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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2018

Open to Public Inspection

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

Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2019 calendar year, or tax year beginning 01-01-2018 , and ending 12-31-2018

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

VALLEY HEALTH SYSTEM GROUP RETURN

Doing business as

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

Room/suite

220 CAMPUS BLVD STE 310

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

WINCHESTER, VA 22601

D Employer identification number

80-0584319

E Telephone number

(540) 536-6287

G Gross receipts \$ 1,508,504,949

F Name and address of principal officer

MARK H MERRILL

220 CAMPUS BLVD STE 310

WINCHESTER, VA 22601

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 ▶ 5602

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ VALLEYHEALTHLINK.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation

M State of legal domicile

Part I

Summary

Activities & Governance

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

Serving our community by improving health Provision of healthcare and medical services

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

3 Number of voting members of the governing body (Part VI, line 1a)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

7a Total unrelated business revenue from Part VIII, column (C), line 12

7b Net unrelated business taxable income from Form 990-T, line 34

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

16b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses Subtract line 18 from line 12

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Prior Year

Current Year

Beginning of Current Year

End of Year

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

Signature of officer

2019-11-11

Date

PETER F GALLAGHER CFO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN P00482834

Firm's name ▶ VALLEY HEALTH SYSTEM

Firm's EIN ▶ 52-1357729

Firm's address ▶ 220 CAMPUS BLVD STE 310

WINCHESTER, VA 226012889

Phone no (540) 536-4300

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2018)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission

Serving our community by improving health Provision of healthcare and medical services

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 \$ 689,777,450	including grants of \$ 5,242,520	(Revenue \$ 913,730,605)
See Additional Data				

4b	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
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4c	(Code)	(Expenses \$	including grants of \$	(Revenue \$)
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4d	Other program services (Describe in Schedule O)	(Expenses \$	including grants of \$	(Revenue \$)
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4e	Total program service expenses	689,777,450
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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 Yes	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a Yes	
b Did the organization report an amount for investments—other securities—in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b Yes	
c Did the organization report an amount for investments—program related—in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b Yes	
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	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic 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 or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22 Yes	

Part IV Checklist of Required Schedules (continued)

		Yes	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? <i>If "Yes," complete Schedule J</i>	23 Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	No
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	No
26	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? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b 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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a Yes	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 ComplianceCheck 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 1	
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	0		
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	No
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?				3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O				3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?				4a	Yes
b If "Yes," enter the name of the foreign country ▶CJ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)					
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	Yes
b If "Yes," did the organization notify the donor of the value of the goods or services provided?				7b	Yes
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?				7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year				7d	0
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?				7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?				7g	No
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?				7h	No
8 Sponsoring organizations maintaining donor advised funds.					
Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?				8	No
9a Did the sponsoring organization make any taxable distributions under section 4966?				9a	No
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?				9b	No
10 Section 501(c)(7) organizations. Enter					
a Initiation fees and capital contributions included on Part VIII, line 12				10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities				10b	
11 Section 501(c)(12) organizations. Enter					
a Gross income from members or shareholders				11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)				11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?				12a	No
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year				12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O				13a	No
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans				13b	
c Enter the amount of reserves on hand				13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?				14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O				14b	
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N				15	No
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O				16	No

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 61		
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 50		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6 Did the organization have members or stockholders?	6	Yes	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8a	Yes	
b Each committee with authority to act on behalf of the governing body?	8b	Yes	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed: CA, VA

18 Section 6104 requires an organization to make its Form 1023 (or 1024-A 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, address, and telephone number of the person who possesses the organization's books and records
 ►CHRISTINE LOWMAN 220 CAMPUS BLVD SUITE 310 WINCHESTER, VA 22601 (540) 536-6287

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 ☐

1

● 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

[illegible]

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			
See Additional Data Table										
1b Sub-Total										
1c Total from continuation sheets to Part VII, Section A										
1d Total (add lines 1b and 1c)								14,580,337	4,636,705	1,933,870

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 ▶ 616

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
WINCHESTER EMERGENCY PHYSICIAN 80 PEACHTREE ROAD SUITE 200 ASHVILLE, NC 28801	PHYSICIAN SERVICES	11,528,869
HOSPITALIST MEDICINE PHYSICIANS OF VIRGINIA PO BOX 742936 LOS ANGELES, CA 90074	PHYSICIAN SERVICES	5,532,156
WEST VIRGINIA EMERGENCY SERVICES 80 PEACHTREE ROAD SUITE 200 ASHVILLE, NC 28803	PHYSICIAN SERVICES	3,967,245
UROLOGY CLINIC OF WINCHESTER PC 1712 AMHERST STREET WINCHESTER, VA 22601	PHYSICIAN SERVICES	3,575,098
WINCHESTER ANESTHESIOLOGISTS 1720 AMHERST STREET WINCHESTER, VA 22601	PHYSICIAN SERVICES	3,153,589

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 ▶ 111

Part VIII		Statement of Revenue						
Check if Schedule O contains a response or note to any line in this Part VIII <input type="checkbox"/>								
			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	272,331				
	e	Government grants (contributions)	1e	1,867,196				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,793,203				
	g	Noncash contributions included in lines 1a - 1f \$ _____						
	h	Total. Add lines 1a-1f	3,932,730					
Program Service Revenue			Business Code					
	2a	ACUTE CARE SERVICES	621400	795,695,024	795,695,024			
	b	HOME HEALTH SERVICES	621610	11,449,972	11,449,972			
	c	LONG TERM CARE	623990	17,662,490	17,662,490			
	d	PHYSICIAN SERVICES	621110	41,385,524	41,385,524			
	e	REHABILITATION SERVICES	621400	12,480,480	12,480,480			
	f	All other program service revenue		11,388,954	11,388,954			
	g	Total. Add lines 2a-2f	890,062,444					
Other Revenue	3		Investment income (including dividends, interest, and other similar amounts)	34,534,971		56,006	34,478,965	
	4		Income from investment of tax-exempt bond proceeds	0				
	5		Royalties	0				
	6a	(i) Real		(ii) Personal				
		2,153,812		44,700				
		b Less rental expenses		2,524,124				
		c Rental income or (loss)		-370,312	44,700			
	d		Net rental income or (loss)	-325,612		44,700	-370,312	
	7a	(i) Securities		(ii) Other				
		553,375,877		776,954				
		b Less cost or other basis and sales expenses		550,312,936	249,029			
		c Gain or (loss)		3,062,941	527,925			
	d		Net gain or (loss)	3,590,866			3,590,866	
	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		41,075		6,394	34,681	
		Miscellaneous Revenue	Business Code					
11a		EDUCATION PROGRAMS	900099	257,139	257,139			
b		MEDICAL RECORDS/FEES	900099	493,801	493,801			
c		REFUNDS,REBATES,DISCOUNTS	900099	22,810,814	22,810,814			
d		All other revenue		20,632	20,632			
e		Total. Add lines 11a-11d		23,582,386				
12		Total revenue. See Instructions		955,418,860	913,644,830	107,100	37,734,200	

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 domestic organizations and domestic governments. See Part IV, line 21.	4,710,960	4,710,960		
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	531,560	531,560		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	9,307,031	4,638,603	4,668,428	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	316,094	316,094		
7 Other salaries and wages.	285,157,217	247,224,773	37,932,444	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	5,089,313	4,266,396	822,917	
9 Other employee benefits.	36,894,445	31,321,485	5,572,960	
10 Payroll taxes.	20,344,252	17,483,432	2,860,820	
11 Fees for services (non-employees):				
a Management.	103,902,590	9,919,614	93,982,976	
b Legal.	480,099	476,441	3,658	
c Accounting.	215,652		215,652	
d Lobbying.	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	2,113,582		2,113,582	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	104,061,664	79,137,517	24,924,147	
12 Advertising and promotion.	901,341	759,274	142,067	
13 Office expenses.	5,864,008	2,351,435	3,512,573	
14 Information technology.	376,955	334,426	42,529	
15 Royalties.	0			
16 Occupancy.	13,121,264	3,315,506	9,805,758	
17 Travel.	1,214,241	828,796	385,445	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	398,337	253,717	144,620	
20 Interest.	14,368,015	8,764,489	5,603,526	
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	64,459,023	39,320,004	25,139,019	
23 Insurance.	4,793,325	1,605,088	3,188,237	
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 SUPPLIES	136,251,437	128,262,330	7,989,107	
b BAD DEBT EXPENSE	80,214,157	80,214,157		
c EQUIP RENTAL & MAINT	16,046,427	11,063,564	4,982,863	
d BILLING FEES	6,826,685	5,679,098	1,147,587	
e All other expenses	15,507,837	6,998,691	8,509,146	
25 Total functional expenses. Add lines 1 through 24e.	933,467,511	689,777,450	243,690,061	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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing		1	0
	2 Savings and temporary cash investments	65,346,452	2	37,190,879
	3 Pledges and grants receivable, net		3	0
	4 Accounts receivable, net	95,099,686	4	91,194,473
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	0
	7 Notes and loans receivable, net	7,700,000	7	6,230,000
	8 Inventories for sale or use	16,498,709	8	17,564,151
	9 Prepaid expenses and deferred charges	8,097,665	9	11,139,426
	10a Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a 1,393,131,863		
	b Less: accumulated depreciation	10b 749,151,399	638,161,247	10c 643,980,464
	11 Investments—publicly traded securities	80,980,792	11	352,163,699
	12 Investments—other securities. See Part IV, line 11	490,926,461	12	257,002,784
	13 Investments—program-related. See Part IV, line 11	1,961,117	13	1,778,855
	14 Intangible assets		14	0
	15 Other assets. See Part IV, line 11	11,179,578	15	11,073,040
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,415,951,707	16	1,429,317,771	
Liabilities	17 Accounts payable and accrued expenses	50,525,930	17	64,060,458
	18 Grants payable		18	
	19 Deferred revenue	107,937	19	106,271
	20 Tax-exempt bond liabilities	401,793,246	20	448,364,822
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D	123,310,714	25	105,469,447
	26 Total liabilities. Add lines 17 through 25	575,737,827	26	618,000,998
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	814,279,974	27	785,829,142
	28 Temporarily restricted net assets	19,767,059	28	19,750,647
	29 Permanently restricted net assets	6,166,847	29	5,736,984
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	840,213,880	33	811,316,773	
34 Total liabilities and net assets/fund balances	1,415,951,707	34	1,429,317,771	

