

Form **990**

**Return of Organization Exempt From Income Tax**

**2012**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

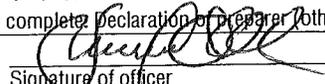
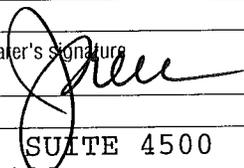
Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2012 calendar year, or tax year beginning **JUL 1, 2012** and ending **JUN 30, 2013**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>EPHRATA COMMUNITY HOSPITAL</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>169 MARTIN AVE., P.O. BOX 1002</b> City, town, or post office, state, and ZIP code <b>EPHRATA, PA 17522-1002</b> <b>F</b> Name and address of principal officer: <b>JOHN PORTER</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>23-1370484</b> <b>E</b> Telephone number <b>(717) 738-6411</b> <b>G</b> Gross receipts \$ <b>207,536,085.</b> <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>J</b> Website: ▶ <b>WWW.EPHRATAHOSPITAL.ORG</b>
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1940</b> <b>M</b> State of legal domicile: <b>PA</b>

Part I Summary			
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>HOSPITAL PROVIDING PREVENTIVE, PRIMARY, ACUTE CARE, DIAGNOSTIC AND REHABILITATIVE SERVICES.</b>		
	2 Check this box <input type="checkbox"/> 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)	20
	4	Number of independent voting members of the governing body (Part VI, line 1b)	17
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	1625
	6	Total number of volunteers (estimate if necessary)	219
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	1,247,827.
7b	Net unrelated business taxable income from Form 990-T, line 34	230,595.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	3,273,132.
	9	Program service revenue (Part VIII, line 2g)	176,329,808.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,601,406.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,758,397.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	182,962,743.
	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)	0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	89,130,042.
16a		Professional fundraising fees (Part IX, column (A), line 11e)	130,633.
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>908,237.</b>	
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	79,070,043.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	176,509,773.
19		Revenue less expenses. Subtract line 18 from line 12	6,452,970.
Net Assets or Fund Balances		20	Total assets (Part X, line 16)
	21	Total liabilities (Part X, line 26)	79,011,807.
	22	Net assets or fund balances. Subtract line 21 from line 20	56,460,254.

<b>Part II Signature Block</b>			
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.			
<b>Sign Here</b>	Signature of officer  <b>MICHAEL F. O'CONNOR, SR. VP FINANCE</b>	Date <b>5/12/14</b>	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>JULIUS C. GREEN, CPA, JD</b>	Preparer's signature 	Date <b>5/18/14</b>
	Firm's name ▶ <b>PARENTEBEARD LLC</b>	Firm's EIN ▶ <b>23-2932984</b>	Check <input type="checkbox"/> if self-employed
	Firm's address ▶ <b>1650 MARKET STREET, SUITE 4500 PHILADELPHIA, PA 19103</b>	Phone no. <b>(215) 972-0701</b>	PTIN <b>P00350393</b>

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

THE MISSION OF EPHRATA COMMUNITY HOSPITAL:

1) TO ASSURE COMMUNITY ACCESS TO HEALTH CARE SERVICES THAT ARE HIGH IN QUALITY, COMPASSIONATE AND COST-EFFECTIVE.

2) TO PARTNER WITH EMPLOYEES, PHYSICIANS, VOLUNTEERS, AND OTHER HEALTH

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 [X] 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 [X] 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 \$ 170,172,420. including grants of \$ 12,451,353.) (Revenue \$ 177,774,803.)

EPHRATA COMMUNITY HOSPITAL IS AN ACUTE CARE HOSPITAL PROVIDING CARE FOR RESIDENTS OF NORTHERN LANCASTER COUNTY AND SURROUNDING COMMUNITIES. FOR THE FISCAL YEAR THAT ENDED JUNE 30, 2013, PROGRAM SERVICES INCLUDED 6,749 INPATIENT ACUTE, SUB-ACUTE, BEHAVIORAL HEALTH, ACUTE REHAB AND NEWBORN ADMISSIONS, FOR A TOTAL OF 25,370 PATIENT BED DAYS.

ADDITIONALLY, OUTPATIENT SERVICES INCLUDED 385,449 PATIENT VISITS. THESE SERVICES INCLUDED IMAGING STUDIES (X-RAY, ULTRASOUND, MRI, CT, MAMMOGRAPHY), LAB TESTING, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY, NON-INVASIVE CARDIOLOGY PROCEDURES INCLUDING ECHOCARDIOGRAMS AND EKG'S, BEHAVIORAL HEALTH COUNSELING, RADIATION AND MEDICAL ONCOLOGY, EMERGENCY DEPARTMENT VISITS, PRENATAL CARE THROUGH OUR HEALTHY BEGINNINGS PLUS

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

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

4d Other program services (Describe in Schedule O.)

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

4e Total program service expenses 170,172,420.

**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)? <i>If "Yes," complete Schedule A</i> .....	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....	X	
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? <i>If "Yes," complete Schedule C, Part III</i> .....		X
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? <i>If "Yes," complete Schedule D, Part I</i> .....		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
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? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
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? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
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? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
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? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
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? <i>If "Yes," complete Schedule D, Part IX</i> .....		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
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)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a	Did the organization maintain an office, employees, or agents outside of the United States? .....		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....	X	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
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? <i>If "Yes," complete Schedule G, Part I</i> .....	X	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	X	

**Part IV Checklist of Required Schedules** (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	X	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
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> .....	X	
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 25</i> .....	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		X
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? .....		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		X
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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> .....		X
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> .....		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> .....		X
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> .....		X
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> .....		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
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> .....		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
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> .....		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
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> .....		X
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> .....		X
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> .....	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	X	
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> .....	X	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
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> .....		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 1a-14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, and various organizational requirements.

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

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (20); 1b Enter the number of voting members included in line 1a, above, who are independent (17); 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? (X); 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? (X); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (X); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (X); 6 Did the organization have members or stockholders? (X); 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? (X); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (X); 8a The governing body? (X); 8b Each committee with authority to act on behalf of the governing body? (X); 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 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (X); 10b 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?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (X); 11b 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 (X); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (X); 13 Did the organization have a written whistleblower policy? (X); 14 Did the organization have a written document retention and destruction policy? (X); 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?; 15a The organization's CEO, Executive Director, or top management official (X); 15b Other officers or key employees of the organization (X); 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? (X); 16b 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? (X).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed PA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[ ] Own website [ ] Another's website [X] Upon request [ ] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
JOHN A. HOLMES, CFO - (717) 738-6753
169 MARTIN AVE., P.O. BOX 1002, EPHRATA, PA 17522-1002

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DEAN A. STOESZ CHAIRPERSON	2.00 1.00	X		X				0.	0.	0.
(2) R. FRED GROFF, III VICE CHAIRPERSON	1.00 3.00	X		X				0.	0.	0.
(3) WILLIAM C. FUNK, DMD SECRETARY	1.00	X		X				0.	0.	0.
(4) KENT C. TRACHTE, PH.D. ASSISTANT SECRETARY	1.00	X		X				0.	0.	0.
(5) LINDA H. WEAVER TREASURER	1.00 1.00	X		X				0.	0.	0.
(6) AARON L. GROFF, JR. ASSISTANT TREASURER	1.00	X		X				0.	0.	0.
(7) EDWARD G. CAMERINO, M.D. DIRECTOR	1.00	X						0.	0.	0.
(8) CHARLES M. EVANS, M.D. DIRECTOR	1.00	X						0.	0.	0.
(9) LLOYD G. GOLDFARB, M.D. DIRECTOR	1.00	X						0.	343,848.	40,000.
(10) J. RICHARD HALLER DIRECTOR	1.00	X						0.	0.	0.
(11) LINDA L. KLING, ESQ. DIRECTOR	1.00	X						0.	0.	0.
(12) RICHARD C. LEWIS DIRECTOR	1.00	X						0.	0.	0.
(13) RONALD L. MILLER, CPA DIRECTOR	1.00	X						0.	0.	0.
(14) C. DAVID NOLL, D.O. DIRECTOR - ON LEAVE EFF 10/26/12	1.00	X						0.	0.	0.
(15) GILBER L. SAGER DIRECTOR	1.00	X						0.	0.	0.
(16) EARL D. SHIRK DIRECTOR	1.00	X						0.	0.	0.
(17) CHRIS M. THEODORAN, D.O. DIRECTOR	1.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DALE WHITEBLOOM, D.O. DIRECTOR	1.00	X						0.	0.	0.
(19) E. RICHARD YOUNG, ESQ. DIRECTOR	1.00	X						0.	0.	0.
(20) LEON RAY BURKHOLDER DIRECTOR	1.00	X						0.	0.	0.
(21) P. JOSHUA GLUCK DIRECTOR	1.00	X						0.	0.	0.
(22) JOHN M. PORTER, JR. PRESIDENT/CEO	40.00 6.00			X				594,648.	0.	40,000.
(23) VINCENT D. GLIELMI, D.O. VP, MEDICAL AFFAIRS	40.00 1.00			X				239,130.	0.	33,789.
(24) ROBERT F. GRAUPENSPERGER EXECUTIVE VP/COO	40.00 6.00			X				264,683.	0.	40,000.
(25) JOHN A. HOLMES CFO	40.00			X				259,606.	0.	34,664.
(26) PETER C. COTE, M.D. MEDICAL DIRECTOR	40.00					X		531,734.	0.	40,000.
<b>1b Sub-total</b> .....								1,889,801.	343,848.	228,453.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								1,382,423.	0.	144,489.
<b>d Total (add lines 1b and 1c)</b> .....								3,272,224.	343,848.	372,942.

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 **72**

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

**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
BENCHMARK CONSTRUCTION COMPANY INCORPORATED 4121 OREGON PIKE, PO BOX 806, BROWNSTOWN, PA	CONSTRUCTION	7,749,570.
HECK CONSTRUCTION COMPANY, INC. 143 MAIN STREET, DENVER, PA 17517	CONSTRUCTION	5,274,670.
CMC BILLING SERVICES 2121 NOBLESTOWN ROAD, PITTSBURGH, PA 15205	BILLING/COLLECTION SERVICES	895,066.
PARK PLACE INTERNATIONAL, LLC, 500 DONALD LYNCH BOULEVARD, MARLBOROUGH, MA 01752	IT CONSULTING SERVICES	869,690.
KEYSTONE REHABILITATION SYSTEMS PO BOX 1289, INDIANA, PA 15701	PHYSICAL THERAPY SERVICES	680,050.

