelical Comm Hosp (and its physician group) and Highland Physicians in a Keystone Accountable Care Organization to improve health services and care WMH is also exploring contracting w/ Geisinger separately for specialty care outreach services *4 15 2015- ACO is established* a/b WMH will implement a telestroke and VTE[a] program in calendar year (CY) 2014 and has applied to the USDA for a tele-medicine grant to implement mobile mammography and ultrasound at WMCHC Family Health Center and hospital outpatient sites *4 15 2015 – Telestroke implemented and certified USDA DLT approved for mobile mammo To be implemented by early 2016* a WMH will implement improved networking with community resources like ACS, ALA, AHA[aa] and others to improve

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
REGIONAL PRIORITIES continued	• newborns – MA - % premature • newborns – non-MA % premature • neonates – MA %w/ problems • neonates – non-MA % w/ problems	Beginnings program WMH Home Health provides follow-up on newborns b WMCHC Women's Health Centers provide OB/GYN services, child birth classes and accept hospital referrals c/d Private practices and Maternal and Family Health Services (MFHS) provide women's health services	Health Centers c Community private providers d Maternal and Family Health Services	preventative protocols b WMCHC is implementing a Patient Centered Medical Home model *4 15 2015 PCMH implemented is several WMCHC sites* 2a/b WMH and WMCHC are implementing a breast feeding initiative and an initiative to reduce elective induction between 37 and 39 weeks WMCHC Women's Health Centers will be implementing a fetal high risk OB initiative in collaboration w/Geisinger MC *4 15 2015 – breast feeding initiative implemented*
	3 Demographic Issues • families – single HH below poverty w/children • families – below poverty • high school non-graduates • age 65+ • ages 15-44 • % non-white (culturally sensitive issues)	3a WMH charity care policy is in place b WMCHC is recipient of a HRSA Outreach and Enrollment Grant to place two navigators in positions of coordinators in its Family Health Centers to assist clients in navigating medical insurance options c Community schools address high school graduation rate d Private practices provide primary care and specialty medical care e PA Dept of Public Welfare's Wayne/Pike County Assistance Offices provide assistance to low-income families/individuals f Wayne/Pike Area Agencies on Aging provide services to seniors	3a WMH b WMCHC c Community schools d Community and private practices e Pennsylvania Dept of Public Welfare's (PDPW) Wayne/Pike County Assistance Offices and County Area Agencies on Aging f PDPW's Wayne/ Pike County Assistance Offices	3a WMH has contracted with the Center for Independent Living for interpretation services since the CHNA completion b WMCHC will implement the O&R Program following training of coordinators now in progress Also, WMCHC has hired a bilingual physician to start in the Hamlin FHC in March 2014
	4 Preventable Inpatient Care** • all ages • ages 0-17	4a See item # 1 above	4 See item #3 above	

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
	• ages 18-64 • age 65+ • Medicaid coverage			*4 15 2015 – Interpretation services implemented Bi-lingual physician hired* 4a/b See items #1 and 3 above
2-COUNTY PRIORITIES Based on statistical data, surveys and community interviews	1 Mental Health and Substance Abuse 2 Chronic Diseases • heart • cancer	1a/b WMH provides the facility, financial and administrative support for a HRSA Capital Development grant received by WMCHC to develop a new Behavioral Health and Dental Center in Pike Co b WMCHC provides behavioral health, substance abuse and medication management at its Honesdale based Behavioral Health Center c NHS Human Services provides counseling/crisis intervention d WC-BHDPEI*** provides counseling and treatment coordination in Wayne Co e CMP-MHDS**** provides counseling and treatment coordination in Pike Co f Redco Group provides counseling and rehabilitation in Pike Co 2 See #1 in Regional above	1a WMH b WMCHC c NHS Behavioral Health Services d WC-BHDPEI *** e CMP-MHDS **** f Redco Group 2 See #1 in Regional above	1a/b This need is readdressed from the 2009 CHNA WMCHC Expansion of capacity underway with hiring of 3 0 fte mental health/behavioral health specialists for the CY2014 opening of the Behavioral Health/Dental Center in Pike Co in CY2014 *4 15 2015 – FTEs hired and Pike BHDC opened and operating full-time* a WMH will develop a Behavioral Health Room to handle BH patients in its Emerg Dept in CY2014 b *BHR opened in ER* b WMCHC will hire 3 0 FTE more therapists in CY2014 split between Pike and Wayne County FHCs a/c WMH and NHS will establish a regional protocol for assessing students in crisis