Part XI Reconciliation of Net AssetsCheck 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	955,418,860
2	Total expenses (must equal Part IX, column (A), line 25)	2	933,467,511
3	Revenue less expenses Subtract line 2 from line 1	3	21,951,349
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	840,213,880
5	Net unrealized gains (losses) on investments	5	-48,322,677
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	-2,525,779
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	811,316,773

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

- 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?
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?
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?
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?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a	Yes	
3b	Yes	

Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Form 990 (2018)

Form 990, Part III, Line 4a:

VALLEY HEALTH'S MISSION IS SERVING OUR COMMUNITY BY IMPROVING HEALTH VALLEY HEALTH IS COMPOSED OF SIX CORE HOSPITALS, HAMPSHIRE MEMORIAL HOSPITAL, PAGE MEMORIAL HOSPITAL, SHENANDOAH MEMORIAL HOSPITAL, WAR MEMORIAL HOSPITAL, WARREN MEMORIAL HOSPITAL AND WINCHESTER MEDICAL CENTER VALLEY HEALTH BRINGS TOGETHER 604 LICENSED INPATIENT BEDS, 166 LONG-TERM CARE BEDS, 5,300 EMPLOYEES, AND A MEDICAL STAFF EXCEEDING 500 PROFESSIONALS DURING 2018 THE SYSTEM PROVIDED THE FOLLOWING SERVICES TO THE COMMUNITY- 126,858 INPATIENT ACUTE CARE DAYS,171,627 OUTPATIENT REGISTRATIONS AT PHYSICIAN PRACTICES, 60,799 INPATIENT LONG TERM CARE DAYS, 6,027 INPATIENT REHABILITATION DAYS, 71,326 HOME CARE VISITS CONSISTING OF NURSING, PHYSICAL THERAPY, SOCIAL WORK, OCCUPATIONAL THERAPY, SPEECH PATHOLOGY, AND HOME HEALTH AIDS, 19,996 SURGICAL PROCEDURES,AND 10,744 INPATIENT PSYCIATRIC PATIENT DAYS

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
STEVEN CLUSS Trustee	2 00	X						0	0	0
JAMES DALE MED STAFF PRES	40 00	X						327,422	0	36,834
THOMAS T GILPIN Secretary	2 00	X		X				0	3,000	0
JAMES FREILICH Trustee	2 00	X						0	3,500	0
DIANE S KEARNS Trustee	2 00	X						0	0	0
REBECCA LAYMAN MD Trustee	2 00	X						0	0	0
PATRICK IRELAND VICE CHAIR	2 00	X		X				1,063	0	0
DOUGLAS KEIM Trustee	2 00	X						0	1,500	0
JIM LONG Trustee	2 00	X						0	0	0
FAITH POWER Trustee	2 00	X						0	1,500	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARY BETH PRICE Trustee	2 00	X						0	500	0
BILL BUETTIN Trustee	2 00	X						0	0	0
JIM CLINE Trustee	2 00	X						0	0	0
SHANNON GEMMA Trustee	2 00	X						0	0	0
JENNA FRENCH Trustee	2 00	X						0	0	0
MICHAEL HOFFMAN MD Trustee	2 00	X						0	0	0
JEFFREY LESSAR MD Trustee	2 00	X						77,601	0	0
CLIFTON RUTHERFORD Trustee	2 00	X						0	0	0
JOSEPH SILEK Chairman	2 00	X		X				0	0	0
JULIAN MARTINEZ Trustee	2 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JEFFREY SKILES MD Trustee	2 00	X						0	0	0
HARRY SMITH Trustee	2 00	X						0	3,500	0
CHRISTINE ANDREAE Treasurer/ Sec	2 00 0 00	X		X				0	0	0
MATTHEW POLK Med Staff VP	40 00 0 00	X						284,386	0	36,476
PATRICIA STROTHER Trustee	2 00 0 00	X						0	0	0
FRED KOZLOWSKI Trustee	2 00 0 00	X						4,700	0	0
KEN MASON MD Trustee/EMP PHY	40 00 0 00	X						335,332	0	36,611
TRICIA NASHED Trustee	2 00 0 00	X						0	0	0
GEORGE ROSS Trustee	40 00 0 00	X						224,654	0	27,486
JOHN LESINSKI VICE CHAIR WMH	2 00 0 00	X		X				0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANTHONY MILLER Trustee	2 00 0 00	X						0	0	0
THOMAS PATTESON VICE CHAIR	2 00 0 00	X		X				0	0	0
CYNTHIA PRICE Trustee	2 00 0 00	X						0	0	0
DAVID SOVINE Trustee	2 00 0 00	X						0	0	0
ERIC STEUER MD Trustee	10 00 2 00	X						45,000	0	0
JONATHAN C EZELL Trustee	2 00 0 00	X						0	0	0
ARTHUR TICKNOR Trustee	2 00 0 00	X						236,376	0	36,326
RON L LLEWELLYN Trustee	2 00 0 00	X						0	0	0
PATRICK TURNES MED STAFF PRES	2 00 0 00	X						231,002	0	34,424
MICHAEL WATTS MD MED STAFF PRES	2 00 0 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JASON AIKENS Secretary	2 00 0 00	X		X				0	0	0
CYRIL BARCH MD Trustee	2 00 0 00	X						0	0	0
BRADLEY CLOSE Chairman	2 00 0 00	X		X				0	0	0
JEFF BOEHM Trustee	2 00 0 00	X						0	0	0
RACHEL CARLSON Trustee	2 00 0 00	X						162,309	0	33,853
THOMAS LESLIE DDS Trustee	2 00 0 00	X						0	0	0
BLAKE CURTIS Vice Chairman	2 00 0 00	X		X				0	0	0
CATHERINE DOWLING MD Trustee	2 00 0 00	X						0	0	0
REBECCA STOTLER Secretary	2 00 0 00	X		X				0	0	0
CATHY FUNK MD Trustee	2 00 0 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JANET CHESHIRE Trustee	2 00 0 00	X						0	0	0
RAYMOND STEIN Trustee	2 00 0 00	X						0	0	0
KEVIN MCLAUGHLIN DO MED STAFF PRES	2 00 0 00	X						0	575	0
JOHN POTTER Trustee	2 00 0 00	X						0	1,525	0
TRACY VOSKIKA Trustee	2 00 0 00	X						0	0	0
ARNOLD WILLIAMS Trustee	2 00 0 00	X						0	0	0
BARBARA WALTER Trustee/Emp Phy	40 00 0 00	X						226,705	0	15,928
ETHEL SHOWMAN Trustee	2 00 0 00	X						0	0	0
KAREN WHETZEL Trustee	2 00 0 00	X						0	0	0
RICK GLADING Trustee/ Chair	2 00 0 00	X		X				0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
AUDREA WYNN MD Chairman	40 00 0 00	X		X				703,321	0	55,057
TRACY MILLER Trustee	2 00 0 00	X						0	0	0
LYNN HOLTZMAN Treasurer/ Secr	2 00 0 00	X		X				0	0	0
KATHY NERANGIS Trustee	2 00 0 00	X						0	0	0
GEORGE CALEY FORMER CHAIR	2 00 0 00	X		X				0	0	0
TROY GLEMBOT MD VICE CHAIR	50 00 0 00	X		X				527,962	0	26,737
TERRY SINCLAIR MD Trustee	2 00 0 00	X						0	0	0
PATRICIA A DALY MD CHAIR/EMP PHY	50 00 0 00	X		X				326,653	0	34,297
MARK H MERRILL President & CEO	36 00 4 00	X		X				0	1,021,602	73,117
JORGE L POSADAS MD Trustee	50 00 0 00	X						507,201	0	42,888

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DENNIS MCLOUGHLIN Trustee	2 00 0 00	X						0	0	0
JONATHAN O'NEAL Trustee	2 00 0 00	X						0	0	0
JENNY POWERS Trustee	2 00 0 00	X						0	0	0
RICHARD RIZZO Trustee	2 00 0 00	X						0	0	0
STEVE SLONAKER VICE CHAIR	2 00 0 00	X		X				0	0	0
KATIE TEWELL Trustee	2 00 0 00	X						0	0	0
PETER GALLAGHER Sr VP/CFO	10 00 30 00			X				0	706,402	45,887
ROBERT AMOS Vice President	39 00 1 00			X				0	418,290	25,631
THOMAS KLUGE President	39 00 1 00			X				296,992	0	59,216
JAMES BURTON CIO	1 00 39 00			X				0	454,857	77,716

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MATT TOOMEY VP PT FIN SVCS	1 00 39 00			X				0	260,649	36,501
JULIE SUIJK VP OF HR	36 00 4 00			X				0	237,025	8,171
MARK BAKER VP FACILITIES	1 00 39 00			X				0	231,210	35,488
CARLA DALLMAN VP RISK MGMT	10 00 30 00			X				0	244,478	33,148
JAMES SHERWOOD VP PROF SVCS	39 00 1 00			X				349,912	0	40,611
CHRIS RUCKER VP AMBULATORY	39 00 1 00			X				342,861	0	39,403
CAROL KOENECKE-GRANT Vice President	36 00 4 00			X				0	356,489	38,613
ELIZABETH SAVAGE VP OF HR	36 00 4 00			X				0	454,864	23,692
GRADY W PHILIPS III Sr VP	39 00 1 00			X				644,821	0	51,266
FLOYD HEATER VP/PRES WMH	39 00 1 00			X				379,818	0	40,565

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
NELSON T CLARK VP PRES PMH/SMH	39 00 1 00			X				290,310	0	37,194
CHRISTINE LOWMAN Vice President	10 00 30 00			X				0	235,239	16,066
JEFFREY FEIT MD COO VPE	39 00 1 00			X				421,137	0	44,074
KEVIN CALLANAN EXEC DIR WMCF	40 00 0 00				X			198,044	0	9,575
ANNE WHITESIDE CNO WMC	40 00 0 00				X			344,265	0	60,393
TERRI MAYES VP WMH	40 00 0 00				X			184,894	0	33,830
TAMMY GASPER VP SMH	40 00 0 00				X			172,245	0	7,931
PHILLIP E GRAYBEAL CFO SOUTHERN REGION	40 00 0 00				X			217,862	0	34,290
MARY SAS VP HMH	40 00 0 00				X			170,167	0	13,581
HEATHER SIGEL VP WAR	40 00 0 00				X			176,234	0	6,934