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 **33**

SEE PART VII, SECTION A CONTINUATION SHEETS



**Part VIII Statement of Revenue**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns						
	b	Membership dues						
	c	Fundraising events	251,464.					
	d	Related organizations						
	e	Government grants (contributions)	922,900.					
	f	All other contributions, gifts, grants, and similar amounts not included above	283,144.					
	g	Noncash contributions included in lines 1a-1f: \$	19,088.					
	h	<b>Total.</b> Add lines 1a-1f	1,457,508.					
	Program Service Revenue	2 a	NET PATIENT SERVICE REV	177,443,922.	177,443,922.			
		b						
c								
d								
e								
f		All other program service revenue						
g		<b>Total.</b> Add lines 2a-2f	177,443,922.					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	427,868.			427,868.		
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	1,301,246.				
			(ii) Personal					
			b	Less: rental expenses	1,626,619.			
			c	Rental income or (loss)	-325,373.			
	d	Net rental income or (loss)	-325,373.		80,470.	-405,843.		
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	13,492,729.				
			(ii) Other	8,720,669.				
			b	Less: cost or other basis and sales expenses	13,270,769.	9,006,252.		
			c	Gain or (loss)	221,960.	-285,583.		
	d	Net gain or (loss)	-63,623.			-63,623.		
	8 a	Gross income from fundraising events (not including \$ 251,464. of contributions reported on line 1c). See Part IV, line 18	70,540.					
	b	Less: direct expenses	116,276.					
c	Net income or (loss) from fundraising events	-45,736.			-45,736.			
9 a	Gross income from gaming activities. See Part IV, line 19							
b	Less: direct expenses							
c	Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances	a	131,657.					
		b	Less: cost of goods sold	103,405.				
		c	Net income or (loss) from sales of inventory	28,252.			28,252.	
Miscellaneous Revenue		Business Code						
11 a	MEANINGFUL USE	900099	1,740,000.			1,740,000.		
b	LAB COURIER REVENUE	621500	729,991.		729,991.			
c	CAFETERIA REVENUE	722210	474,206.			474,206.		
d	All other revenue	900099	1,545,749.	330,881.	437,366.	777,502.		
e	<b>Total.</b> Add lines 11a-11d		4,489,946.					
12	<b>Total revenue.</b> See instructions.		183,412,764.	177,774,803.	1,247,827.	2,932,626.		

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	12,451,353.	12,451,353.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,561,990.	614,036.	947,954.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	218,774.	218,774.		
7 Other salaries and wages	66,285,743.	61,985,394.	3,895,525.	404,824.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,995,561.	2,788,888.	188,512.	18,161.
9 Other employee benefits	14,429,145.	13,373,009.	969,571.	86,565.
10 Payroll taxes	4,670,959.	4,346,468.	301,650.	22,841.
11 Fees for services (non-employees):				
a Management				
b Legal	612,272.		612,272.	
c Accounting	116,023.		116,023.	
d Lobbying	36,763.	36,763.		
e Professional fundraising services. See Part IV, line 17	82,915.			82,915.
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	12,481,739.	10,898,702.	1,543,852.	39,185.
12 Advertising and promotion	561,109.	491,740.	9,305.	60,064.
13 Office expenses	7,857,517.	7,553,406.	227,031.	77,080.
14 Information technology	3,065,773.	2,658,626.	397,892.	9,255.
15 Royalties				
16 Occupancy	6,613,583.	6,252,705.	331,355.	29,523.
17 Travel	471,976.	454,812.	15,174.	1,990.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	161,838.	124,830.	30,056.	6,952.
20 Interest	1,197,151.		1,197,151.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	9,324,512.	9,324,512.		
23 Insurance	672,181.	4,073.	668,108.	
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 <b>MEDICAL SUPPLIES</b>	25,926,014.	25,925,694.	85.	235.
b <b>BAD DEBT EXPENSE</b>	6,948,120.	6,948,120.		
c <b>CONTINGENCY TAX</b>	1,899,996.	1,899,996.		
d <b>REPAIRS &amp; MAINTENANCE</b>	1,451,310.	1,450,167.	1,038.	105.
e All other expenses	625,197.	370,352.	186,303.	68,542.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	182,719,514.	170,172,420.	11,638,857.	908,237.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing .....	24,611.	1	24,398.
	2	Savings and temporary cash investments .....	9,545,327.	2	5,523,775.
	3	Pledges and grants receivable, net .....	2,291,073.	3	1,158,197.
	4	Accounts receivable, net .....	21,907,636.	4	24,463,236.
	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	
	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 instr). Complete Part II of Sch L .....		6	
	7	Notes and loans receivable, net .....		7	
	8	Inventories for sale or use .....	5,070,224.	8	4,999,462.
	9	Prepaid expenses and deferred charges .....	2,817,445.	9	2,549,933.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 155,841,711.		
	b	Less: accumulated depreciation .....	10b 84,938,257.	10c 70,903,454.	
	11	Investments - publicly traded securities .....	24,419,331.	11	33,159,419.
	12	Investments - other securities. See Part IV, line 11 .....	1,327,825.	12	1,502,636.
	13	Investments - program-related. See Part IV, line 11 .....		13	
	14	Intangible assets .....		14	
	15	Other assets. See Part IV, line 11 .....	1,042,332.	15	1,001,571.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	135,472,061.	16	145,286,081.	
Liabilities	17	Accounts payable and accrued expenses .....	21,337,329.	17	21,041,306.
	18	Grants payable .....		18	
	19	Deferred revenue .....	110,462.	19	107,201.
	20	Tax-exempt bond liabilities .....	29,768,146.	20	38,205,525.
	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 .....	787,600.	23	474,904.
	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 .....	27,008,270.	25	19,246,788.
	26	<b>Total liabilities.</b> Add lines 17 through 25 .....	79,011,807.	26	79,075,724.
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 .....	53,071,006.	27	64,355,884.
	28	Temporarily restricted net assets .....	2,739,393.	28	1,179,735.
	29	Permanently restricted net assets .....	649,855.	29	674,738.
	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	<b>Total net assets or fund balances</b> .....	56,460,254.	33	66,210,357.	
34	<b>Total liabilities and net assets/fund balances</b> .....	135,472,061.	34	145,286,081.	

**Part XI Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	183,412,764.
2	Total expenses (must equal Part IX, column (A), line 25)	2	182,719,514.
3	Revenue less expenses. Subtract line 2 from line 1	3	693,250.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	56,460,254.
5	Net unrealized gains (losses) on investments	5	444,482.
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	8,612,371.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	66,210,357.

**Part XII Financial Statements and Reporting**

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		X
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:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
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:			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	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?	X	
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?		X
3b	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		

Form 990 (2012)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 <b>Total.</b> 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 <b>Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4 .....						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
11 <b>Total support.</b> Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions) .....					12	
13 <b>First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) .....	14		%
15 Public support percentage from 2011 Schedule A, Part II, line 14 .....	15		%
16a <b>33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
b <b>33 1/3% support test - 2011.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
17a <b>10% -facts-and-circumstances test - 2012.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
b <b>10% -facts-and-circumstances test - 2011.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
18 <b>Private foundation.</b> 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 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
5 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
6 Total. Add lines 1 through 5 .....						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
c Add lines 7a and 7b .....						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6 .....						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
c Add lines 10a and 10b .....						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) .....	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15 .....	16	%

**Section D. Computation of Investment Income Percentage**

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

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2012**

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

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

**Open to Public Inspection**

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

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

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

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

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

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

Name of organization <b>EPHRATA COMMUNITY HOSPITAL</b>	Employer identification number <b>23-1370484</b>
---	---

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

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

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

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

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

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

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

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

- A Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying) .....														
b Total lobbying expenditures to influence a legislative body (direct lobbying) .....														
c Total lobbying expenditures (add lines 1a and 1b) .....														
d Other exempt purpose expenditures .....														
e Total exempt purpose expenditures (add lines 1c and 1d) .....														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	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.		
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? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(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? .....		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements? .....		X	
d Mailings to members, legislators, or the public? .....		X	
e Publications, or published or broadcast statements? .....		X	
f Grants to other organizations for lobbying purposes? .....		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body? .....		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? .....		X	
i Other activities? .....	X		36,763.
j Total. Add lines 1c through 1i .....			36,763.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? .....		X	
b If "Yes," enter the amount of any tax incurred under section 4912 .....			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 .....			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? .....			

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

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

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

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

**Part IV Supplemental Information**

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

**PART II-B, LINE 1, LOBBYING ACTIVITIES:**

LOBBYING ACTIVITIES CONSISTED OF PHONE CALLS AND MEETINGS BY AN INDEPENDENT CONTRACTOR TO LOBBY ON BEHALF OF THE HOSPITAL AT BOTH THE FEDERAL AND STATE LEVEL FOR HEALTHCARE ISSUES, GRANT MONEY, AND APPROPRIATIONS MONEY. THE LOBBYING FIRM (BRAVO GROUP, INC.) WAS PAID \$29,498 FOR THIS SERVICE. THE HOSPITAL ALSO PAYS DUES TO THE HOSPITAL &



**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

OMB No. 1545-0047

**2012**

Open to Public Inspection

Name of the organization

EPHRATA COMMUNITY HOSPITAL

Employer identification number

23-1370484

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of an historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

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

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ..... ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X ..... ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ..... ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X ..... ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

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

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

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

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

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

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

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

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

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

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

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

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,528,030.		1,528,030.
b Buildings		51,814,030.	21,677,385.	30,136,645.
c Leasehold improvements		6,503,602.	3,231,888.	3,271,714.
d Equipment		92,214,140.	58,230,123.	33,984,017.
e Other		3,781,909.	1,798,861.	1,983,048.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				70,903,454.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A) .....		
(B) .....		
(C) .....		
(D) .....		
(E) .....		
(F) .....		
(G) .....		
(H) .....		
(I) .....		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) .....		
(2) .....		
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
(10) .....		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

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

(a) Description	(b) Book value
(1) .....	
(2) .....	
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
(10) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CHARITABLE GIFT ANNUITIES	117,646.
(3) ESTIMATED THIRD-PARTY PAYOR	
(4) SETTLEMENTS & ADVANCES	1,619,545.
(5) PENSION LIABILITY	14,001,308.
(6) CASH FLOW DERIVATIVE FINANCIAL INSTRUMENT	1,479,001.
(8) DEFERRED COMPENSATION	2,017,224.
(9) OTHER LIABILITIES	12,064.
(10) .....	
(11) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	19,246,788.

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

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

1	Total revenue, gains, and other support per audited financial statements		1	194,326,388.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		444,482.
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		8,612,371.
e	Add lines 2a through 2d		2e	9,056,853.
3	Subtract line 2e from line 1		3	185,269,535.
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		-1,856,771.
c	Add lines 4a and 4b		4c	-1,856,771.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	183,412,764.

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

1	Total expenses and losses per audited financial statements		1	184,576,285.
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		1,856,771.
e	Add lines 2a through 2d		2e	1,856,771.
3	Subtract line 2e from line 1		3	182,719,514.
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	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	182,719,514.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2: THE HOSPITAL ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES**

RECOGNIZED IN ITS FINANCIAL STATEMENTS USING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET. MANAGEMENT DETERMINED THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION THRESHOLD IN 2013 AND 2012.

THE HOSPITAL'S FEDERAL EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURNS ARE

Part XIII Supplemental Information (continued)

NO LONGER SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE FOR YEARS BEFORE JUNE 30, 2010.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

PENSION LIABILITY ADJUSTMENT	7,778,976.
UNREALIZED GAIN ON DERIVATIVE FINANCIAL INSTRUMENT	808,512.
CHANGE IN VALUATION OF BENEFICIAL INTEREST IN PERPETUAL TRUSTS	24,883.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	8,612,371.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

RENTAL EXPENSE	-1,637,090.
SPECIAL EVENTS EXPENSE	-116,276.
GIFT SHOP EXPENSES	-103,405.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	-1,856,771.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSE	1,637,090.
SPECIAL EVENTS EXPENSE	116,276.
GIFT SHOP EXPENSES	103,405.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	1,856,771.