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
2-COUNTY PRIORITIES continued	• accidents, all* • diabetes • lower respiratory • Alzheimer's • cerebrovascular 3 Newborn Health • non-Medicaid % premature 4 Preventable Inpatient Care** • Primary Care for Low-income & Uninsured 5 Improved Access to Physician Specialists • cardiac surgery • dermatology • endocrinology • neonatology • obstetrics • oncology	3 See #2 in Regional above 4a WMH provides facility and financial support and administrative services to WMCHC 4b WMCHC's principal responsibility is the provision of primary medical, behavioral and dental health care services for low-income, underserved and uninsured, Medicare and Medicaid families and individuals in the Wayne and Pike County region c/d Highland Physicians Group and other private practices provide primary care services in Wayne and Pike Counties 5a WMH provides specialty care in general surgery, cardiology, pulmonology, urology, neurosurgery, vascular surgery, oncology, etc b WMCHC provides physician manpower for WMH	3 See #2 in Regional above 4a WMH b WMCHC c Highland Physicians d Private practices 5a WMH b WMCHC c Keystone Accountable Care Organization (ACO)	*4 15 2015- protocol established* 2 See #1 in Regional above 3 See #2 in Regional above 4a/b See #1a/b in Regional above Also, increased capacity is underway with start of another primary care clinic in Hamlin, Southern Wayne Co , and hiring 3 5 FTE additional primary care providers for that site b WMCHC has applied to the Veterans Administration to have its Honesdale FHC designated as a VA Outreach Clinic *4 15 2015 – VA Clinic established* c Highland Physicians and other private practices are expanding their provider bases - physicians and mid-levels *4 15 2015 – This has not*

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
2-COUNTY PRIORITIES continued	• gerontology • vascular surgery 6 Transportation	6a/b WMH and WMCHC do not address transportation needs directly, but indirectly reduce the transportation need by bringing services to needy areas in the form of new services and access points c Wayne and Pike County AAAs provide medically needy transportation services d/e Commonwealth of Pennsylvania and the federal government provide programs and funding for transportation related issues	6a WMH b WMCHC c Wayne and Pike Counties AAAs d Commonwealth of Pennsylvania e U S Dept of Transportation	*taken place HPL has actually shrunk since the completion of the Imp Strat WMCHC has countered by applying to the 2015 HRSA NAP to acquire HPL as a WMCHC new access point* 5 See item #1 in Regional above
	7 Counseling • crisis intervention • individual counseling • psychiatric evaluation • family counseling • medication management • behavior modification	7a WMH provides crisis care/ coordination in its ER b WMCHC provides comprehensive counseling and psychiatric evaluation See #1a/b in 2-County above c NHS Human Services provides comprehensive counseling and psychiatric evaluations d WC-BHDPEI*** provides counseling and treatment coordination in Wayne Co e CMP-MHDS**** provides counseling and treatment coordination in Pike Co f Redco Group provides counseling and rehabilitation in Pike Co	7a WMH b WMCHC c NHS Human Services d WC-BHDPEI *** e CMP-MHDS **** f Redco Group	6 See item #4 in 2-County above 7 See item # 4 in 2-County above

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
2-COUNTY PRIORITIES continued	8 Help understanding medical care and access	8a/b WMH and WMCHC provide town hall meetings and community group meetings to advance the understanding of medical care and access WMH provides medical care and access to care information through social media, radio programs and student education	8a WMH b WMCHC	a WMH has provided the *Together for Health* school program for 18 years in collaboration w/area schools and will continue to provide and expand the program, including sponsoring the nationwide *Rachel's Challenge* initiative addressing similar issues with emphasis on kindness and reinforcement in student relationships *4 15 2015 – School Program provided every year since this Imp Strat Along with Rachel's Challenge* 8b WMCHC has been awarded a HRSA grant to add 1 4 new Outreach and Enrollment Coordinators at its Family Health Centers to help clients navigate the medical insurance options and medical care needs WMH will continue to provide public information meetings on health care *4 15 2015 – O E coordinators well established and assisting hundreds of families in obtaining med ins* 9 WMH will increase public
	9 Support Groups	9a WMH sponsors the following support groups Diabetes, Alzheimer's, Better Breathers, Compassionate Friends, Grief Support, Cancer, Suicide Awareness, Stroke Support	9a WMH c Community support groups	