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
EDWARD R KOFSKY MD Emp Physician	50 00 0 00					X		913,693	0	57,486
BASEL RAMLAWI MD Emp Physician	50 00 0 00					X		1,551,156	0	58,968
ANDREW BROWN MD Emp Physician	50 00 0 00					X		754,916	0	115,167
PATRICK WAGNER MD Emp Physician	50 00 0 00					X		619,055	0	45,970
AYORINDE AKINRINLOLA MD Emp Physician	50 00 0 00					X		620,503	0	105,946
JOSEPH HASHEM MD EMPLOYED PHYSICIAN	50 00 0 00						X	473,852	0	48,621
JERRY GERMROTH MD EMPLOYED PHYSICIAN	50 00 0 00						X	239,741	0	38,651
GREG BRYD MD EMPLOYED PHYSICIAN	50 00 0 00						X	309,088	0	41,545
JOHN HOFFMAN MD EMPLOYED PHYSICIAN	40 00 0 00						X	166,458	0	36,996
DAVID SWITZER MD EMPLOYED PHYSICIAN	50 00 0 00						X	258,102	0	28,407

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANTHONY HAYWOOD EMPLOYED PHYSICIAN	50 00 0 00						X	262,524	0	46,303

SCHEDULE A
(Form 990 or 990-EZ)

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.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number
80-0584319

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 12, 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 (Form 990 or 990-EZ))
- 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 agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10

☐

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)
- 11

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 12

☐

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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f

Enter the number of supported organizations _____
- g

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)
(Complete only if you checked the box on line 5, 7, 8, or 9 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
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)2014	(b)2015	(c)2016	(d)2017	(e)2018	(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 VI)						
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 section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage						
14	Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))					14
15	Public support percentage for 2017 Schedule A, Part II, line 14					15
16a	33 1/3% support test—2018. 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 ► <input type="checkbox"/>					
b	33 1/3% support test—2017. 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 ► <input type="checkbox"/>					
17a	10%-facts-and-circumstances test—2018. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ► <input type="checkbox"/>					
b	10%-facts-and-circumstances test—2017. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ► <input type="checkbox"/>					
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 ► <input type="checkbox"/>					

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 VI.)						
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 section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2018 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2018. 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—2017. 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 Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		No
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		No
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		No
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		No
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		No
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		No
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		No
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		No
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		No
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		No
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		No
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		No
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV

Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI		
11a		No
11b		No
11c		No

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1	Yes	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization (s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
2		No
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
3	Yes	

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)		
a <input checked="" type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
2a	Yes	
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
2b		No
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
3a		
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8		
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1		
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI)			
2 Acquisition indebtedness applicable to non-exempt use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		
Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		
7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)			

Part V

Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2018			
a From 2013.			
b From 2014.			
c From 2015.			
d From 2016.			
e From 2017.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2018 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2018, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2018 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2019. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2014.			
b Excess from 2015.			
c Excess from 2016.			
d Excess from 2017.			
e Excess from 2018.			

Part VI Supplemental Information. Provide the explanations required by Part II, line 10, Part II, line 17a or 17b, Part III, line 12, Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c, Part IV, Section B, lines 1 and 2, Part IV, Section C, line 1, Part IV, Section D, lines 2 and 3, Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b, Part V, line 1, Part V, Section B, line 1e, Part V Section D, lines 5, 6, and 8, and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions)

Facts And Circumstances Test

990 Schedule A, Supplemental Information

Return Reference	Explanation
Part I Additional Information	<p>The following organizations with respective public charity statuses are part of this group</p> <p>return 1 Hampshire Memorial Hospital, Inc - Hospital2 Winchester Medical Center - Hospital3 Winchester Medical Center Foundation - Publicly supported organization4 Shenandoah Memorial Hospital - Hospital5 Shenandoah Memorial Hospital Foundation - Publicly supported organization6 Surgi-Center of Winchester, Inc - Publicly supported organization7 Warren Memorial Hospital - Hospital8 Warren Memorial Hospital Foundation - Publicly supported organization9 Valley Physician Enterprises, Inc - Publicly supported organization10 Warren Memorial Hospital, Inc - Hospital11 Page Memorial Hospital - Hospital12 East Mountain Health Advantage, Inc - Publicly supported organization13 East Mountain Health, LLC - Publicly supported organization14 Valley Partners, LLC - Publicly supported organization</p>

990 Schedule A, Supplemental Information

Return Reference	Explanation
Part IV, Section A, Line 1 Description Of How Supported Organizations Are Designated	The governing document identifies supporting organizations by a charitable class covering organizations that can promote health in the community. The supported organizations have had a relationship with East Mountain Health Advantage, Inc. since their inception. The basis of that relationship forms the mission of the health system overall to fulfill community needs.

990 Schedule A, Supplemental Information

Return Reference	Explanation
Part IV, Section D, Line 2 Organizaition Maintained A Relationship with Supported Orgs	The board of Hampshire Memorial Hospital and War Memorial Hospital has some overlapping members with East Mountain Health Advantage, Inc East Mountain Health Advantage, Inc works closely with the executive management team of East Mountain Health Physicians to remain up dated of activities on a monthly basis and to support the organization appropriately

990 Schedule A, Supplemental Information	
Return Reference	Explanation
Part IV, Section D, Line 3 Role The Organization's Supported Orgs Played	The supported organizations do submit budget requests to East Mountain Health Advantage, Inc in order to plan appropriately for activities during the upcoming year

990 Schedule A, Supplemental Information

Return Reference	Explanation
Part IV, Section E, Line 2a Identify Supported Orgs and Explain How Activities Furthered Exempt Pu	East Mountain Health Advantage, Inc provides monetary and management support to East Moun tain Health Physicians, Inc to support their mission of providing primary care, family me dicine and other health services to the region and to improve clinical integration of heal th services The board of East Mountain Health Advantage, Inc helps Hampshire Memorial Ho spital and War Memorial Hospital improve clinical integration of health services

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.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No 1545-0047

2018

Open to Public Inspection

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

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

Name of the organization VALLEY HEALTH SYSTEM GROUP RETURN	Employer identification number 80-0584319
---	---

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 (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (see instructions) ▶

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-
1				
2				
3				
4				
5				
6				

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

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

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

Limits on Lobbying Expenditures
(The term "expenditures" means amounts paid or incurred.)**(a)** Filing
organization's
totals**(b)** Affiliated
group totals

1a Total lobbying expenditures to influence public opinion (grass roots lobbying)

b Total lobbying expenditures to influence a legislative body (direct lobbying)

c Total lobbying expenditures (add lines 1a and 1b)

d Other exempt purpose expenditures

e Total exempt purpose expenditures (add lines 1c and 1d)

f Lobbying nontaxable amount Enter the amount from the following table in both columns

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

g Grassroots nontaxable amount (enter 25% of line 1f)

h Subtract line 1g from line 1a If zero or less, enter -0-

i Subtract line 1f from line 1c If zero or less, enter -0-

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

☐ **Yes** ☐ **No****4-Year Averaging Period Under section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(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 on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		31,472
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?		No	
j	Total. Add lines 1c through 1i			31,472
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

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, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
Part II-B, Line 1i - Other Activities Description	The organization pays dues to the American Hospital Association, West Virginia Healthcare Association and the National Rural Healthcare Association. A portion of those dues are allocated to lobbying.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number
80-0584319

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of 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" on 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 7/25/06, 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, handling of violations, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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) Revenue included on 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 Revenue included on 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" on 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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	24,387
1d	236,645
1e	236,803
1f	24,229

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ 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" on 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	26,311,701	23,348,297	29,426,900	27,201,737	25,494,679
b Contributions	1,765,604	1,193,398	5,434,404	2,675,838	2,610,287
c Net investment earnings, gains, and losses	-1,056,328	2,691,241	957,806	381,145	-102,995
d Grants or scholarships					
e Other expenditures for facilities and programs	1,130,904	921,225	12,470,813	1,059,300	1,386,320
f Administrative expenses					
g End of year balance	25,890,073	26,311,701	23,348,297	29,426,900	27,201,737

2

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

a

Board designated or quasi-endowment

22

200

%

b

Permanent endowment

77

800

%

c

Temporarily restricted endowment

The percentages on 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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)	Yes	
3a(ii)		No
3b		No

4

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

Part VI

Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on 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		24,005,443		24,005,443
b Buildings		864,975,564	386,127,513	478,848,051
c Leasehold improvements		11,939,490	8,857,952	3,081,538
d Equipment		442,492,852	322,953,530	119,539,322
e Other		49,718,514	31,212,404	18,506,110
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				643,980,464

Part VII

Investments—Other Securities. Complete if the organization answered "Yes" on 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		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	257,002,784	

Part VIII

Investments—Program Related.
Complete if the organization answered "Yes" on 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
(1) JOINT VENTURE	1,778,855	C
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX

Other Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X

Other Liabilities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f.
See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
ACCRUED PENSION	69,799,973
ATTENDING FACULTY PLAN FUND	10,263,882
EXEC DEF COMP LIABILITY	552,443
ML SWAP MARK TO MKT -BONDS	24,853,149
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	105,469,447

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' on Form 990, Part IV, line 12a.

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

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

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information

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
See Additional Data Table	

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation

Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Supplemental Information

Return Reference	Explanation
Part IV, Line 1b Why is organization an agent, trustee, custodian or other intermediary for contrib	VALLEY HEALTH MANAGES CUSTODIAL ACCOUNTS FOR PATIENTS TREATED IN THE LONG TERM CARE FACILITY TO COVER INCIDENTAL EXPENSES THESE MONIES ARE CONSIDERED OWNED BY THE PATIENT AND ARE NOT INCLUDED IN THE BALANCE SHEET



Supplemental Information

Return Reference	Explanation
Part V, Line 4 Intended uses of the endowment fund	ENDOWMENT FUNDS WILL BE USED TO PURCHASE CAPITAL EQUIPMENT AND FUND OTHER PROJECTS WHICH ARE INTENDED TO IMPROVE HEALTH DELIVERY AT WINCHESTER MEDICAL CENTER, WARREN MEMORIAL HOSPITAL, PAGE MEMORIAL HOSPITAL, HAMPSHIRE MEMORIAL HOSPITAL, WAR MEMORIAL HOSPITAL AND SHENANDOAH MEMORIAL HOSPITAL FUNDS WILL BE USED IN ACCORDANCE WITH THE WISHES OF THE DONOR PER THE GOVERNING DOCUMENTS OF THE GIFT

Supplemental Information	
Return Reference	Explanation
Part X FIN48 Footnote	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

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

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									

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

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1 Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U S Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ☐ Yes ☒ No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A, don't file with Form 990)* ☐ Yes ☒ No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S Persons with Respect to Certain Foreign Corporations (see Instructions for Form 5471)* ☐ Yes ☒ No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* ☐ Yes ☒ No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons with Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* ☐ Yes ☒ No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713, don't file with Form 990)* ☐ Yes ☒ No