**SCHEDULE F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

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

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

Employer identification number

**EPHRATA COMMUNITY HOSPITAL**

**23-1370484**

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

- 1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? .....  Yes  No
- 2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 **Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENT		315,010.
<b>3 a</b> Sub-total .....	0	0			315,010.
<b>b</b> Total from continuation sheets to Part I .....	0	0			0.
<b>c</b> Totals (add lines 3a and 3b) .....	0	0			315,010.





**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 file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* .....  Yes  No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* .....  Yes  No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, 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 file Form 5713, International Boycott Report. (see Instructions for Form 5713)* .....  Yes  No

Schedule F (Form 990) 2012



**SCHEDULE G**  
(Form 990 or 990-EZ)

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

OMB No. 1545-0047

**2012**

Department of the Treasury  
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,  
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Open To Public  
Inspection

Name of the organization

**EPHRATA COMMUNITY HOSPITAL**

Employer identification number

**23-1370484**

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a  Mail solicitations
- b  Internet and email solicitations
- c  Phone solicitations
- d  In-person solicitations
- e  Solicitation of non-government grants
- f  Solicitation of government grants
- g  Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
THE SHERIDAN GROUP - 4510 SOUTH 34TH STREET, ARLINGTON,	PROFESSIONAL FUNDRAISING		X	0.	82,915.	-82,915.
<b>Total</b>					82,915.	-82,915.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
		GOLF TOURNAMENT (event type)	STARLIGHT GALA (event type)	2 (total number)	(add col. (a) through col. (c))	
Revenue	1	Gross receipts	151,540.	95,958.	74,506.	322,004.
	2	Less: Contributions	114,800.	70,758.	65,906.	251,464.
	3	Gross income (line 1 minus line 2)	36,740.	25,200.	8,600.	70,540.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes	11,236.		706.	11,942.
	6	Rent/facility costs	21,660.	3,962.	500.	26,122.
	7	Food and beverages	21,442.	13,766.	6,406.	41,614.
	8	Entertainment		2,300.	918.	3,218.
	9	Other direct expenses	2,485.	8,187.	22,708.	33,380.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				( 116,276 )
	11	Net income summary. Combine line 3, column (d), and line 10				-45,736.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1	Gross revenue		
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7	Direct expense summary. Add lines 2 through 5 in column (d)				( )
8	Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

	<input type="checkbox"/> Yes <input type="checkbox"/> No
a The organization's facility	13a %
b An outside facility	13b %
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:**

(I) NAME OF FUNDRAISER: THE SHERIDAN GROUP

(I) ADDRESS OF FUNDRAISER: 4510 SOUTH 34TH STREET, ARLINGTON, VA 22206

**SCHEDULE G, PART I, LINE 2B, COLUMN (V): THE PROFESSIONAL FUNDRAISER**

**PERFORMED CONSULTING SERVICES FOR THE HOSPITAL. THE AMOUNT PAID TO THE**

**FUNDRAISER REPORTED ON LINE 2B REPRESENTS THE FEES CHARGED FOR THESE CONSULTING SERVICES PLUS TRAVEL EXPENSES. NO GROSS RECEIPTS WERE**



**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2012**

Open to Public Inspection

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization **EPHRATA COMMUNITY HOSPITAL** Employer identification number **23-1370484**

**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	X	
b If "Yes," was it a written policy?	X	
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 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 free 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 _____ %	X	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <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 _____ %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
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?		X
6a Did the organization prepare a community benefit report during the tax year?	X	
b If "Yes," did the organization make it available to the public?	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

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)			2,880,377.	0.	2,880,377.	1.64%
b Medicaid (from Worksheet 3, column a)			15,948,000.	9,697,337.	6,250,663.	3.56%
c Costs of other means-tested government programs (from Worksheet 3, column b)			642,000.	580,224.	61,776.	.04%
d Total Financial Assistance and Means-Tested Government Programs			19,470,377.	10,277,561.	9,192,816.	5.24%
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4)			161,574.	0.	161,574.	.09%
f Health professions education (from Worksheet 5)			148,116.	0.	148,116.	.08%
g Subsidized health services (from Worksheet 6)			3,904,030.	2,426,317.	1,477,713.	.84%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			98,879.	0.	98,879.	.06%
j Total Other Benefits			4,312,599.	2,426,317.	1,886,282.	1.07%
k Total. Add lines 7d and 7j			23,782,976.	12,703,878.	11,079,098.	6.31%





**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of hospital facility or facility reporting group EPHRATA COMMUNITY HOSPITAL

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

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

**Part V Facility Information** (continued) EPHRATA COMMUNITY HOSPITAL

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? .....	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? .....	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing discounted care? .....	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>300</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients? .....	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance? .....	X	
14	Included measures to publicize the policy within the community served by the hospital facility? .....	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		
<b>Billing and Collections</b>			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? .....	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? .....		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

**Part V Facility Information** (continued) **EPHRATA COMMUNITY HOSPITAL**

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- a  Notified individuals of the financial assistance policy on admission
  - b  Notified individuals of the financial assistance policy prior to discharge
  - c  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
  - d  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
  - e  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

	Yes	No
<b>19</b> Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
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 Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

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

<b>20</b> 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input type="checkbox"/> Other (describe in Part VI)		
<b>21</b> During the tax year, did the hospital facility charge any of its FAP-eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		X
If "Yes," explain in Part VI.		
<b>22</b> During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?		X
If "Yes," explain in Part VI.		

**Part V** Facility Information (continued)

## Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 17

Name and address	Type of Facility (describe)
1 EPHRATA CANCER CENTER 460 NORTH READING ROAD EPHRATA, PA 17522	MEDICAL & RADIOLOGY ONCOLOGY/PET SCANNING
2 EPHRATA DIAGNOSTIC CENTER 446 NORTH READING ROAD EPHRATA, PA 17522	IMAGING/LAB/OCCUPATIONAL MEDICINE
3 CENTER FOR HEALTH AT GARDEN SPOT VILL 435 SOUTH KINZER AVENUE NEW HOLLAND, PA 17557	CARDIOLOGY/LAB/IMAGING/QUICK CARE/THERAPY/OCCUPATIONAL MEDICINE
4 EPHRATA HEALTH PAVILION 175 MARTIN AVENUE EPHRATA, PA 17522	WOUND CARE & HYPERBARIC/WOMEN'S CENTER
5 COMMUNITY MEDICAL & DIAGNOSTIC CENTER 30 WEST SWARTZVILLE ROAD REINHOLDS, PA 17569	IMAGING/LAB
6 CROSSROADS CENTER FOR HEALTH 4131 OREGON PIKE EPHRATA, PA 17522	LAB/IMAGING/THERAPY
7 MEADOWBROOK CENTER FOR HEALTH 337 WEST MAIN STREET LEOLA, PA 17540	LAB/IMAGING/THERAPY
8 BROSSMAN CENTER FOR HEALTH 136 LAKE STREET EPHRATA, PA 17522	CARDIOLOGY/THERAPY
9 PAIN MANAGEMENT CENTER OF EPHRATA 4150 BARRETT BLVD. EPHRATA, PA 17522	PAIN MANAGEMENT
10 ROTHSVILLE MEDICAL CENTER 2320 ROTHSVILLE ROAD LITITZ, PA 17543	LAB/PULMONARY REHAB

Schedule H (Form 990) 2012

**Part V Facility Information** *(continued)*

**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? \_\_\_\_\_

Name and address	Type of Facility (describe)
11 CORNERSTONE MEDICAL CENTER 6 WEST NEWPORT ROAD LITITZ, PA 17543	IMAGING/LAB/THERAPY
12 COCALICO CENTER FOR HEALTH 63-71 WEST CHURCH STREET STEVENS, PA 17578	THERAPY/SLEEP STUDIES/WELLNESS/WEIGHT LOSS
13 MEDICAL OFFICE BUILDING 157-179 NORTH READING ROAD EPHRATA, PA 17522	CARDIOLOGY/HEALTHY BEGINNINGS PLUS
14 EPHRATA MEDICAL LAB - ADAMSTOWN 2580 NORTH READING ROAD ADAMSTOWN, PA 19501	LAB
15 REHAB CENTER 1944 LICOLN HWY EAST LANCASTER, PA 17603	PHYSICAL THERAPY
16 SLEEP CENTER 217 GRANITE RUN DRIVE LANCASTER, PA 17603	SLEEP STUDIES
17 OREGON PIKE IMAGING 1834 OREGON PIKE, 2ND FLOOR LANCASTER, PA 17601	IMAGING-ULTRASOUND

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

PART I, LINE 7: COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS

REPORTED IN PART I, LINE 7: A PATIENT COST TO CHARGE RATIO WAS UTILIZED FOR LINES A, B AND C USING WORKSHEET 2 FOR FORM 990. ACTUAL SPECIFIC COST IDENTIFICATION WAS UTILIZED FOR LINES E, F, G AND I.

PART I, LINE 7G: THERE ARE NO COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC INCLUDED IN THE FIGURES FOR SUBSIDIZED HEALTH SERVICES.

PART I, LINE 7, COLUMN (F): THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 6948120.

PART II: THE AMOUNT REPORTED IN PART II IS STRICTLY RELATED TO EXERCISES THAT THE ORGANIZATION HAS PARTICIPATED IN TO BETTER PREPARE ITSELF TO SUPPORT THE COMMUNITIES IT SERVES IN THE EVENT OF A SIGNIFICANT EMERGENCY OR CATASTROPHIC EVENT.

PART III, LINE 4: FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS

**Part VI Supplemental Information**

THAT DESCRIBES BAD DEBT EXPENSE: ACCOUNTS RECEIVABLE, PATIENTS AND OTHER RECEIVABLES ARE REPORTED AT NET REALIZABLE VALUE. ACCOUNTS ARE WRITTEN OFF WHEN THEY ARE DETERMINED TO BE UNCOLLECTIBLE BASED UPON MANAGEMENT'S ASSESSMENT OF INDIVIDUAL ACCOUNTS. THE ALLOWANCE FOR DOUBTFUL COLLECTIONS IS ESTIMATED BASED UPON A PERIODIC REVIEW OF THE ACCOUNTS RECEIVABLE AGING, PAYOR CLASSIFICATIONS, AND APPLICATION OF HISTORICAL WRITE-OFF PERCENTAGES.

COSTING METHODOLOGY USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINES 2 AND 3: BAD DEBT EXPENSE AMOUNTS CALCULATED USING THE PATIENT COST TO CHARGE RATIO (WORKSHEET 2 OF FORM 990). OTHER BAD DEBT AMOUNTS ARE NOT INCLUDED IN COMMUNITY BENEFITS.

HOW THE ORGANIZATION ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSE: BAD DEBT EXPENSE IS DRIVEN BY THE BAD DEBT ALLOWANCE, WHICH IS BASED UPON HISTORICAL BAD DEBT WRITE-OFF ACTIVITY, LESS PAYMENTS MADE ON ACCOUNTS AFTER THEY HAVE BEEN WRITTEN OFF.