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
				awareness campaign, including its internal and external web pages, marketing and outreach
WAYNE COUNTY PRIORITIES Based on statistical data, surveys and community interviews	1 Mental Health and Substance Abuse	1 See #1 in 2-County above	1 See #1 in 2-County above	1 See #1 in 2-County above
	2 Chronic Diseases • heart disease • diabetes • lower respiratory disease • cancer	2 See #1 in Regional above	2 See #1 in Regional above	2 See #1 in Regional above
	3 Newborn Health • non-MA % premature	3 See #2 in Regional above	3 See #2 in Regional above	3 See #2 in Regional above
	4 Preventable Inpatient Care** • Elderly Health Issues	4 See # 1 and 3 in Regional above	4 WMH, WMCHC, Wayne Woodlands Manor, community nursing homes, Wayne Health Services, Wayne AAA	4 See # 1 and 3 in Regional above
WAYNE COUNTY PRIORITIES continued	5 High incidence of high school non-graduates and 13-year graduates	5a WMH has no responsibility for high school graduation rates	5 Area school districts and families	5 Not applicable
	6 Improved access to Physician Specialists • cardiac surgery • dermatology • neonatology • obstetrics • oncology • endocrinology • gerontology • vascular surgery	6 See #5 in 2-County above	6 See #5 in 2-County above	6 See #5 in 2-County above
PIKE COUNTY	1 Mental Health and Substance	1 See #1 in 2-County above	1 See #1 in 2-County	1 See #1 in 2-County above

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
PRIORITIES Based on statistical data, surveys and community interviews **PIKE COUNTY PRIORITIES continued**	Abuse 2 Chronic Diseases • cancer • heart • diabetes • accidents, all*	2 See #1 in Regional above	above 2 See #1 in Regional above	2 See #1 in Regional above
	3 Preventable Inpatient Care** • ages 0-17	3a WMH provides emergency and acute care services to all age groups Also, WMH has provided the *Together for Health* school program for 18 years in collaboration w/area schools that focuses delivering health care education and assessments to students in middle and high schools in Wayne and Pike Counties b WMCHC provides outpatient primary care services for children, including those from Pike Co , at its Honesdale Pediatric Center c Pediatric Practices of NEPA provides pediatric services at it Pike County location	3a WMH b WMCHC c Pediatric Practices of NEPA and other private practices	3 See item #1 in Regional above
	4 Demographics • culturally sensitive care *(relates to higher percentage of non-whites in Pike)* • single parent households with children	a/b WMH and WMCHC provide interpretation services through a 24-hour telephone service to accommodate patients and their families who do not speak English a/b WMH and WMCHC provide health care services to single parent households with	4a/b WMC / WMCHC	4 See item #3 in Regional above b WMCHC will provide expanded hours and services at its new Hamlin FHC by operating the site as an urgent care center

NEED LEVELS (Geographic comparisons)	PRIORITIZED NEEDS (Topics and bulleted sub-topics shown in prioritized order)	CURRENT RESPONSES (Organizational status/services prior to CHNA completion)	ORGANIZATION(S) (Responsible to address CHNA identified needs)	PLANNED INTERVENTION STRATEGY
	5 Improved access to Physician Specialists • gastroenterology • nephrology • oncology • gerontology • pulmonary medicine 6 Oral Health	children WMH and WMCHC are entry level employers 5a WMH provides pulmonary medical care in Honesdale, Wayne County to patients from Wayne and Pike Counties 6 See #1 in 2-County above	5a WMH 6 See #1 in 2-County above	5 See #1 in Regional above 6 See #1 in 2-County above

[a] Venous thromboembalism
[aa] American Cancer Society, American Lung Association, American Heart Association
* Accidents, all – includes in order motor vehicle, unintentional poisoning, unintentional falls, unintentional suffocation, unintentional drowning
** Preventable Inpatient Care is also known as Ambulatory Care Sensitive Conditions, which includes 41specific preventable hospital discharges, among them access to primary care, immunization preventable conditions, severe ear, nose, throat infections, angina, congenital syphilis, tuberculosis, COPD, bacterial pneumonia, CHF, Asthma, hypertension, diabetes, nutritional deficiencies, dental conditions, hip/joint replacement
*** Wayne County Behavioral Health and Developmental Programs and Early Intervention
**** Carbon, Monroe, Pike Mental Health and Developmental Services