Part V **Supplemental Information**

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

990 Schedule F, Supplemental Information

Return Reference	Explanation
Part I, Line 3f - Method of Accounting	The organization uses the accrual method of accounting

SCHEDULE H (Form 990) Department of the Treasury Internal Revenue Service	<h1 style="margin:0;">Hospitals</h1> <p>► Complete if the organization answered "Yes" on Form 990, Part IV, question 20. ► Attach to Form 990. ► Go to www.irs.gov/Form990EZ for instructions and the latest information.</p>	OMB No 1545-0047 <div style="font-size: 2em; font-weight: bold; text-align: center;">2018</div> Open to Public Inspection
Name of the organization VALLEY HEALTH SYSTEM GROUP RETURN		Employer identification number 80-0584319

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			
<input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	Yes	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b	Yes	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	7	4,376	19,215,648		19,215,648	2 060 %
b Medicaid (from Worksheet 3, column a)	8	9,857	40,832,066	25,004,730	15,827,336	1 700 %
c Costs of other means-tested government programs (from Worksheet 3, column b)	7	7,283	33,529,546	23,995,543	9,534,003	1 020 %
d Total Financial Assistance and Means-Tested Government Programs	22	21,516	93,577,260	49,000,273	44,576,987	4 780 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	5,559	295,689	1,959,896	167,698	1,792,198	0 190 %
f Health professions education (from Worksheet 5)	2,909	17,812	22,367,252	217,405	22,149,847	2 370 %
g Subsidized health services (from Worksheet 6)	1	345	5,889,014	3,978,846	1,910,168	0 200 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	1,106	24,051	2,005,424	16,750	1,988,674	0 210 %
j Total. Other Benefits	9,575	337,897	32,221,586	4,380,699	27,840,887	2 970 %
k Total. Add lines 7d and 7j	9,597	359,413	125,798,846	53,380,972	72,417,874	7 750 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	67	4,291	70,559	3,675	66,884	0.010 %
4 Environmental improvements	1	1				
5 Leadership development and training for community members	1	9	77		77	
6 Coalition building	111	275	3,823		3,823	
7 Community health improvement advocacy	2	45	1,472		1,472	
8 Workforce development						
9 Other						
10 Total	182	4,621	75,931	3,675	72,256	0.010 %

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 Healthcare 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	80,214,157	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME).	5	326,886,847
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	344,469,150
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	-17,582,303
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.		
<input type="checkbox"/> Cost accounting system	<input checked="" type="checkbox"/> Cost to charge ratio	<input type="checkbox"/> 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?

6

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

		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 letter of facility reporting group A

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 6

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 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 12 If "Yes," indicate what the CHNA report describes (check all that apply)	3 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA <u>20 16</u>		
5 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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5 Yes	
6 a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a Yes	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	No
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	7 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>See Part VI</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8 Yes	
9 Indicate the tax year the hospital facility last adopted an implementation strategy <u>20 16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10 Yes	
a If "Yes" (list url) <u>https://www.valleyhealthlink.com/About-Us/Community-Benefit</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	No
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a 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)?	12a	No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" on line 12b, 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 (FAP)**

A

Name of hospital facility or letter of facility reporting group _____

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that			
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200 0000</u> % and FPG family income limit for eligibility for discounted care of <u>300 0000</u> %			
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)			
c <input type="checkbox"/> Asset level			
d <input type="checkbox"/> Medical indigency			
e <input type="checkbox"/> Insurance status			
f <input type="checkbox"/> Underinsurance discount			
g <input checked="" type="checkbox"/> Residency			
h <input checked="" type="checkbox"/> Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	Yes	
15 Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)	15	Yes	
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application			
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e <input type="checkbox"/> Other (describe in Section C)			
16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	16	Yes	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url) <u>See Part VI</u>			
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) <u>See Part VI</u>			
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) <u>See Part VI</u>			
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j <input checked="" type="checkbox"/> Other (describe in Section C)			

Part V Facility Information (continued)**Billing and Collections**

A

Name of hospital facility or letter of facility reporting group _____

	Yes	No
17 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 all of the actions the hospital facility or other authorized party may take upon nonpayment?	17 Yes	
18 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 <input type="checkbox"/> Reporting to credit agency(ies) b <input type="checkbox"/> Selling an individual's debt to another party c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP d <input type="checkbox"/> Actions that require a legal or judicial process e <input type="checkbox"/> Other similar actions (describe in Section C) f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized 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?	19	No
If "Yes," check all actions in which the hospital facility or a third party engaged		
a <input type="checkbox"/> Reporting to credit agency(ies) b <input type="checkbox"/> Selling an individual's debt to another party c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP d <input type="checkbox"/> Actions that require a legal or judicial process e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply)		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications d <input checked="" type="checkbox"/> Made presumptive eligibility determinations e <input checked="" type="checkbox"/> Other (describe in Section C) f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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?	21 Yes	
If "No," indicate why		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions b <input type="checkbox"/> The hospital facility's policy was not in writing c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

A

Name of hospital facility or letter of facility reporting group _____

22 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 a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d ☐ The hospital facility used a prospective Medicare or Medicaid method

23 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?

If "Yes," explain in Section C

24 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?

If "Yes," explain in Section C

	Yes	No
23		No
24		No

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

[illegible]

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 VALLEY PHYSICIAN ENTERPRISE INC 220 CAMPUS BLVD WINCHESTER, VA 22601	PHYSICIAN PRACTICES
2 SURGI CENTER OF WINCHESTER INC 1840 AMHERST STREET WINCHESTER, VA 22601	AMBULATORY SURGICAL CLINIC
3 EAST MOUNTAIN HEALTH LLC 68 HERITAGE CIRCLE ROMNEY, WV 26757	WELLNESS CENTER
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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used)	The eligibility criteria for financial assistance are federal poverty guidelines (FPG)(with FPG family income limit for eligibility for free care of 200% and FPG family income limit for eligibility for discounted care of 300%), income level other than FPG and residency Certain elective surgeries are excluded - e g cosmetic surgery

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 6a - Related Organization Community Benefit Report	Yes, Valley Health (VH) has prepared a related organization annual community benefit report for the last twelve years. In addition to developing its own community benefits report, VH has voluntarily provided its annual community benefits data to the Virginia Hospital and Healthcare Association in each of the last ten years (2008-2018).

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense	Bad debt expense is at cost Cost to charge ratio applied to gross bad debt revenue to arrive at bad debt expense at cost

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 4 - Bad Debt Expense	<p>In evaluating the collectability of accounts receivable, VH analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. The allowance is based upon a review of the outstanding balances aged by financial class. Management uses collection percentages based upon historical collection experience to determine collectibility. Management also reviews troubled, aged accounts to determine collection potential. 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), VHS records a significant provision for bad debts 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) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. Recoveries of accounts previously written off are recorded as a reduction to bad debt expense when received.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 8 - Explanation Of Shortfall As Community Benefit	The organization does not treat any medicare shortfall as community benefit. The amounts are taken directly from the Medicare Cost Reports as filed using a cost to charge ratio method.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	<p>Throughout the collection process, Valley Health (VH) solicits information to determine if patients may qualify for charity or discounted assistance. Special attention is paid to patients who have qualified for charity assistance in the past six (6) months and/or have qualified at another facility within VH. For example, a patient who qualified within six months would not be required to submit an application or documentation to support assistance for the latest episode of care. Another example is a current patient would not be required to submit an application or documentation to support assistance if that documentation was on file from another VH hospital.</p>

Form and Line Reference	Explanation
Part VI, Line 2 - Needs Assessment	<p>Community health needs were identified by collecting and analyzing data and information from multiple quantitative and qualitative sources. Considering information from a variety of sources is important when assessing community health needs, to ensure the assessment captures a wide range of facts and perspectives and to assist in identifying the highest-priority health needs. Statistics for numerous health status, health care access, and related indicators were analyzed, including from local, state, and federal public agencies, community service organizations in the WMC community, and from Valley Health. Comparisons to benchmarks were made where possible. Details from these quantitative data are presented in the report's body, followed by a review of the principal findings of health assessments conducted by other organizations in the community in recent years. Input from people representing the broad interests of the community was taken into account via interviews with 101 key informants in April and May 2016, a community survey with 1,990 respondents, and three "community response sessions" with interviewees and 18 additional community stakeholders in June 2016 where preliminary findings were discussed. Interviews and community response sessions included individuals with special knowledge or expertise in public health, local and state health and other departments, and agencies with current data or information about the health needs of the community, and leaders, representative and members of medically underserved, low-income, and minority populations, and populations with chronic disease needs. Feedback from community response session participants helped to validate findings and prioritize identified health needs. Health care needs assessments seek to identify the most significant health care needs for particular geographic areas or populations. Accordingly, the following topics and data frequently are assessed: 1 Demographics (trends, comparisons, pockets of vulnerable people), 2 Economic issues (unique characteristics, strengths and weaknesses, impacts of state budget cuts), 3 Education issues, 4 Family issues (child care, family violence), 5 Community issues (homelessness, housing, environmental concerns, transportation and traffic, crime, availability of social services), 6 Health status indicators such as 7 Morbidity rates for various diseases and conditions, and 8 Mortality rates (leading causes of death), 9 Health access indicators (e.g., uninsurance rates, ambulatory care sensitive discharges, use of emergency rooms for non-emergent care) 10 Health disparities indicators, as available, and 11 Delivery system capacity and characteristics. Valley Health defined the geographic areas (communities) to be assessed. The assessments focused on zip codes in each hospital's service area that fall within the 14-county region identified as Valley Health's core service area. In the report, counties and zip codes generally are presented in alphabetical or numerical order. However, these areas may be arranged differently to facilitate drawing conclusions from the data presented. Principal data sets for the quantitative analyses include: 1 Demographic data provided from the US Census Bureau and Weldon Cooper to University of Virginia Weldon Cooper Center for Public Service, 2 Hospital discharge data for Virginia and West Virginia provided by Valley Health System, 3 Health status and access indicators available from the Community Health Status Indicators Project, County Health Rankings, and several other sources, 4 Additional internal data from Valley Health. Identifying the most significant health care needs involves benchmarking and trend analysis. Accordingly, statistics for several health status and health access indicators were analyzed and compared to state-wide and national benchmarks or goals. The assessment considers multiple data sources, including indicators from state and federal agencies. Multiple data sources and stakeholder views are important to assessing the level of consensus that exists regarding community health care needs that represent potential priorities for programmatic response. The assessment also quantified and analyzed ambulatory care sensitive (ACS) discharges. The ACS discharges methodology quantifies inpatient admissions for diabetes, perforated appendixes, chronic obstructive pulmonary disease, hypertension, congestive heart failure, dehydration, bacterial pneumonia, urinary tract infection, asthma, and other conditions that, in theory, could have been prevented if adequate ambulatory care resources were available and accessed by consumers. Findings from the ACS analysis are presented at the county, zip code, and Valley Health hospital-level of detail. The methodologies for quantifying ACS discharges have been well-tested for more than a decade. Disproportionately large numbers of ACS discharges indicate potential problems with the availability or accessibility of ambulatory (primary</p>