METHOD THE ORGANIZATION USES TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, IF SUFFICIENT INFORMATION HAD BEEN AVAILABLE TO MAKE A DETERMINATION OF THEIR ELIGIBILITY: RATIONALE FOR INCLUDING BAD DEBT AMOUNTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS FROM UTILIZATION OF INDEPENDENT PRESUMPTIVE CHARITY CARE SCORING ON ACCOUNTS SENT TO BAD DEBTS FOR THE MONTH OF JULY 2013 TO COME TO A PERCENTAGE TO APPLY TO FISCAL YEAR 2013.

PART III, LINE 8: COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE

**Part VI** Supplemental Information

ALLOWABLE COSTS REPORTED IN THE ORGANIZATION'S MEDICARE COST REPORT, AS REFLECTED IN THE AMOUNT REPORTED IN PART III, LINE 6: MEDICARE COST REPORT, LESS EXPENSE AMOUNTS SPECIFICALLY ATTRIBUTABLE TO LINE 7G. THESE EXPENSE AMOUNTS ARE CALCULATED USING ACTUAL COST TO CHARGE RATIOS FOR THE DEPARTMENTS INVOLVED.

THE EXTENT TO WHICH ANY SHORTFALL REPORTED IN PART III, LINE 7 SHOULD BE TREATED AS A COMMUNITY BENEFIT: AS A MEDICARE CONTRACTOR, WE HAVE NO SAY ON THE AMOUNT OF REIMBURSEMENT, YET FOR ALL PRACTICAL PURPOSES NEED TO CONTRACT WITH MEDICARE TO REMAIN VIABLE. SO, TO THE EXTENT THAT WE HAVE EXPENSES IN EXCESS OF REVENUE, IT SHOULD BE TREATED AS A BENEFIT TO THE COMMUNITY.

PART III, LINE 9B: COLLECTION PRACTICES SET FORTH IN THE POLICY THAT APPLY TO PATIENTS THAT THE ORGANIZATION KNOWS QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE: PATIENTS WHO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE ARE NOT SUBJECT TO DEBT COLLECTION AS THE ACCOUNTS ARE PULLED OUT PRIOR TO BEING SENT TO COLLECTIONS OR PUT ON HOLD PENDING COMPLETION OF THE APPLICATION PROCESS. ACCOUNTS WILL BE PULLED OUT OF COLLECTIONS IF A CHARITY CARE APPLICATION IS SUBSEQUENTLY COMPLETED.

EPHRATA COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 3: APPENDIX B OF THE COMMUNITY HEALTH NEEDS ASSESSMENT OUTLINES THE EXPERT INPUT RECEIVED DURING THE NEEDS ASSESSMENT PROCESS. MANY OF THOSE NOTED SOURCES ARE MEMBERS OF THE LANCASTER HEALTH IMPROVEMENT PARTNERSHIP, A COALITION COMPRISED OF OVER 25 MOSTLY NON-PROFIT HEALTH & HUMAN SERVICE ORGANIZATIONS. THIS PARTNERSHIP ACTS AS STAKEHOLDERS IN THE NEEDS ASSESSMENT PROCESS AND HAS BEEN INSTRUMENTAL

**Part VI** Supplemental Information

WITH COUNTY-WIDE NEEDS ASSESSMENTS FOR A NUMBER OF YEARS. THE GROUP MEETS REGULARLY THROUGHOUT THE YEAR TO DISCUSS THE COMMUNITY'S MOST PRESSING HEALTH ISSUES.

A SUB-GROUP OF THE LANCASTER HEALTH IMPROVEMENT PARTNERSHIP PLANS THE ANNUAL LANCASTER HEALTH SUMMIT. THE HEALTH SUMMIT IS A COMMUNITY FORUM TO EDUCATE, SHARE IDEAS, COMMUNICATE DATA AND RESULTS TO KEY CONSTITUENTS. THE SUMMIT IS A COLLABORATIVE EFFORT WITH THE LANCASTER COUNTY BUSINESS GROUP ON HEALTH AND DRAWS OVER 300 PARTICIPANTS.

ACTIVELY PARTICIPATING IN THESE GROUPS AND OTHER SIMILAR COALITIONS AND COLLABORATIVE EFFORTS WITHIN THE COUNTY HAS AFFORDED EPHRATA COMMUNITY HOSPITAL GREATER INSIGHT INTO THE COMMUNITY'S HEALTH STATUS. THIS ENGAGEMENT HAS BEEN BENEFICIAL AS THE HOSPITAL MOVED FORWARD IN DRAFTING THIS IMPLEMENTATION PLAN.

EPHRATA COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 4: LANCASTER GENERAL HEALTH

EPHRATA COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 7: IN REVIEWING THE TOP TWENTY INDICATORS DETECTED IN THE CHNA MANY ARE RELATED TO THE ROOT CAUSES OF CHRONIC DISEASES THAT ARE ADDRESSED BY OUR TWO ADOPTED FOCUS AREAS. THERE ARE OTHER AREAS THAT ARE NOT ADDRESSED BY THE HOSPITAL'S ACTION PLAN. SOME INDICATORS GO BEYOND THE SCOPE OF A COMMUNITY HOSPITAL'S SERVICES, SUCH AS WORKERS WHO DRIVE ALONE TO WORK, UNEMPLOYED WORKERS IN CIVILIAN LABOR

Part VI Supplemental Information

FORCE, AND HOUSEHOLDS WITHOUT A VEHICLE.

IN THESE CASES THE HOSPITAL WOULD LACK AN EFFECTIVE APPROACH TO ELICIT ANY MEANINGFUL IMPACT.

EPHRATA COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 16E: NO ACTIONS ARE TAKEN BEFORE MAKING REASONABLE EFFORTS TO DETERMINE THE PATIENT'S ELIGIBILITY UNDER THE FACILITY'S FINANCIAL ASSISTANCE POLICY.

EPHRATA COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 17E: NO ACTIONS ARE TAKEN BEFORE MAKING REASONABLE EFFORTS TO DETERMINE THE PATIENT'S ELIGIBILITY UNDER THE FACILITY'S FINANCIAL ASSISTANCE POLICY.

PART VI, LINE 2: A FORMAL COMMUNITY NEEDS ASSESSMENT WAS INITIATED IN 2012 WITH DATA GATHERING AND AN ACTION PLAN PREPARED. THE ASSESSMENT WAS A JOINT EFFORT WITH LANCASTER GENERAL HEALTH, AND THE FINDINGS WERE PRESENTED TO THE COMMUNITY IN MAY 2012 AT A HEALTH SUMMIT ORGANIZED BY THE COLLABORATIVE EFFORT OF THE LANCASTER HEALTH IMPROVEMENT PARTNERSHIP AND THE LANCASTER COUNTY BUSINESS GROUP ON HEALTH. FINDINGS FROM THE NEEDS ASSESSMENT ARE AVAILABLE ON THE HOSPITAL'S WEBSITE, WWW.EPHRATAHOSPITAL.ORG.

PART VI, LINE 3: EPHRATA COMMUNITY HOSPITAL INFORMS AND EDUCATES PATIENTS AND PERSONS WHO ARE BILLED FOR PATIENT CARE ABOUT THEIR

**Part VI Supplemental Information**

ELIGIBILITY FOR ASSISTANCE FOR FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAMS VIA THE FOLLOWING WAYS:

1. DURING THE PRE-SERVICE PROCESS, THE FINANCIAL COUNSELORS VERIFY ALL FINANCIAL INFORMATION WITH THE PATIENT AND/OR GUARANTOR. AT THAT TIME, THE FINANCIAL COUNSELOR WILL THEN EDUCATE THE PATIENT OF THEIR POTENTIAL FINANCIAL RESPONSIBILITY AND MAKE NUMEROUS RECOMMENDATIONS TO ASSIST THEM IN SATISFYING THIS PORTION. ONE OF THESE AVENUES IS TO RECOMMEND OUR ECH CARES CHARITY PROGRAM AND TO REFER THEM TO OBTAIN MEDICAL ASSISTANCE (MA) VIA OUR IN-HOUSE MA COUNSELOR WITH WHOM WE SUBCONTRACT. THE FINANCIAL COUNSELOR WILL OFFER THESE OPTIONS ALSO IF THE PATIENT IS A TRUE SELF PAY AND HAS NO INSURANCE COVERAGE.

2. WHEN THE PATIENT PRESENTS AT ANY OF OUR REGISTRATION SITES, THEY ARE ALSO INFORMED OF OUR OFFERINGS OF OUR ECH CARES CHARITY PROGRAM AS WELL AS THE CONVENIENCE OF HAVING AN MA COUNSELOR AVAILABLE FOR THEM TO SPEAK WITH LOCATED AT OUR HOSPITAL.

3. IN ADDITION, ACCESS ASSOCIATES ALSO HAVE INFORMATION READILY AVAILABLE TO THEM TO ASSIST WALK-IN PATIENTS WHO MAY BE UNDERINSURED OR UNINSURED. POLICY & PROCEDURE DICTATES THAT ANY SERVICE WE OFFER THAT IS ESTIMATED TO COST \$1,000 OR MORE, AND THE PATIENT IS EITHER UNDERINSURED OR UNINSURED, WE DISCUSS THE PATHS MEDICAL ASSISTANCE PROCESS AND HAVE THAT PATIENT SIGN A LIMITED POWER OF ATTORNEY. WE ALSO PROVIDE AN ECH CARES BROCHURE AT THAT TIME AND BRIEFLY EXPLAIN THE APPLICATION PROCESS, AND THAT THE MA VENDOR WILL ASSIST THEM WITH THIS APPLICATION AS WELL AS THE MA APPLICATION. THESE CONVERSATIONS ARE DOCUMENTED WITH PROPER FOLLOW-UP.

Part VI Supplemental Information

4. CENTRAL REGISTRATION - DEALING WITH EMERGENCY PATIENTS - FINANCIAL POLICY IS AVAILABLE - AND ROUTINELY DISCUSSES PATHS MA VENDOR, AND ECH CARES. PROPER POWER OF ATTORNEY FORM IS SIGNED AND FORWARDED TO THE MA REPRESENTATIVE FOR FOLLOW-UP.

5. SIGNAGE IS POSTED IN THE ER DEPARTMENT HALLWAY INFORMING PATIENTS OF THE HOSPITAL'S FINANCIAL POLICY.

6. VERBIAGE ON THE STATEMENTS INFORMING THE PATIENTS OF THE AVAILABILITY OF THE VARIOUS AVENUES TO HELP THEM WITH THEIR OBLIGATION, INCLUDING MEDICAL ASSISTANCE AND OUR ECH CARES PROGRAM.

7. VERBIAGE ON THE EXTERNAL WEBSITE TO INFORM THE PATIENTS OF THE AVAILABILITY OF THE VARIOUS AVENUES TO HELP THEM WITH THEIR OBLIGATION, INCLUDING MEDICAL ASSISTANCE AND OUR ECH CARES PROGRAM.

8. CUSTOMER SERVICE AGENTS HAVE SCRIPTING TO INFORM THE PATIENTS OF THE AVAILABILITY OF THE VARIOUS AVENUES TO HELP THEM WITH THEIR OBLIGATION, INCLUDING MEDICAL ASSISTANCE AND OUR ECH CARES PROGRAM.