Form and Line Reference	Explanation
Part VI, Line 2 - Needs Assessment	<p>ry) care services The Agency for Healthcare Research and Quality, part of the US Department of Health and Human Services, publishes software and methodologies for assessing ACS discharges The AHRQ software was applied to analyze the prevalence of ACS discharges in geographic areas served by Valley Health and in each of the hospitals The ACS analysis provides a single indicator of potential health status, access, and other problems - allowing comparisons to be made reliably across geographic areas and hospitals This analysis also allows demonstrating a possible "return on investment" from interventions that reduce admissions (for example, for uninsured or Medicaid patients) that could have been prevented through better access to ambulatory care resources</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 3 - Patient Education of Eligibility for Assistance	Valley Health (VH) rigorously applies the criteria set forth in Code of Virginia 32.1-137.01 regarding informing and educating patient regarding charity assistance opportunities and eligibility. This criteria is applied at all facilities. 1. Posting of policies regarding free and discounted care in conspicuous, public areas of our facilities. 2. Providing/having a handout of the eligibility criteria and procedures for applying for assistance at the point of service or admission. 3. Notifying patients of the availability of assistance through messages on our billing statements. 4. Policy and eligibility statements and associated application(s) are available on the VHS public web site (www.valleyhealthlink.com). 5. Financial packets are available at the point of admission and through financial counselors located throughout our facilities. 6. VH Financial counselors are available by phone, e-mail, and in person at each VH facility to answer patient questions and assist patients in completing the Financial Assistance Application, as well as to assist in connecting patients with other community assistance programs to help afford the cost of their healthcare.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 4 - Community Information	<p>Valley Health (VH) serves an eighteen (18) county area of Virginia, West Virginia and Maryland and two independent cities in Virginia. The total coverage area is approximately 6,766 square miles. (Square miles are in parentheses as follows) In the northern Shenandoah Valley of Virginia, VHS provides services to patients residing in Frederick (415), Clarke (177), Warren (214), Shenandoah (512), Page (311), Rappahannock (267), Fauquier (650) and Loudoun (520) counties and the independent cities of Winchester (9) and Harrisonburg (18). In the greater eastern panhandle of West Virginia, VH provides services to patients residing in Jefferson (210), Berkeley (321), Morgan (229), Hampshire (642), Hardy (583), Grant (477) and Mineral (328) Counties. In Maryland, VHS facilities provide services for those residing in Washington (458) and Allegany (425) Counties. With the exception of several large population centers (Winchester, Harrisonburg and a major segment of Loudoun County, VA and Martinsburg, WV), the majority of the service area population resides in a rural-dominated environment. VH has designated three service areas: a primary, a secondary and a tertiary service area in which it provides healthcare services, or transportation to services. The primary service area consists of the City of Winchester, Frederick, Clarke, Warren, Shenandoah, Page, Rappahannock Counties of Virginia, and Hampshire, Hardy and Morgan Counties of WV. The secondary service area consists of Jefferson, Berkeley, Grant and Mineral Counties of West Virginia. The tertiary service area consists of Loudoun, Fauquier and Rockingham Counties and Harrisonburg City in Virginia, and Washington and Allegany Counties of Maryland. The total estimated population for both the primary and secondary service area is 521,401. The total estimated population of the primary service area in 2018 was 302,857. The total estimated population of the secondary service area in 2018 was 218,544. The primary service area is projected to grow to 315,722 or 4.2% by 2023. The secondary service area is projected to grow to 240,605 or 10.1% by 2023. The overall catchment area population is approximately 89% white/Caucasian while the remaining 11% falls into other races/ethnic groups to include Hispanic or Latino population at 5.7%. Since VHS service area is predominantly rural, many of the counties are designated as primary care, dental and/or mental health professional shortage areas (HPSAs) and/or Medically Underserved Area/Populations by the federal government. VHS provides a wide range of clinical services to the communities it serves through a full network of acute care hospitals (including four critical access hospitals), rural health clinics and other support programs. VHS provides patient access to progressive diagnostic and technologically advanced clinical services to the residents of the regions served.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 4 - Community Building Activities	<p>Valley Health (VH) is an active corporate citizen within its service area, engaging in a variety of Community Building Activities every year including coalition building, community health improvement advocacy, community support, economic development, physical improvements and housing and workforce development programs. VH's Community Building Activities include but are not limited to the following: American Cancer Society Relay for Life event, Our Health coalition building, regional chambers of commerce involvement, Rotary Club involvement, United Way Day of Caring volunteer efforts, hosted Warren Coalition monthly Board meetings, and provided fitness scholarships. Although many of its Community Building Activities do not provide any form of direct patient care, they provide significant indirect community benefit. VH is the largest employer in its service area, with the largest proportion of skilled workers. As a result, it has an extensive economic impact on the communities where its employees live and work. VH is committed to being an engaged, dependable corporate citizen. Sometimes, this means engaging the community in ways other than the direct provision of healthcare services. The Community Building Activities that VH engages in have tangible benefits to the communities served.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 6 - Affiliated Health Care System	<p>Valley Health System (VHS) is a not-for-profit healthcare system headquartered in Winchester, Virginia, serving a population of 521,401 in an 18-county region of northwest Virginia, the Eastern Panhandle of West Virginia and Western Maryland. Valley Health System includes six acute care hospitals (four of them federally-designated Critical Access Hospitals), more than 60 employed physician practices, Urgent Care centers in six communities, and a medical transport division. The system has a total of 604 licensed inpatient beds and 166 long-term care beds, more than 500 physician providers, and approximately 5,039 employees. VH entities have long, strong roots in their communities and contribute significantly to the health of their residents, offering clinical intervention, education, in-kind services and financial support. With our mission of Serving our community by improving health, the organization embraces well-care as seriously as sick-care. Wellness and fitness facilities and programs in each of our six hospital communities offer a continuity of care following outpatient rehabilitation, as well as a friendly, accessible place to maintain fitness. We organize and participate in a variety of community health and safety events throughout our service area, offering free health screenings, prevention and disease management education. Valley Health Heart Attack Risk Program screenings offer an easy check of key cardiac risk factors. Patient education and community programs help demystify the management of diabetes, COPD, asthma, obesity and more. We are actively partnering with regional law enforcement, the courts, and addiction professionals to address the alarming increase in opiate and heroin addiction and death. We provide substantial direct and in-kind support to free clinics in Winchester, Front Royal, Woodstock and Luray, VA and Martinsburg, WV. Valley Health has also invested in creating a technologically advanced, clinically progressive environment to ensure our region has an adequate supply of healthcare providers in the future. Our initiatives to help educate and recruit talented health care providers begin with programs in the regions middle and high schools and extend to partnerships in nursing and allied health with dozens of area colleges. The Shenandoah Valley Family Practice Residency Program, an accredited three-year residency with Medical College of Virginia/Virginia Commonwealth University School of Medicine, prepares new family physicians in office and hospital practice in Front Royal and Winchester. Surgical residents from the VCU School of Medicine (and beyond) complete rotations at Winchester Medical Center.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 7 - States Filing of Community Benefit Report	VA WV

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI - Additional Information	<p>Valley Health (VH) has affiliated hospitals located in Virginia and West Virginia. In the last ten years, 2008 - 2017 (including this year's filing-2018), VH has voluntarily participated in the statewide Virginia Hospital and Healthcare Association's Annual Community Benefit Survey by providing all relevant community benefit data for its Virginia-affiliated hospitals. Although the State of West Virginia does require certain financial data to be submitted annually, there is no known requirement to provide specific community benefit-related data to the State of West Virginia or the West Virginia Hospital Association. Schedule H Part 1 Line 7 Cost to charge ratio method is used based on worksheet 2 in the instructions. Total operating expense is divided by Total Gross Revenue (Schedule C Medicare Cost Report) to arrive at the cost to charge ratio. Schedule H Part 1 Line 7 G Subsidized health services loss calculated based on worksheet 6 in the instructions. Inpatient psychiatric services financial loss is measured after removing losses associated with bad debt, charity and Medicaid. Schedule H Part 1 Column 7 F The bad debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$80,214,157. Part V Question 16a Website URL for FAP https://www.valleyhealthlink.com/documents/Content-PDFs/Financial-Assistance/Financial-Assistance-Policy.pdf Part V Question 16b Website URL for FAP Application form https://www.valleyhealthlink.com/documents/Content-PDFs/Financial-Assistance/Financial-Assistance-Application_v20180731.pdf Part V Question 6c Website URL Plain language summary of the FAP https://www.valleyhealthlink.com/documents/Content-PDFs/Financial-Assistance/Financial-Assistance-Policy.pdf Schedule Part V Line 7 a https://www.valleyhealthlink.com/About-Us/Community-Benefit.aspx</p>

Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Form 990 Schedule H, Part V Section A. Hospital Facilities

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? <u>6</u>		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER—24 hours	ER—other	Other (Describe)	Facility reporting group
1	WINCHESTER MEDICAL CENTER 1840 AMHERST STREET WINCHESTER, VA 22601 WWW.VALLEYHEALTHLINK.COM H1916	X	X		X			X		EIN 54-0505979	A
2	WARREN MEMORIAL HOSPITAL 1000 SHENANDOAH AVENUE FRONT ROYAL, VA 22630 WWW.VALLEYHEALTHLINK.COM H1913	X	X		X			X		EIN 54-0488103	A
3	SHENANDOAH MEMORIAL HOSPITAL 759 S MAIN STREET WOODSTOCK, VA 22644 WWW.VALLEYHEALTHLINK.COM H1900	X	X			X		X		EIN 54-0490687	A
4	PAGE MEMORIAL HOSPITAL 200 MEMORIAL DRIVE LURAY, VA 22835 WWW.VALLEYHEALTHLINK.COM H1926	X	X			X		X		EIN 54-0551200	A
5	HAMPSHIRE MEMORIAL HOSPITAL 363 SUNRISE BLVD ROMNEY, WV 26757 WWW.VALLEYHEALTHLINK.COM 69	X	X			X		X		EIN 20-8241398	A

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? 6		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
6	WAR MEMORIAL HOSPITAL INC 1 HEALTHY WAY BERKELEY SPRINGS, WV 25411 WWW VALLEYHEALTHLINK COM 60	X	X			X		X		EIN 80-0407200	A

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
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
Facility A 6 - Part V, Section B, Line 5	Input from persons representing the broad interests of the community, community organizations, local businesses and civic organizations was taken into account via community response sessions, paper online surveys and individual/ group interviews

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
Facility A 6 - Part V, Section B, Line 6a	Valley Health is comprised of six hospitals, Winchester Medical Center, Shenandoah Memorial Hospital, Warren Memorial Hospital, Page Memorial Hospital, Hampshire Memorial Hospital and War Memorial Hospital. Each hospital has its own assessment and then an overall assessment for Valley Health was produced.