PART VI, LINE 4: THE MISSION OF EPHRATA COMMUNITY HOSPITAL IS TO MEET THE PRIMARY AND ACUTE CARE NEEDS, AS WELL AS THE NEED FOR DIAGNOSTIC AND REHABILITATIVE SERVICES WITHIN THE COMMUNITIES THAT WE SERVE. INDEPENDENTLY DEVELOPED TO SERVE LOCAL NEEDS, THE PRIMARY PURPOSE OF THE HOSPITAL IS TO ASSURE COMMUNITY ACCESS TO QUALITY, COMPASSIONATE AND COST-EFFICIENT HEALTHCARE. WITH A QUALIFIED AND DIVERSIFIED MEDICAL STAFF, EPHRATA COMMUNITY HOSPITAL CARES FOR THE NEEDS OF PATIENTS OF ALL AGES WITH COURTESY AND PROFESSIONAL EXPERTISE.

Part VI Supplemental Information

EPHRATA COMMUNITY HOSPITAL SERVES THE NORTHERN LANCASTER COUNTY COMMUNITY AS WELL AS PARTS OF SOUTHERN BERKS COUNTY, EASTERN LEBANON COUNTY AND WESTERN CHESTER COUNTY. MANY OF THE PATIENTS USING SERVICES OFFERED BY EPHRATA COMMUNITY HOSPITAL RESIDE IN THE FOLLOWING ZIP CODES:

17039 KLEINFELTERSVILLE, PA

17501 AKRON, PA

17505 BIRD IN HAND, PA

17506 BLUE BALL, PA

17507 BOWMANSVILLE, PA

17508 BROWNSTOWN, PA

17517 DENVER, PA

17519 EAST EARL, PA

17522 EPHRATA, PA

17528 GOODVILLE, PA

17529 GORDONVILLE, PA

17533 HOPELAND, PA

17540 LEOLA, PA

17543 LITITZ, PA

17557 NEW HOLLAND, PA

17564 PENRYN, PA

17567 REAMSTOWN, PA

17569 REINHOLDS, PA

17578 STEVENS, PA

17580 TALMAGE, PA

17581 TERRE HILL, PA

17585 WITMER, PA

**Part VI** Supplemental Information

19501 ADAMSTOWN, PA

THE COMMUNITY SERVED INCLUDES THE BOROUGHES OF EPHRATA, NEW HOLLAND, DENVER, ADAMSTOWN AND LITITZ AS WELL AS SURROUNDING TOWNSHIPS. ALTHOUGH PREDOMINANTLY SUBURBAN, THE REGION SERVED ALSO INCLUDES A SIGNIFICANT PORTION OF LANCASTER COUNTY'S FARMING COMMUNITY. EPHRATA COMMUNITY HOSPITAL SERVES THIS INCREASINGLY DIVERSE POPULATION THROUGH A MAIN FACILITY IN EPHRATA BOROUGH AND FREESTANDING OUTPATIENT CENTERS IN STEVENS, EPHRATA, NEW HOLLAND, LEOLA, LITITZ, ROTHVILLE, BROWNSTOWN AND ADAMSTOWN. ADDITIONALLY, THE HOSPITAL OPERATES A FREESTANDING CANCER CENTER IN EPHRATA.

EPHRATA COMMUNITY HOSPITAL IS THE ONLY NONPROFIT INPATIENT FACILITY IN NORTHERN LANCASTER COUNTY. HEART OF LANCASTER REGIONAL MEDICAL CENTER, A FOR-PROFIT FACILITY IS LOCATED IN LITITZ, 9 MILES TO THE WEST. LANCASTER GENERAL HOSPITAL IS LOCATED IN THE CITY OF LANCASTER 13 MILES SOUTH OF EPHRATA, AND THE READING HOSPITAL MEDICAL CENTER IS 18 MILES NORTH OF EPHRATA.

THE PENNSYLVANIA DEPARTMENT OF HEALTH'S LANCASTER HEALTH PROFILE FOR 2013 INDICATES THAT 13.5% OF THE COUNTY'S POPULATION IS ELIGIBLE FOR MEDICAL ASSISTANCE. THE CONTINUING ECONOMIC DOWNTURN AND ONGOING UNEMPLOYMENT AND UNDEREMPLOYMENT IN THIS REGION CONTRIBUTE TO THIS 1.8% INCREASE IN MEDICAL ASSISTANCE ELIGIBILITY EXPERIENCED SINCE 2009. THE PENNSYLVANIA DEPARTMENT OF LABOR AND INDUSTRY REPORTED AN AVERAGE 2011 UNEMPLOYMENT RATE FOR LANCASTER COUNTY AT 6.8%. HIGHER UNEMPLOYMENT THAN WHAT WAS TRADITIONALLY EXPERIENCED IN THIS REGION HAS RESULTED IN INCREASED LEVELS OF UNINSURED INDIVIDUALS IN THIS REGION (DEMOGRAPHIC AND WORKFORCE DATA SPECIFIC FOR

Schedule H (Form 990)

**Part VI** Supplemental Information

EPHRATA COMMUNITY HOSPITAL'S PRIMARY SERVICE AREA IS NOT PUBLICLY REPORTED BY STATE OR FEDERAL AGENCIES).

WITHIN LANCASTER COUNTY'S POPULATION, THE PENNSYLVANIA DEPARTMENT OF HEALTH REPORTS THAT HEART DISEASE, CANCER, STROKE, RESPIRATORY DISEASE AND DIABETES ARE AMONG THE TOP TEN LEADING DISEASE-RELATED CAUSES OF DEATH. EPHRATA COMMUNITY HOSPITAL OFFERS SERVICES AND PROGRAMS SPECIFICALLY TARGETING THESE DISEASES. FOR EXAMPLE, THE EPHRATA CANCER CENTER HAS EARNED COMMENDATIONS FROM THE AMERICAN COLLEGE OF SURGEONS' COMMISSION ON CANCER FOR THE FULL COMPLEMENT OF SERVICES AVAILABLE IN THIS COMMUNITY. THE JOINT COMMISSION HAS ALSO AWARDED EPHRATA COMMUNITY HOSPITAL DISEASE-SPECIFIC CERTIFICATION IN HEART FAILURE AND STROKE CARE. THROUGH PULMONARY REHABILITATION, CARDIAC REHABILITATION AND DIABETES EDUCATION PROGRAMS, A MULTIDISCIPLINARY TEAM OF PROFESSIONALS HELPS PATIENTS TO MANAGE CHRONIC CONDITIONS TO AVOID MORE COSTLY INTERVENTIONS AND TO ENHANCE THE PATIENTS' QUALITY OF LIFE.

THE COMMUNITY SERVED BY EPHRATA COMMUNITY HOSPITAL ALSO INCLUDES ONE OF THE LARGEST SETTLEMENTS OF PLAIN MENNONITE AND AMISH FAMILIES IN THE UNITED STATES. THE PLAIN POPULATION DOES NOT UTILIZE COMMERCIAL OR GOVERNMENTAL PAYERS FOR HEALTHCARE SERVICES, AND IS THEREFORE CONSIDERED A SELF-PAY POPULATION. EPHRATA COMMUNITY HOSPITAL CONTINUES TO DEVELOP SERVICES, FACILITIES AND PAYMENT PACKAGES TO BETTER SERVE THIS DEMOGRAPHIC SEGMENT IN ACCESSING BOTH PREVENTIVE AND ACUTE CARE SERVICES.

PART VI, LINE 5: SEVENTEEN OUT OF TWENTY BOARD MEMBERS ARE INDEPENDENT (ARE NOT EMPLOYEES NOR FAMILY MEMBERS OR CONTRACTORS OF THE ORGANIZATION), WITH ALL BUT ONE MEMBER RESIDING WITHIN THE ORGANIZATION'S

**Part VI Supplemental Information**

PRIMARY SERVICE AREA. THE BOARD MEMBERS WHO ARE NOT INDEPENDENT HAVE A BUSINESS OR EMPLOYMENT RELATIONSHIP WITH THE HOSPITAL OR ITS AFFILIATES WHICH ARE ARM'S LENGTH TRANSACTIONS.

ASIDE FROM ANESTHESIA, RADIOLOGY, NEONATOLOGY, AND BARIATRICS, WHICH HAVE EXCLUSIVE CONTRACTS, THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY.

THROUGH OUR MAIN CAMPUS AND OUR COMMUNITY LOCATIONS, EPHRATA COMMUNITY HOSPITAL PROVIDES A RANGE OF WELLNESS AND HEALTH EDUCATION PROGRAMS DESIGNED TO PROMOTE HEALTHY LIFESTYLES AND DISEASE PREVENTION. THESE PROGRAMS INCLUDE HEALTH SCREENINGS, DIABETES EDUCATION, AND WEIGHT MANAGEMENT, SMOKING CESSATION, INSTRUCTION IN CPR AND FIRST AID, SUPPORT GROUPS, IMMUNIZATIONS, PARTICIPATION IN COMMUNITY HEALTH FAIRS, HEALTH EDUCATION NEWSLETTERS AND TELEVISION PROGRAMMING. MANY OF THESE PROGRAMS ARE OFFERED FOR FREE OR AT A MINIMAL COST TO PARTICIPANTS.

EPHRATA COMMUNITY HOSPITAL ALSO SERVES AS A RESOURCE FOR STUDENTS CONSIDERING A HEALTHCARE CAREER AS WELL AS THOSE ENROLLED IN HEALTHCARE TRAINING PROGRAMS. JOB SHADOWING OPPORTUNITIES AND CLINICAL TRAINING PLACEMENTS ARE AVAILABLE WITHIN SEVERAL HOSPITAL DEPARTMENTS. STAFF MEMBERS ALSO SPEAK AT COMMUNITY EVENTS AND IN LOCAL EDUCATIONAL INSTITUTIONS AS NEEDED, HELPING BUILD AWARENESS OF THE ONGOING NEED FOR SKILLED HEALTHCARE PROFESSIONALS.

PART VI, LINE 6: THE HOSPITAL PROVIDES INPATIENT, OUTPATIENT, DURABLE MEDICAL EQUIPMENT AND HOME CARE SERVICES TO THE COMMUNITIES WE SUPPORT, WHILE THE NORTHERN LANCASTER COUNTY MEDICAL GROUP AND PHYSICIAN

**Part VI** Supplemental Information

SPECIALISTS OF NORTHERN LANCASTER COUNTY MEDICAL GROUP PROVIDE OUTPATIENT PHYSICIAN SERVICES TO THOSE SAME COMMUNITIES.

PART VI, LINE 7: WHILE COMMUNITY BENEFIT REPORTS ARE PREPARED, NONE ARE FILED WITH THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER STATE.

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

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

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

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization **EPHRATA COMMUNITY HOSPITAL** Employer identification number **23-1370484**

**Part I** General information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II** Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (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
NORTHERN LANCASTER COUNTY MEDICAL GROUP - 169 MARTIN AVENUE, P.O. BOX 1002 - EPHRATA, PA 17522	20-3033058	501(C)(3)	10,667,045.	0.	N/A		CHARITABLE ACTIVITIES
PHYSICIAN SPECIALISTS OF NORTHERN LANCASTER COUNTY MEDICAL GROUP - 169 MARTIN AVENUE, P.O. BOX 1002 - EPHRATA, PA 17522	45-2537633	501(C)(3)	1,770,190.	0.	N/A		CHARITABLE ACTIVITIES

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) (2012)

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

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

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

**SCHEDULE I, PART I, LINE 2: THE ORGANIZATION ONLY PROVIDES GRANTS OR ASSISTANCE TO OTHER CHARITABLE ORGANIZATIONS.**

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public Inspection

Name of the organization

**EPHRATA COMMUNITY HOSPITAL**

Employer identification number

**23-1370484**

**Part I Questions Regarding Compensation**

	Yes	No
<p><b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <p> <input type="checkbox"/> First-class or charter travel                      <input type="checkbox"/> Housing allowance or residence for personal use  <input type="checkbox"/> Travel for companions                                      <input type="checkbox"/> Payments for business use of personal residence  <input type="checkbox"/> Tax indemnification and gross-up payments              <input checked="" type="checkbox"/> Health or social club dues or initiation fees  <input type="checkbox"/> Discretionary spending account                              <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </p>		
<p><b>b</b> If any of the boxes on 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 .....</p>		<b>X</b>
<p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....</p>	<b>X</b>	
<p><b>3</b> 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.</p> <p> <input checked="" type="checkbox"/> Compensation committee                                      <input checked="" type="checkbox"/> Written employment contract  <input checked="" type="checkbox"/> Independent compensation consultant                      <input type="checkbox"/> Compensation survey or study  <input type="checkbox"/> Form 990 of other organizations                              <input checked="" type="checkbox"/> Approval by the board or compensation committee </p>		
<p><b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p><b>a</b> Receive a severance payment or change-of-control payment? .....</p> <p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....</p> <p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>		
	<b>4a</b>	<b>X</b>
	<b>4b</b>	<b>X</b>
	<b>4c</b>	<b>X</b>
<p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b></p> <p><b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p><b>a</b> The organization? .....</p> <p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>		
	<b>5a</b>	<b>X</b>
	<b>5b</b>	<b>X</b>
<p><b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p><b>a</b> The organization? .....</p> <p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>		
	<b>6a</b>	<b>X</b>
	<b>6b</b>	<b>X</b>
<p><b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III .....</p>	<b>X</b>	
<p><b>8</b> Were any amounts reported in 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 .....</p>		<b>X</b>
<p><b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....</p>		
	<b>9</b>	

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Schedule J (Form 990) 2012



Part III Supplemental Information

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

PART I, LINE 1A: ECH PAID UNIVERSAL ATHLETIC CLUB \$546 FOR DUES FOR VINCENT AND LYNNE GLIELMI. THIS AMOUNT WAS INCLUDED IN TAXABLE COMPENSATION.

PART I, LINE 1B: THERE WAS NO FORMAL WRITTEN POLICY IN PLACE RELATED TO THE REIMBURSEMENT OF CLUB DUES - THIS WAS APPROVED BY THE CEO.

PART I, LINE 7: OFFICERS (INCLUDING THE CEO) AND HIGHEST COMPENSATED EMPLOYEES HAVE INDIVIDUAL GOALS AND OBJECTIVES AS PART OF THEIR REVIEW PROCESS AS WELL AS TEAM GOALS AND BONUSES. THEIR ATTAINMENT OF THESE GOALS, AND THE EXTENT ATTAINED, GO INTO THE CALCULATION OF THEIR BONUS. THE CEO'S BONUS IS DETERMINED BY THE BOARD; ALL OTHERS ARE DETERMINED BY THE CEO.

**Supplemental Information on Tax-Exempt Bonds**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
Attach to Form 990. See separate instructions.

Name of the organization

**EPHRATA COMMUNITY HOSPITAL**

Employer identification number  
**23-1370484**

**Part I Bond Issues** SEE PART VI FOR COLUMN (F) CONTINUATIONS

(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) Pooled financing	
						Yes	No	Yes	No	Yes	No
LANCASTER MUNICIPAL AUTHORITY	23-7334160	NONE	11/09/09	23,930,000.	REFUND 2006 BONDS AND PAY ISSUANCE		X		X		X
LANCASTER MUNICIPAL AUTHORITY	23-7334160	NONE	02/01/10	4,570,000.	REFUND 1997 BONDS AND PAY ISSUANCE		X		X		X
LANCASTER MUNICIPAL AUTHORITY	23-7334160	NONE	05/17/12	9,938,000.	REFUND 7/1/2010 REVENUE NOTE, PAY FINANCE CERTAIN		X		X		X
LANCASTER MUNICIPAL AUTHORITY	23-7334160	NONE	01/15/13	9,862,000.	CONSTRUCTION AND		X		X		X

**Part II Proceeds**

	A	B	C	D
1 Amount of bonds retired	2,010,000.	685,000.		
2 Amount of bonds legally defeased				
3 Total proceeds of issue	23,930,000.	4,570,000.	9,938,000.	9,862,000.
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds	206,625.	60,000.	188,760.	144,818.
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds	23,723,375.	4,510,000.	6,606,102.	3,952,315.
12 Other unspent proceeds			3,143,138.	
13 Year of substantial completion			2013	2014
				5,764,867.

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?		X				X		X
<b>b</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?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X				X		X
<b>d</b> 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?								
<b>4</b> 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		.00 %		%		.00 %		.00 %
<b>5</b> 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		.00 %		%		.00 %		.00 %
<b>6</b> Total of lines 4 and 5		.00 %		%		.00 %		.00 %
<b>7</b> Does the bond issue meet the private security or payment test?		X				X		X
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X				X		X
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of				%				%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X				X		X

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T?		X				X		X
<b>2</b> If "No" to line 1, did the following apply?								
<b>a</b> Rebate not due yet?		X		X		X		X
<b>b</b> Exception to rebate?	X		X		X		X	
<b>c</b> No rebate due?		X		X		X		X
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
<b>3</b> Is the bond issue a variable rate issue?	X		X		X		X	
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
<b>b</b> Name of provider								
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> 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.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

**SCHEDULE K, PART I, BOND ISSUES:**

(A) ISSUER NAME: LANCASTER MUNICIPAL AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFUND 2006 BONDS AND PAY ISSUANCE COSTS

(A) ISSUER NAME: LANCASTER MUNICIPAL AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFUND 1997 BONDS AND PAY ISSUANCE COSTS

(A) ISSUER NAME: LANCASTER MUNICIPAL AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFUND 7/1/2010 REVENUE NOTE, PAY ISSUANCE COSTS, FINANCE CONSTRUCTION

(A) ISSUER NAME: LANCASTER MUNICIPAL AUTHORITY

(F) DESCRIPTION OF PURPOSE: FINANCE CERTAIN CONSTRUCTION AND RENOVATION EXPENSES

**PART V**

PROCEDURES TO UNDERTAKE CORRECTIVE ACTION

ALTHOUGH THE ORGANIZATION DOES NOT CURRENTLY HAVE SUCH PROCEDURES

DOCUMENTED IN WRITING, IT DOES FOLLOW SUCH PROCEDURES AND IS

CONSIDERING ADOPTING A FORMAL, WRITTEN POLICY IN THE FUTURE.



**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
BRENDA GRAUPENSPERGER	WIFE OF THE HOSPITAL	105,968.	THE AMOUNT		X
ANNE THEODORAN	WIFE OF BOARD MEMBER	59,318.	THE AMOUNT		X
MARCIA STOESZ	WIFE OF BOARD CHAIR	48,680.	THE AMOUNT		X

**Part V Supplemental Information**

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BRENDA GRAUPENSPERGER

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

WIFE OF THE HOSPITAL'S EXECUTIVE VP/COO ROBERT GRAUPENSPERGER

(C) AMOUNT OF TRANSACTION \$ 105,968.

(D) DESCRIPTION OF TRANSACTION: THE AMOUNT REPORTED HERE REPRESENTS

COMPENSATION EARNED FOR PROVIDING SERVICES AS AN EMPLOYEE OF THE HOSPITAL.

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: ANNE THEODORAN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

WIFE OF BOARD MEMBER CHRIS M. THEODORAN, DO

(C) AMOUNT OF TRANSACTION \$ 59,318.

(D) DESCRIPTION OF TRANSACTION: THE AMOUNT REPORTED HERE REPRESENTS

COMPENSATION EARNED FOR PROVIDING SERVICES AS AN EMPLOYEE OF THE HOSPITAL.

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: MARCIA STOESZ

**Part V** Supplemental Information

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

**(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:**

WIFE OF BOARD CHAIRMAN DEAN A. STOESZ

**(C) AMOUNT OF TRANSACTION \$ 48,680.**

**(D) DESCRIPTION OF TRANSACTION: THE AMOUNT REPORTED HERE REPRESENTS  
COMPENSATION EARNED FOR PROVIDING SERVICES AS AN EMPLOYEE OF THE  
HOSPITAL.**

**(E) SHARING OF ORGANIZATION REVENUES? = NO**

SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2012  
Open to Public  
Inspection

Name of the organization

EPHRATA COMMUNITY HOSPITAL

Employer identification number

23-1370484

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CARE ORGANIZATIONS TO MEET THE HEALTH CARE NEEDS OF THE COMMUNITIES WE  
SERVE.

3) TO COMBINE ADVANCED MEDICAL TECHNOLOGY WITH PROFESSIONAL,  
PERSONALIZED CARE.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

PROGRAM, SLEEP TESTING, HOME CARE AND ADDITIONAL THERAPEUTIC AND  
DIAGNOSTIC SERVICES.

BEYOND THESE SERVICES, THE HOSPITAL PROVIDES A RANGE OF COMMUNITY  
WELLNESS AND HEALTH EDUCATION PROGRAMS. IN THE FISCAL YEAR THAT ENDED  
JUNE 30, 2013, THERE WERE GREATER THAN 2,000 PROGRAMS/SERVICES OFFERED,  
SERVING MORE THAN 8,000 PEOPLE IN OUR COMMUNITY. THESE PROGRAMS INCLUDE  
HEALTH SCREENINGS, DIABETES EDUCATION, AND WEIGHT MANAGEMENT, SMOKING  
CESSATION, INSTRUCTION IN CPR AND FIRST AID, SUPPORT GROUPS,  
IMMUNIZATIONS, COMMUNITY HEALTH FAIRS AND HEALTH EDUCATION NEWSLETTERS  
AND TELEVISION PROGRAMMING. MANY OF THESE PROGRAMS ARE OFFERED FOR FREE  
OR AT A MINIMAL COST TO PARTICIPANTS.

BECAUSE THE HOSPITAL'S MISSION IS TO PROVIDE CARE TO ALL, REGARDLESS OF  
ABILITY TO PAY, WE WORK WITH PATIENTS WHO HAVE DIFFICULTY PAYING THEIR  
BILLS. DURING THE FISCAL YEAR ENDING JUNE 30, 2013, THE PATIENT  
FINANCIAL SERVICES TOOK AN ACTIVE ROLE IN PROMOTING THE ECH CARES  
PROGRAM THAT ASSISTS NEEDY PATIENTS, WITH EPHRATA ULTIMATELY PROVIDING  
\$2,932,000 IN CHARITY CARE. THE ESTIMATED COSTS OF PROVIDING CHARITY

Name of the organization

EHRATA COMMUNITY HOSPITAL

Employer identification number

23-1370484

CARE ARE BASED UPON DIRECT AND INDIRECT COSTS IDENTIFIED WITH SPECIFIC CHARITY CARE SERVICES PROVIDED.