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
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
Facility A 6 - Part V, Section B, Line 7d	https //www valleyhealthlink com/About-Us/Community-Benefit.aspx Community presentations were given in the central, northern and southern regions to various organizations

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
Facility A 6 - Part V, Section B, Line 11	<p>Historically, Valley Health (VH) has used a number of methods to collect relevant data/information on the health needs of the communities it serves. In developing the system report, VHS surveys patients, holds community response sessions, explores state and federal health outcomes databases, and reviews internally-generated patient record and billing data. These initiatives have helped to identify pressing geographic and demographic health needs. VH continues to monitor the needs of the community by conducting a Community Health Needs Assessment (CHNA). VH has conducted a needs assessment in 2010, 2013 and again in 2016. From the CHNA reports that were created for each of the six hospitals, an implementation strategy plan was created. The implementation strategies describes how each of the hospitals plans to address significant community health needs in 2017 through 2019. These needs were identified in the 2016 CHNA reports published and made widely available to the public on October 2016. The 2016 CHNA and the implementation strategies were undertaken to identify and address significant community health needs based upon the mission of VH and in accordance with proposed Internal Revenue Service (IRS) regulations pursuant to the Patient Protection and Affordable Care Act of 2010. Each of the strategies distinguishes the top items identified by the community and which will be addressed by the hospital and those that will not be addressed at this time and the reason why. Needs the Hampshire Memorial Hospital Will Not Address: No hospital can address all of the health needs present in its community. Hampshire Memorial Hospital is committed to serving the community by adhering to its mission, using its skills and capabilities, and remaining a strong organization so that it can continue to provide a range of important health care services and community benefits. This implementation strategy does not include specific plans to address the mental and behavioral health, substance abuse, and teen pregnancy as a significant health need that was identified in the 2016 Community Health Needs Assessment. As a Critical Access Hospital, Hampshire Memorial Hospital is not ideally suited to be the lead organization in addressing these needs. The hospital does not have services or specific expertise in these areas and is directing its limited resources to other identified significant community health needs. Needs the War Memorial Hospital Will Not Address: No hospital can address all of the health needs present in its community. War Memorial Hospital is committed to serving the community by adhering to its mission, using its skills and capabilities, and remaining a strong organization so that it can continue to provide a range of important health care services and community benefits. This implementation strategy does not include specific plans to address transportation, a significant health need that was identified in the 2016 Community Health Needs Assessment. As a Critical</p>

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
Facility A 6 - Part V, Section B, Line 11	<p>Access Hospital, War Memorial Hospital is not ideally suited to be the lead organization in addressing the identified transportation needs. The hospital does not have services or specific expertise in transportation and is directing its limited resources to other identified significant community health needs. Needs the Page Memorial Hospital Will Not Address No hospital can address all of the health needs present in its community. Page Memorial Hospital is committed to serving the community by adhering to its mission, using its skills and capabilities, and remaining a strong organization so that it can continue to provide a range of important health care services and community benefits. This implementation strategy does not include specific plans to address the following significant oral health and dental care, or housing needs as a significant health need that was identified in the 2016 Community Health Needs Assessment process through community interviews and response sessions. As a critical access acute care hospital, Page Memorial Hospital is not ideally suited to be the lead organization in addressing unmet oral and dental health needs or housing needs. The hospital does not have services or specific expertise in dental health, nor permanent housing assistance and is directing its limited resources to other identified significant community health needs. Nonetheless, the hospital intends to provide topical fluoride varnish to high risk children up to three years of age covered by Medicaid, through the Page Memorial Hospital provider-based rural health clinics and provide educational information to parents regarding dental hygiene and care for their children. Needs the Shenandoah Memorial Hospital Will Not Address No hospital can address all of the health needs present in its community. Shenandoah Memorial Hospital is committed to serving the community by adhering to its mission, using its skills and capabilities, and remaining a strong organization so that it can continue to provide a range of important health care services and community benefits. This implementation strategy does not include specific plans to address obstetric services, a significant health need that was identified in the 2016 Community Health Needs Assessment. As a critical access hospital, Shenandoah Memorial Hospital does not provide obstetric services. However, Valley Health does provide obstetric services at Winchester Medical Center, Winchester Virginia. In addition, Valley Health affiliated physician practices provide prenatal care in Woodstock, Virginia, in the SMH primary service area, and Luray and Front Royal in the hospital's secondary service area. Needs the Warren Memorial Hospital Will Not Address No hospital can address all of the health needs present in its community. Warren Memorial Hospital is committed to serving the community by adhering to its mission, using its skills and capabilities, and remaining a strong organization so that it can continue to provide</p>

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
Facility A 6 - Part V, Section B, Line 11	<p>a range of important health care services and community benefits This implementation strategy does not include specific plans to address oral health and dental care or housing needs, a significant health need that was identified in the 2016 Community Health Needs Assessment As an acute care hospital, Warren Memorial Hospital is not ideally suited to be the lead organization in addressing unmet oral and dental health needs or housing needs The hospital does not have services or specific expertise in dental health, nor permanent housing assistance and is directing its limited resources to other identified significant community health needs Nonetheless, the hospital intends to provide topical fluoride varnish to high risk children up to three years of age covered by Medicaid through the Page Memorial Hospital provider-based rural clinics and provide educational information to parents regarding dental hygiene and care for their children Needs the Winchester Medical Center Will Not AddressNo hospital can address all of the health needs present in its community Winchester Medical Center is committed to serving the community by adhering to its mission, using its skills and capabilities, and remaining a strong organization so that it can continue to provide a range of important health care services and community benefits This implementation strategy does not include specific plans to address dental health, permanent housing assistance and transportation as significant health needs that was identified in the 2016 Community Health Needs Assessment We will continue to work collaboratively with regional providers to help expand access to dental services As an acute care hospital, Winchester Medical Center is not ideally suited to be the lead organization in addressing unmet oral and dental health needs or housing needs in the community The hospital does not have services or specific expertise in dental health, permanent housing assistance, nor transportation issues, and is directing its limited resources to other identified significant community health needs Nonetheless, the hospital intends to provide financial support to the Free Medical Clinic of the Northern Shenandoah Valley to provide emergency dental services, St Luke Community Clinic and to the Free Dental Clinic which provides care to low-income families and the uninsured in Winchester City, Clarke, Frederick and Warren The hospital intends to provide financial support to Faith in Action, which provides door-to-door transportation to area residents who have no means to get to and from medical appointments and scheduled treatments</p>

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
Facility A 6 - Part V, Section B, Line 13b	There is a catastrophic financial assistance if income is between 301-500% of FPG and medical bills are more than 30% of income

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
Facility A 6 - Part V, Section B, Line 13h	Certain elective surgeries are excluded, e g cosmetic surgery

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
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
Facility A 6 - Part V, Section B, Line 16j	Website https //www valleyhealthlink com/Patients-Visitors/For-Patients/Billing-Information aspx Additionally the FAP is advertised annually in the local newspaper and the policy is distributed to local community organizations that work with individuals that may be eligible for assistance

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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
Facility A 6 - Part V, Section B, Line 20e	Valley Health documents determination of whether a patient is eligible for financial assistance if the patient applies for financial assistance. If the patient never applies, there is no effort to determine whether the patient is eligible. The financial assistance policy is posted on the website, various areas throughout the hospital, including ED and registration areas. A notice of financial assistance availability and method to contact Valley Health financial counselors for assistance in applying for financial assistance is printed on all routine monthly billing statements.

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I
(Form 990)

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States
Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public
Inspection

Department of the
Treasury
Internal Revenue Service

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number
80-0584319

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 Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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 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 noncash assistance	(h) Purpose of grant or assistance
(1) See Additional Data							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

3 Enter total number of other organizations listed in the line 1 table 0

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on 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 noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1) SCHOLARSHIPS	59	53,950		COST	
(2) INDIGENT CANCER CARE	53	477,610		COST	
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

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
Grantmaker's Description of How Grants are Used	VIRTUALLY ALL OF THE ORGANIZATIONS PROVIDED WITH GRANT FUNDS ARE LOCAL, AND CLOSELY MONITORED BY VALLEY HEALTH'S MANAGEMENT AND BOARD PERIODIC REPORTS ARE OBTAINED AS WELL FROM THESE GRANTEEES WHICH DISCUSS OPERATIONS AND BENEFITS RENDERED TO THE COMMUNITIES SERVED BEFORE FUNDING IS GRANTED, CONSISTENCY OF MISSION IS EVALUATED IN ORDER TO ASSURE LIKE DIRECTION WITH VALLEY HEALTH INITIATIVES SCHOLARSHIP OPPORTUNITIES ARE ADVERTISED WITH LOCAL HIGHSCHOOLS AND COLLEGES AND ARE FOCUSED ON HEALTH SCIENCES THERE IS A COMMITTEE OF VOLUNTEERS THAT REVIEWS APPLICATIONS FOR SCHOLARSHIPS THE MONEY IS REMITTED DIRECTLY TO THE SCHOOL AND IS RETURNED IF THE STUDENT DOES NOT ENROLL

Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
EAST MOUNTAIN HEALTH PHYS 1 HEALTHY WAY BERKELEY SPRING, WV 25411	47-3767341	501C(3)	4,027,450	0			DIRECT GRANT
SHENANDOAH VALLEY COMP RX 507 AMHERST STREET WINCHESTER, VA 22601	04-3724034	501C(3)	37,500	0			INDIGENT CARE

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.							
(a) Name and address of organization or government	(b) EIN	(c) IRC 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
VALLEY HEALTH 220 CAMPUS BLVD WINCHESTER, VA 22601	52-1357729	501(C)3	7,761	0			DIRECT GRANT

Schedule J (Form 990)	Compensation Information For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23. ▶ Attach to Form 990. ▶ Go to <u>www.irs.gov/Form990</u> for instructions and the latest information.		OMB No 1545-0047
			2018
			Open to Public Inspection
Department of the Treasury Internal Revenue Service	Name of the organization VALLEY HEALTH SYSTEM GROUP RETURN	Employer identification number 80-0584319	

Part I Questions Regarding Compensation		
	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input checked="" type="checkbox"/> Discretionary spending account </div> <div style="width: 48%;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) </div> </div>		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III		
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations </div> <div style="width: 48%;"> <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </div> </div>		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment?	4a Yes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on 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 Yes	
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III	5b Yes	
6 For persons listed on 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? If "Yes," on line 6a or 6b, describe in Part III	6b	No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8 Were any amounts reported on Form 990, Part VII, paid or accrued 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" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	No

For each individual whose compensation must be reported on 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.

See Additional Data Table

Schedule J (Form 990) 2018

Part III **Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
Part I, Line 1a Relevant information in regards to selections on 1a	Based on an employment agreement Mark Merrill received an allowance for discretionary spending during 2018. These amounts were included in taxable wages. Based on a change in the life insurance policies for executives, the board approved gross up payments to cover the cost and tax effects of the policies for Mark Merrill and Pete Gallagher.

Return Reference	Explanation
Part I, Line 5b Explanation of organization compensation based on revenues of related organization	A portion of provider compensation is based on RVU's generated This is defined in their employment contract and is in addition to base compensation



Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

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

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
ANDREW BROWN MD Emp Physician	(i)	614,373	140,003	540	80,093	35,074	870,083	
	(ii)							
ANNE WHITESIDE CNO WMC	(i)	277,766	27,216	39,283	34,279	26,114	404,658	
	(ii)							
ANTHONY HAYWOOD EMPLOYED PHYSICIAN	(i)	240,011		22,513	7,920	38,383	308,827	
	(ii)							
ARTHUR TICKNOR Trustee	(i)	226,349	7,367	2,660	7,470	28,856	272,702	
	(ii)							
AUDREA WYNN MD Chairman	(i)	598,984	94,875	9,462	19,766	35,291	758,378	
	(ii)							
AYORINDE AKINRINLOLA MD Emp Physician	(i)	484,591	54,559	81,353	76,711	29,235	726,449	
	(ii)							
BARBARA WALTER Trustee/Emp Phy	(i)	212,670	11,886	2,149	7,018	8,910	242,633	
	(ii)							
BASEL RAMLAWI MD Emp Physician	(i)	900,016	450,000	201,140	29,701	29,267	1,610,124	
	(ii)							
CARLA DALLMAN VP RISK MGMT	(i)							
	(ii)	218,458	23,412	2,608	7,209	25,939	277,626	
CAROL KOENECKE-GRANT Vice President	(i)							
	(ii)	284,067	28,252	44,170	17,419	21,194	395,102	31,518
CHRIS RUCKER VP AMBULATORY	(i)	253,216	41,712	47,933	8,356	31,047	382,264	18,493
	(ii)							
CHRISTINE LOWMAN Vice President	(i)							
	(ii)	209,622	23,244	2,373	6,918	9,148	251,305	
DAVID SWITZER MD EMPLOYED PHYSICIAN	(i)	194,206	13,500	50,396	6,409	21,998	286,509	
	(ii)							
EDWARD R KOFSKY MD Emp Physician	(i)	789,405	30,000	94,288	26,050	31,436	971,179	
	(ii)							
ELIZABETH SAVAGE VP OF HR	(i)							
	(ii)	326,683	39,762	88,419	10,781	12,911	478,556	27,140
FLOYD HEATER VP/PRES WMH	(i)	272,316	32,199	75,303	8,986	31,579	420,383	39,513
	(ii)							
GEORGE ROSS Trustee	(i)	173,087	20,149	31,418	5,712	21,774	252,140	
	(ii)							
GRADY W PHILIPS III Sr VP	(i)	474,042	56,161	114,618	15,643	35,623	696,087	
	(ii)							
GREG BRYD MD EMPLOYED PHYSICIAN	(i)	198,003	17,361	93,724	6,534	35,011	350,633	
	(ii)							
HEATHER SIGEL VP WAR	(i)	145,011	30,009	1,214	4,785	2,149	183,168	
	(ii)							

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

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 VI, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public
Inspection

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number

80-0584319

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 IDA OF CITY OF WINCHESTER	52-1232253		11-17-2009	100,000,000	SEE ADDITIONAL INFO		X		X		X
B IDA OF CITY OF WINCHESTER	52-1232253		12-04-2013	105,665,000	SEE ADDITIONAL INFO		X		X		X
C EDA OF CITY OF WINCHESTER	90-0049785	973121ar7	10-07-2014	47,099,886	SEE ADDITIONAL INFO		X		X		X
D WV HOSPITAL AUTHORITY	62-1256910	956622H72	10-07-2014	20,743,547	SEE ADDITIONAL INFO		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	2,095,000		13,235,000		2,876,094		1,501,712	
2	Amount of bonds legally defeased								
3	Total proceeds of issue	100,000,000		105,665,000		47,099,886		20,743,547	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	703,621		344,640		576,776		257,984	
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	99,296,379		35,000,000					
11	Other spent proceeds			70,322,192		46,523,000		20,485,563	
12	Other unspent proceeds								
13	Year of substantial completion	2012		2015		2014		2014	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X	X			X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use (Continued)

	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		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?								
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test? . . .		X		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		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?								
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		X	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	X		X		X		X	
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?								
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?								
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b Name of provider	Wells Fargo							
c Term of hedge	3300 00 %							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						

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		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?		X		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		X

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
Part VI	PART I LINE A Funds used for WMC Campus expansion, East Parking Garage and reimbursement for Diagnostic Center and campus expansion infrastructure PART 1 LINE B \$70 million used to refinance 2000 Winchester Medical Center Bonds and \$35 million used to build a new hospital for Page Memorial HospitalPART 1 LINE C Funds used to refinance 2009 bond for WMC Campus expansion, East parking garage and reimbursement for the Diagnostic Center and CE Infrastructure PART 1 LINE D Funds used to refinance 2009 bond for Hampshire Memorial Hospital Construction PART 1 LINE E \$12 million used to fund Shenandoah Memorial Hospital Emergency Department and Medical Office Building construction PART 1 LINE F Funds used to refinance 2009 funds used for WMC Campus expansion, East Parking Garage, and reimbursement for Diagnostic Center and campus expansion infrastructure PART 1 LINE G Funds used to refinance 2009 funds used to build new Hampshire Memorial Hospital PART 1 LINE H Funds used to fund Warren Memorial Hospital construction

Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Return Reference	Explanation
Part VI	PART I LINE A Funds used for WMC Campus expansion, East Parking Garage and reimbursement for Diagnostic Center and campus expansion infrastructure PART 1 LINE B \$70 million used to refinance 2000 Winchester Medical Center Bonds and \$35 million used to build a new hospital for Page Memorial HospitalPART 1 LINE C Funds used to refinance 2009 bond for WMC Campus expansion, East parking garage and reimbursement for the Diagnostic Center and CE Infrastructure PART 1 LINE D Funds used to refinance 2009 bond for Hampshire Memorial Hospital Construction PART 1 LINE E \$12 million used to fund Shenandoah Memorial Hospital Emergency Department and Medical Office Building construction PART 1 LINE F Funds used to refinance 2009 funds used for WMC Campus expansion, East Parking Garage,and reimbursement for Diagnostic Center and campus expansion infrastructure PART 1 LINE G Funds used to refinance 2009 funds used to build new Hampshire Memorial Hospital PART 1 LINE H Funds used to fund Warren Memorial Hospital construction

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

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 VI, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public
Inspection

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number

80-0584319

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 EDA OF CITY OF WINCHESTER	90-0049785		10-07-2014	12,000,000	SEE ADDITIONAL INFO		X		X		X
B EDA OF CITY OF WINCHESTER	90-0049785	973121BN5	07-22-2015	125,300,316	SEE ADDITIONAL INFO		X		X	X	
C WV HOSPITAL AUTHORITY	62-1256910	956622H98	07-22-2015	5,533,505	SEE ADDITIONAL INFO		X		X	X	
D IDA OF WARREN COUNTY	54-0943829	359023CY2	07-25-2018	54,639,289	SEE ADDITIONAL INFO		X		X		X

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired			2,886,197					
2 Amount of bonds legally defeased								
3 Total proceeds of issue	12,000,000		125,300,316		5,533,505		54,639,289	
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds	120,000		996,927		119,631		944,750	
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	11,880,000							
11 Other spent proceeds			124,303,391		5,413,074			
12 Other unspent proceeds							54,365,000	
13 Year of substantial completion	2015		2015		2015			
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X		X		X		X
15 Were the bonds issued as part of an advance refunding issue?		X	X		X			X
16 Has the final allocation of proceeds been made?	X		X		X			X
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use (Continued)

	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		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?								
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test? . . .		X		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		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?								
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		X	

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

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

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation

Schedule L

(Form 990 or 990-EZ)

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.
▶Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number
80-0584319

Part I

Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total						▶ \$						

Part III

Grants or Assistance Benefiting 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) SUSAN LESSAR	SEE BELOW	108,058	EMPLOYMENT AGREEMENT		No
(2) TRACEY O'NEAL	SEE BELOW	67,353	EMPLOYMENT AGREEMENT		No
(3) BRENDA HASHEM	SEE BELOW	117,124	EMPLOYMENT AGREEMENT		No
(4) DENISE DALE	SEE BELOW	96,746	EMPLOYMENT AGREEMENT		No
(5) STEPHEN PHILIPS	SEE BELOW	26,813	EMPLOYMENT AGREEMENT		No

Part V Supplemental Information

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

Return Reference	Explanation
Schedule L, Part V Supplemental Information	<p>1 SUSAN LESSAR- CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JEFFREY LESSAR, A CURRENT TRUSTEE \$108,058-EMPLOYEE COMPENSATION</p> <p>2 TRACEY O'NEAL- CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JONATHAN O'NEAL, A CURRENT TRUSTEE \$67,353-EMPLOYEE COMPENSATION</p> <p>3 BRENDA HASHEM - CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JOSEPH HASHEM, A FORMER TRUSTEE \$117,124 - EMPLOYEE COMPENSATION</p> <p>4 DENISE DALE- CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JAMES DALE, A CURRENT TRUSTEE \$96,746-EMPLOYEE COMPENSATION</p> <p>5 STEPHEN PHILIPS- CURRENT EMPLOYEE AND FAMILY MEMBER OF GRADY PHILIPS, A CURRENT OFFICER \$26,813-EMPLOYEE COMPENSATION</p>