FORM 990, PART VI, SECTION B, LINE 11: THE ORGANIZATION'S FORM 990 IS REVIEWED BY MANAGEMENT. THE FINANCE COMMITTEE OF THE ORGANIZATION ALSO REVIEWS THE FORM 990 PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C: BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES REVIEW AND SIGN THE CONFLICT OF INTEREST POLICY ANNUALLY. THE ORGANIZATION'S LEGAL DEPARTMENT REVIEWS THE SIGNED STATEMENTS AND ADDRESSES ANY POTENTIAL OR ACTUAL CONFLICTS OF INTEREST.

THE FOLLOWING ARE PROCEDURES FROM THE ORGANIZATION'S CONFLICT OF INTEREST POLICY WHICH FURTHER ADDRESS HOW THE ORGANIZATION MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY:

A. DUTY TO DISCLOSE:

IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE AND NATURE OF HIS OR HER INTEREST TO THE BOARD OF DIRECTORS AND MEMBERS OF COMMITTEES WITH BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT. THE INTERESTED PARTY IS REQUIRED TO DISCLOSE THE NATURE AND EXTENT OF HIS OR HER INTEREST AND ANY RELEVANT AND MATERIAL FACTS KNOWN TO HIM OR HER ABOUT THE TRANSACTION WHICH MIGHT REASONABLY BE CONSTRUED TO BE ADVERSE TO THE CORPORATION'S INTEREST. IN ADDITION, NO DISQUALIFIED PERSON MAY USE INFORMATION DISCUSSED AT BOARD OR COMMITTEE MEETINGS FOR HIS OR HER PERSONAL GAIN.

Name of the organization

EPHRATA COMMUNITY HOSPITAL

Employer identification number

23-1370484

B. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS:

AFTER DISCLOSURE OF THE INTEREST, THE INTERESTED PERSON SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE INTEREST IS DISCUSSED AND VOTED UPON. THE BODY TO WHICH SUCH DISCLOSURE IS MADE SHALL MAKE A REASONABLE DETERMINATION OF WHETHER THE DISCLOSURE SHOWS THAT A DISQUALIFIED PERSON HAS AN INTEREST IN THE TRANSACTION UNDER CONSIDERATION AND SHALL DOCUMENT THAT DETERMINATION IN THE MINUTES OF THE BODY.

C. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST:

IF IT IS DETERMINED THAT A DISQUALIFIED PERSON HAS AN INTEREST IN THE TRANSACTION, SUCH DISQUALIFIED PERSON SHALL NOT VOTE ON, OR USE HIS OR HER PERSONAL INFLUENCE ON, NOR PARTICIPATE (OTHER THAN TO PRESENT FACTUAL INFORMATION OR TO RESPOND TO QUESTIONS) IN THE DISCUSSIONS OR DELIBERATIONS WITH RESPECT TO, SUCH CONTRACT, TRANSACTION OR DEALING. SUCH PERSON SHALL RECUSE HIMSELF OR HERSELF FROM THE MEETING DURING DELIBERATIONS AND VOTING ON THE TRANSACTION AND MAY NOT BE COUNTED IN DETERMINING THE EXISTENCE OF A QUORUM WITH RESPECT TO DELIBERATIONS REGARDING THE CONTRACT OR TRANSACTION UNDER CONSIDERATION. THE BOARD OR COMMITTEE OF THE BOARD TO WHICH AUTHORITY TO APPROVE THE DEALING HAS BEEN DELEGATED BY THE BOARD SHALL BE COMPOSED SOLELY OF INDIVIDUALS WHO DO NOT HAVE A CONFLICT OF INTEREST WITH RESPECT TO THE TRANSACTION. SAID BODY SHALL CAREFULLY EXAMINE THE FINANCIAL TERMS OF THE DEALING TO ASSURE THAT IT IS FAIR, WOULD NOT RESULT IN AN EXCESS BENEFIT TO THE OTHER PARTY (THAT IS, THAT THE CONSIDERATION TO BE PAID BY THE CORPORATION CONSTITUTES FAIR MARKET VALUE OR IS OTHERWISE REASONABLE) AND IN THE BEST INTERESTS OF THE CORPORATION. APPROPRIATE INDEPENDENT DATA AS TO COMPARABILITY, REASONABLENESS, AND FAIR MARKET VALUE SHALL BE OBTAINED AND RELIED UPON BY THE BOARD OR COMMITTEE. ALL DELIBERATIONS OF THE BOARD OR COMMITTEE SHALL BE FULLY DOCUMENTED IN, AND

Name of the organization

EPHRATA COMMUNITY HOSPITAL

Employer identification number

23-1370484

ALL INDEPENDENT DATA RELIED UPON BY THE BOARD OR COMMITTEE SHALL BE ATTACHED TO, THE MINUTES OF SUCH PROCEEDINGS. AFTER EXERCISING DUE DILIGENCE, THE BOARD OR COMMITTEE SHALL DETERMINE WHETHER THE CORPORATION CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENTS WITH REASONABLE EFFORTS FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST.

D. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY:

1) IF THE BOARD OR COMMITTEE HAS REASONABLE CAUSE TO BELIEVE THAT A MEMBER HAS FAILED TO DISCLOSE ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, IT SHALL INFORM THE MEMBER OF THE BASIS FOR SUCH BELIEF AND AFFORD THE MEMBER AN OPPORTUNITY TO EXPLAIN THE ALLEGED FAILURE TO DISCLOSE.

2) IF, AFTER HEARING THE RESPONSE OF THE MEMBER AND MAKING SUCH FURTHER INVESTIGATION AS MAY BE WARRANTED IN THE CIRCUMSTANCES, THE BOARD OR COMMITTEE DETERMINES THAT THE MEMBER HAS IN FACT FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, IT SHALL TAKE APPROPRIATE DISCIPLINARY AND CORRECTIVE ACTION, INCLUDING WITHOUT LIMITATION, REQUIRING THE DISQUALIFIED PERSON TO CORRECT THE SITUATION BY PAYING TO THE CORPORATION AN AMOUNT EQUAL TO THE EXCESS BENEFIT RECEIVED BY THAT PERSON PLUS INTEREST AND/OR REMOVAL FROM THE BOARD.

FORM 990, PART VI, SECTION B, LINE 15: AN OUTSIDE CONSULTANT WAS USED WITHIN THE LAST TWO YEARS TO REVIEW COMPARATIVE COMPENSATION FOR ALL EXECUTIVE MANAGEMENT POSITIONS (ASSISTANT VICE PRESIDENT AND ABOVE). EACH POSITION IS REVIEWED TO COINCIDE WITH THE ANNIVERSARY DATE OF THE INCUMBENT. THIS INFORMATION IS USED BY THE EXECUTIVE COMPENSATION COMMITTEE IN DETERMINING THE APPROPRIATE LEVEL OF COMPENSATION. DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEE ARE DOCUMENTED. THIS REVIEW PROCESS BY THE

Name of the organization

EPHRATA COMMUNITY HOSPITAL

Employer identification number

23-1370484

EXECUTIVE COMPENSATION COMMITTEE IS PERFORMED ANNUALLY.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS WILL BE MADE AVAILABLE TO THE PUBLIC UPON REQUEST. THE ORGANIZATION RESERVES THE RIGHT TO DENY REQUESTS.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

PENSION LIABILITY ADJUSTMENT	7,778,976.
UNREALIZED GAIN ON DERIVATIVE FINANCIAL INSTRUMENT	808,512.
CHANGE IN VALUATION OF BENEFICIAL INTEREST IN PERPETUAL TRUSTS	24,883.
TOTAL TO FORM 990, PART XI, LINE 9	8,612,371.

FORM 990, PART VI, LINE 16B

JOINT VENTURE POLICY

THE HOSPITAL DOES NOT CURRENTLY HAVE A FORMAL, WRITTEN POLICY REGARDING JOINT VENTURES. HOWEVER, THE HOSPITAL'S LEGAL DEPARTMENT EVALUATES ALL POTENTIAL JOINT VENTURE ARRANGEMENTS AND TAKES STEPS TO SAFEGUARD THE HOSPITAL'S EXEMPT STATUS WITH RESPECT TO JOINT VENTURES.





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

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

**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?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	X	
<b>b</b> Gift, grant, or capital contribution to related organization(s)	X	
<b>c</b> Gift, grant, or capital contribution from related organization(s)		X
<b>d</b> Loans or loan guarantees to or for related organization(s)		X
<b>e</b> Loans or loan guarantees by related organization(s)		X
<b>f</b> Dividends from related organization(s)		X
<b>g</b> Sale of assets to related organization(s)		X
<b>h</b> Purchase of assets from related organization(s)		X
<b>i</b> Exchange of assets with related organization(s)		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s)	X	
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s)		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)	X	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
<b>o</b> Sharing of paid employees with related organization(s)	X	
<b>p</b> Reimbursement paid to related organization(s) for expenses		X
<b>q</b> Reimbursement paid by related organization(s) for expenses	X	
<b>r</b> Other transfer of cash or property to related organization(s)		X
<b>s</b> Other transfer of cash or property from related organization(s)	X	

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) NORTHERN LANCASTER COUNTY MEDICAL GROUP PHYSICIAN SPECIALISTS OF NORTHERN LANCASTER COUNTY MEDICAL GROUP	B	10,667,045.COST	
(2) THE REHAB CENTER	M	680,050.FMV	
(4) NORTHERN LANCASTER COUNTY MEDICAL GROUP	A	473,745.FMV	
(5) THE REHAB CENTER PHYSICIAN SPECIALISTS OF NORTHERN LANCASTER COUNTY MEDICAL GROUP	J	190,053.FMV	
(6) LANCASTER COUNTY MEDICAL GROUP	A	133,830.FMV	



**Part VII** Supplemental Information

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

**PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:**

**NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:**

PHYSICIAN SPECIALISTS OF NORTHERN LANCASTER COUNTY MEDICAL

GROUP

EIN: 45-2537633

169 MARTIN AVENUE, P.O. BOX 1002

EPHRATA, PA 17522

**Information Return of U.S. Persons With Respect To Certain Foreign Corporations**

OMB No. 1545-0704

(Rev. December 2012)  
Department of the Treasury  
Internal Revenue Service

► For more information about Form 5471, see [www.irs.gov/form5471](http://www.irs.gov/form5471).  
Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2012**, and ending **JUN 30, 2013**

Attachment  
Sequence No. **121**

Name of person filing this return  <b>EPHRATA COMMUNITY HOSPITAL</b> <small>Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)</small> <b>169 MARTIN AVE., P.O. BOX 1002</b> City or town, state, and ZIP code <b>EPHRATA, PA 17522-1002</b>	<b>A Identifying number</b>  <b>23-1370484</b>  <b>B Category of filer</b> (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input checked="" type="checkbox"/>
<b>C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period</b> <b>16.67 %</b>	
Filer's tax year beginning <b>JUL 1, 2012</b> , and ending <b>JUN 30, 2013</b>	