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number

80-0584319

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	Several trustees and officers have an employee/ employer relationship with in Valley Health System (EIN 52-1357729) Trustee Jeffrey Skiles, MD and Trisha Nashed, MD, spouse of trustee James Nashed, MD have a business relationship

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	<p>Valley Health System (EIN 52-1357729) is the sole member of East Mountain Health Advantage, Inc., Page Memorial Hospital, Shenandoah Memorial Hospital, Surgi-Center of Winchester, Inc., Valley Partners, LLC, Valley Physician Enterprise, Inc., Warren Memorial Hospital, and Winchester Medical Center. East Mountain Health Advantage, Inc. is the sole member of East Mountain Health, LLC, Hampshire Memorial Hospital, Inc. and War Memorial Hospital, Inc. Shenandoah Memorial Hospital is the sole member of Shenandoah Memorial Hospital Foundation, Incorporated. Warren Memorial Hospital is the sole member of The Warren Memorial Hospital Foundation. Winchester Medical Center is the sole member of The Winchester Medical Center Foundation. The sole members of each entity have the power to elect or appoint members of the governing body. The sole members have certain reserved powers as set forth in the applicable corporate bylaws.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	<p>Valley Health System (EIN 52-1357729), as sole member, has the power to elect or appoint members to the governing body for East Mountain Health Advantage, Inc , Page Memorial Hospital, Shenandoah Memorial Hospital, Surgi-Center of Winchester, Inc , Valley Partners, LLC , Valley Physician Enterprise, Inc , Warren Memorial Hospital, and Winchester Medical Center</p> <p>East Mountain Health Advantage, Inc, as sole member, has the power to elect or appoint members to the governing body for East Mountain Health, LLC, Hampshire Memorial Hospital , Inc and War Memorial Hospital, Inc</p> <p>Shenandoah Memorial Hospital has the power to elect or appoint members of the governing body for Shenandoah Memorial Hospital Foundation, Inc incorporated</p> <p>Warren Memorial Hospital has the power to elect or appoint members of the governing body for The Warren Memorial Hospital Foundation</p> <p>Winchester Medical Center has the power to elect or appoint members of the governing body for The Winchester Medical Center Foundation</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	<p>Valley Health System (EIN 52-1357729), as sole member, has certain reserved powers as set forth in the corporate bylaws for East Mountain Health Advantage, Inc , Page Memorial Hospital, Shenandoah Memorial Hospital, Surgi-Center of Winchester, Inc , Valley Physician Enterprise, Inc , Warren Memorial Hospital, and Winchester Medical Center East Mountain Health Advantage, Inc, as sole member, has certain reserved powers as set forth in the governance documents or corporate bylaws (as applicable) for East Mountain Health, LLC, Hampshire Memorial Hospital, Inc and War Memorial Hospital, Inc Shenandoah Memorial Hospital has certain reserved powers as set forth in the corporate bylaws for Shenandoah Memorial Hospital Foundation, Incorporated Warren Memorial Hospital has certain reserved powers as set forth in the corporate bylaws for The Warren Memorial Hospital Foundation Winchester Medical Center has certain reserved powers as set forth in the corporate bylaws for The Winchester Medical Center Foundation The sole members have certain reserved powers as set forth in the applicable corporate bylaws</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 11b Form 990 Review Process	The 990 is prepared by internal staff and reviewed by an outside accounting firm, who is the paid preparer. The return then undergoes several levels of review including the CFO and CEO. Further, prior to filing the board reviews the 990 during one of its recurring monthly meetings where any issues of concern or question are addressed by Senior Management.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	All board members sign a conflict of interest policy annually and upon appointment to the board All employees that are managers, including officers, have purchasing rights with defined limits, or may enter into a contract on behalf of the organization are required to sign a conflict of interest attestation upon employment and annually All employees can report breaches in VH policy VH has an employee integrity hotline and a compliance officer The audit committee is advised of compliance activity on a quarterly basis in addition to monthly follow up by the CEO on any immediate issues Any infractions can result in disciplinary action or dismissal

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15a Compensation Review & Approval Process - CEO, Top Management	The Board of Trustees is responsible for the compensation review. They use compensation literature and outside consultants to determine the appropriate compensation for the CEO, Officers, and Senior Management. As new individuals are hired into management positions, recruiting firms use FMV information to establish salary and general compensation levels.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	The organization makes all records available as required by law

990 Schedule O, Supplemental Information

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Decreases	IMPAIRMENT = -\$10479488

990 Schedule O, Supplemental Information

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Decreases	POST RETIREMENT OBLIGATION = -\$1152177

990 Schedule O, Supplemental Information

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Increases	TRANSFER FROM AFFILIATE = \$9105886

990 Schedule O, Supplemental Information

Return Reference	Explanation
1099s	1099s ARE FILED UNDER RELATED ORGANIZATION VALLEY HEALTH SYSTEM'S EIN 52-1357729

990 Schedule O, Supplemental Information

Return Reference	Explanation
990T	FORM 990 T CANNOT BE FILED UNDER A GROUP EIN FORM 990T S WERE FILED UNDER WINCHESTER MEDICAL CENTER, INC EIN 54-0505979, VALLEY PHYSICIAN ENTERPRISES, INC EIN 26-2767279, WARREN MEMORIAL HOSPITAL EIN 54-0488103, EAST MOUNTAIN HEALTH ADVANTAGE EIN 80-0407187

990 Schedule O, Supplemental Information

Return Reference	Explanation
W-2S	W-2S AND THE RELATED FORM 941'S ARE FILED UNDER RELATED ORGANIZATION VALLEY HEALTH SYSTEM' S EIN 52-1357729 SALARIES REFLECTED ON THIS RETURN ARE BASED ON ALLOCATIONS OF PAYROLL

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.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number
80-0584319

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	No
(1) VALLEY HEALTH SYSTEM 220 CAMPUS BLVD WINCHESTER, VA 22601 52-1357729	HEALTHCARE MGMT SERVICES	VA	501(C)(3)	12b	NA		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) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) WINCHESTER OPEN MRI 160 EXETER DRIVE WINCHESTER, VA 22601 54-2041643	MRI SERVICE	VA	NA	RELATED	196,533	221,968		No			No	
(2) WINCHESTER ENDOSCOPY LLC 190 CAMPUS BLVD WINCHESTER, VA 22601 26-3886651	ENDOSCOPY SERVICES	VA	NA	RELATED				No			No	
(3) MEDICAL CIRCLE LLC 12-A MEDICAL CIRCLE WINCHESTER, VA 22601 20-3390908	MRI SERVICES	VA	NA	RELATED				No			No	
(4) NORTHERN WV HOME HEALTH LLC 220 CAMPUS BLVD WINCHESTER, VA 22601 11-3779341	HOME HEALTH	WV	NA	RELATED	480,883	1,506,788		No			No	100 000 %
(5) BOTANICAL ASC REAL ESTATE LLC 220 CAMPUS BLVD WINCHESTER, VA 22601 54-0505979	REAL ESTATE RENTAL	VA	NA	RELATED	26,719	2,728,021		No			No	52 610 %
(6) VALLEY HEALTH SURGERY CENTER 220 CAMPUS BLVD WINCHESTER, VA 22601 37-1844781	SURGERY CENTER	VA	NA	RELATED				No			No	
(7) VALLEY HEALTH & UVA RADIOSURGERY CTR LLC 220 CAMPUS BLVD SUITE 420 WINCHESTER, VA 22601 80-0928245	RADIOSURGERY	VA	NA	RELATED				No			No	85 000 %

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) COMMUNITY HEALTHCARE MANAGEMENT COMPANY 220 CAMPUS BLVD WINCHESTER, VA 22601 54-1725765	INSURANCE SERVICES	VA	N/A	C CORP	-128,549		100 000 %		No
(2) VALLEY REGIONAL ENTERPRISES INC 220 CAMPUS BLVD WINCHESTER, VA 22601 54-1456064	MED EQUIP/ AMBLANCE	VA	NA	C CORP				Yes	
(3) VIRGINIA SOLUTIONS SPE LTD PO BOX 10233 GRAND CAYMAN, CARRIBBEAN KY1-10 CJ 98-0507760	OTHER INSURANCE FUNDS	CJ	NA	C CORP				Yes	

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

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest, (ii)annuities, (iii) royalties, or(iv) rent from a controlled entity

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

Yes

1c

No

1d

No

1e

No

1f

No

1g

No

1h

Yes

1i

No

1j

Yes

1k

No

1l

No

1m

Yes

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

Yes

1s

No

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

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

Schedule R (Form 990) 2018

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

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation

Additional Data

Software ID: 18007218
Software Version: 2018v3.1
EIN: 80-0584319
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) WINCHESTER OPEN MRI 160 EXETER DRIVE WINCHESTER, VA 22601 54-2041643	MRI SERVICE	VA	NA	RELATED	196,533	221,968		No			No	
(1) WINCHESTER ENDOSCOPY LLC 190 CAMPUS BLVD WINCHESTER, VA 22601 26-3886651	ENDOSCOPY SERVICES	VA	NA	RELATED				No			No	
(2) MEDICAL CIRCLE LLC 12-A MEDICAL CIRCLE WINCHESTER, VA 22601 20-3390908	MRI SERVICES	VA	NA	RELATED				No			No	
(3) NORTHERN WV HOME HEALTH LLC 220 CAMPUS BLVD WINCHESTER, VA 22601 11-3779341	HOME HEALTH	WV	NA	RELATED	480,883	1,506,788		No			No	100 000 %
(4) BOTANICAL ASC REAL ESTATE LLC 220 CAMPUS BLVD WINCHESTER, VA 22601 54-0505979	REAL ESTATE RENTAL	VA	NA	RELATED	26,719	2,728,021		No			No	52 610 %
(5) VALLEY HEALTH SURGERY CENTER 220 CAMPUS BLVD WINCHESTER, VA 22601 37-1844781	SURGERY CENTER	VA	NA	RELATED				No			No	
(6) VALLEY HEALTH & UVA RADIOLOGY CTR LLC 220 CAMPUS BLVD SUITE 420 WINCHESTER, VA 22601 80-0928245	RADIOLOGY	VA	NA	RELATED				No			No	85 000 %