**D Person(s) on whose behalf this information return is filed:**

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

**Important:** Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.

<b>1a Name and address of foreign corporation</b> <b>CASSATT INSURANCE COMPANY LTD.</b> PO BOX HM 1024 HAMILTON HM DX BERMUDA	<b>b(1) Employer identification number, if any</b> <b>13-7270470</b>  <b>b(2) Reference ID number</b> (see instructions)  <b>c Country under whose laws incorporated</b> <b>BERMUDA</b>			
<b>d Date of incorporation</b> <b>06/24/91</b>	<b>e Principal place of business</b> <b>BERMUDA</b>	<b>f Principal business activity code number</b> <b>524140</b>	<b>g Principal business activity</b> <b>INSURANCE</b>	<b>h Functional currency</b> <b>U.S., DOLLAR</b>

**2 Provide the following information for the foreign corporation's accounting period stated above.**

<b>a Name, address, and identifying number of branch office or agent (if any) in the United States</b> <b>NONE</b>	<b>b If a U.S. income tax return was filed, enter:</b> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"><b>(i) Taxable income or (loss)</b></td> <td style="width:50%;"><b>(ii) U.S. income tax paid (after all credits)</b></td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	<b>(i) Taxable income or (loss)</b>	<b>(ii) U.S. income tax paid (after all credits)</b>		
<b>(i) Taxable income or (loss)</b>	<b>(ii) U.S. income tax paid (after all credits)</b>				
<b>c Name and address of foreign corporation's statutory or resident agent in country of incorporation</b>  <b>DYNA MANAGEMENT SERVICES LTD.</b> 141 FRONT STREET HAMILTON HM 19 BERMUDA	<b>d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different</b>  <b>DYNA MANAGEMENT SERVICES LTD.</b> 141 FRONT STREET HAMILTON HM 19 BERMUDA				

<b>Schedule A Stock of the Foreign Corporation</b>		<b>(b) Number of shares issued and outstanding</b>	
<b>(a) Description of each class of stock</b>			
	<b>(i) Beginning of annual accounting period</b>	<b>(ii) End of annual accounting period</b>	
<b>COMMON</b>	<b>600</b>	<b>600</b>	
<b>PREFERRED</b>	<b>0</b>	<b>0</b>	

**Schedule B U.S. Shareholders of Foreign Corporation**

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
CROZER-KEYSTONE HLTH SYS 22-2540851	COMMON	200	200	
THE CHESTER COUNTY HOSP 23-0469150	COMMON	100	100	
GRAND VIEW HOSPITAL 23-1352181	COMMON	100	100	
EPHRATA COMMUNITY HOSP 23-1370484	COMMON	100	100	
ABINGTON MEMORIAL HOSP 23-1352152	COMMON	100	100	

**Schedule C Income Statement**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	
	4 Dividends	4	
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
7 Net gain or (loss) on sale of capital assets	7		
8 Other income (attach statement)	8	SEE STATEMENT 9	20,417,780.
9 Total income (add lines 3 through 8)	9		20,417,780.
Deductions	10 Compensation not deducted elsewhere	10	
	11a Rents	11a	
	b Royalties and license fees	11b	
	12 Interest	12	
	13 Depreciation not deducted elsewhere	13	
	14 Depletion	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15	
	16 Other deductions (attach statement - exclude provision for income, war profits, and excess profits taxes)	16	SEE STATEMENT 10
17 Total deductions (add lines 10 through 16)	17		20,744,706.
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18	-326,926.
	19 Extraordinary items and prior period adjustments	19	
	20 Provision for income, war profits, and excess profits taxes	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21	

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder (Note: This description should match the corresponding description entered in Schedule A, column (a).)	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
STUART H. FINE	PREFERRED			
H.L. PERRY PEPPER	PREFERRED			
GERALD MILLER	PREFERRED			
PATRICIA MCALLISTER	PREFERRED			
DAVID LINES JR.	PREFERRED			
JOHN M. PORTER	PREFERRED			
MICHAEL DALY	PREFERRED			
RICHARD L. JONES, JR.	PREFERRED			
GREGORY WUERSTLE	PREFERRED			
JOAN K. RICHARDS	PREFERRED			
KENNETH E. FLICKINGER	PREFERRED			
RICHARD I. BENNETT	PREFERRED			
BRADFIELD ADDERLEY	PREFERRED			
KATHLEEN BIBBINGS	PREFERRED			



**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued**

	(a) Name of country or U.S. possession	Amount of tax	
		(b) In foreign currency	(c) Conversion rate
1	U.S.		
2			
3			
4			
5			
6			
7			
8	Total		

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	3,787,088.	12,137,201.
2a	Trade notes and accounts receivable		
b	Less allowance for bad debts	( )	( )
3	Inventories		
4	Other current assets (attach statement)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach statement)		
7	Other investments (attach statement) SEE STATEMENT 11	254,776,771.	228,254,812.
8a	Buildings and other depreciable assets		
b	Less accumulated depreciation	( )	( )
9a	Depletable assets		
b	Less accumulated depletion	( )	( )
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	( )	( )
12	Other assets (attach statement) SEE STATEMENT 12	19,760,488.	19,185,208.
13	Total assets	278,324,347.	259,577,221.
<b>Liabilities and Shareholders' Equity</b>			
14	Accounts payable	263,218.	234,793.
15	Other current liabilities (attach statement) SEE STATEMENT 13		261,970.
16	Loans from shareholders and other related persons		
17	Other liabilities (attach statement) SEE STATEMENT 14	174,618,030.	159,476,382.
18	Capital stock:		
a	Preferred stock	900,000.	900,000.
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation) SEE STATEMENT 15	47,000,686.	47,000,686.
20	Retained earnings	55,542,413.	51,703,390.
21	Less cost of treasury stock	( )	( )
22	Total liabilities and shareholders' equity	278,324,347.	259,577,221.

**Schedule G Other Information**

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? ..... If "Yes," see the instructions for required statement.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 During the tax year, did the foreign corporation own an interest in any trust? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? ..... If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? ..... If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule H Current Earnings and Profits**

**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account .....	1	-326,926.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
a Capital gains or losses .....	Net Additions	Net Subtractions
b Depreciation and amortization .....		
c Depletion .....		
d Investment or incentive allowance .....		
e Charges to statutory reserves .....		
f Inventory adjustments .....		
g Taxes .....		
h Other (attach statement) <b>STATEMENT 16</b> .....	4,904,900.	
3 Total net additions .....	4,904,900.	
4 Total net subtractions .....		
5a Current earnings and profits (line 1 plus line 3 minus line 4) .....	5a	4,577,974.
b DASTM gain or (loss) for foreign corporations that use DASTM .....	5b	
c Combine lines 5a and 5b .....	5c	4,577,974.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations) .....	5d	

Enter exchange rate used for line 5d ▶

**Schedule I Summary of Shareholder's Income From Foreign Corporation**

If item D on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶	
1 Subpart F income (line 38b, Worksheet A in the instructions) .....	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions) .....	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) .....	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) .....	4	
5 Factoring income .....	5	
6 Total of lines 1 through 5. Enter here and on your income tax return .....	6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) .....	7	
8 Exchange gain or (loss) on a distribution of previously taxed income .....	8	

Yes       No  
 Yes       No

If the answer to either question is "Yes," attach an explanation.

FORM 5471 OTHER INCOME STATEMENT 9

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
PREMIUMS EARNED			2,849,005.
INVESTMENT INCOME			17,568,775.
TOTAL TO 5471, SCHEDULE C, LINE 8			20,417,780.

FORM 5471 OTHER DEDUCTIONS STATEMENT 10

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
REINSURANCE PREMIUMS CEDED			4,489,145.
PROVISION FOR LOSSES & LOSS ADJ EXP OTHER THAN TEMPORARY IMPAIRMENT LOS			15,529,951.
GENERAL AND ADMINISTRATIVE EXPENSE			16,705.
TOTAL TO 5471, SCHEDULE C, LINE 16			708,905.
			20,744,706.

FORM 5471 OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
MARKETABLE SECURITIES	254,776,771.	228,254,812.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 7	254,776,771.	228,254,812.

FORM 5471 OTHER ASSETS STATEMENT 12

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
REINSURANCE RECOVERABLE	18,213,697.	18,155,632.
REINSURANCE BALANCES RECEIVABLE	540,031.	13,071.
INTEREST RECEIVABLE	886,244.	935,254.
PREPAID EXPENSES	10,529.	10,530.
PENDING TRADES	109,987.	70,721.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 12	19,760,488.	19,185,208.

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FORM 5471	OTHER CURRENT LIABILITIES	STATEMENT 13
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DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
PENDING TRADES		261,970.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 15		261,970.

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FORM 5471	OTHER LIABILITIES	STATEMENT 14
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DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
IBNR RESERVE	139,110,916.	129,486,516.
LOSS RESERVES	35,288,809.	28,172,471.
REINSURANCE BALANCES PAYABLE	218,305.	1,817,395.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 17	174,618,030.	159,476,382.

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FORM 5471	RECONCILIATION OF PAID-IN OR CAPITAL SURPLUS	STATEMENT 15
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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
SHARE PREMIUM	75,000.	75,000.
CONTRIBUTED SURPLUS BALANCE FORWARD	46,925,686.	46,925,686.
ADDITIONAL CONTRIBUTIONS	0.	0.

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FORM 5471	OTHER NET ADJUSTMENTS	STATEMENT 16
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DESCRIPTION	NET ADDITIONS	NET SUBTRACTIONS
DECREASE IN LOSS RESERVES-DISC FS	-16,682,673.	
CHANGE IN LOSS RESERVES-TAX DIS	21,807,985.	
REVERSAL OF PRIOR YEAR IMPAIRMENT	-442,939.	
IMPAIRMENT LOSS	222,527.	
TOTAL TO 5471, PAGE 4, SCHEDULE H, LINE 2H	4,904,900.	

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**SCHEDULE J  
(Form 5471)**

(Rev. December 2012)  
Department of the Treasury  
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

▶ Information about Schedule J (Form 5471) and its instructions is at [www.irs.gov/form5471](http://www.irs.gov/form5471).  
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

Identifying number

**EPHRATA COMMUNITY HOSPITAL**

**23-1370484**

Name of foreign corporation

Reference ID number

EIN (if any)

**CASSATT INSURANCE COMPANY LTD.**

**13-7270470**

Important: Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (sections 959(c)(1) and (2) balances)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
<b>1</b> Balance at beginning of year	28,276,096.				28,276,096.
<b>2a</b> Current year E&P	4,577,974.				
<b>b</b> Current year deficit in E&P					
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	32,854,070.				
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year					
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P					
<b>b</b> Actual distributions of nonpreviously taxed E&P					
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	32,854,070.				
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	32,854,070.				32,854,070.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2012)

**SCHEDULE O  
(Form 5471)**

(Rev. December 2012)

Department of the Treasury  
Internal Revenue Service

**Organization or Reorganization of Foreign  
Corporation, and Acquisitions and  
Dispositions of its Stock**

Information about Schedule O (Form 5471) and its instructions is at [www.irs.gov/form5471](http://www.irs.gov/form5471)

▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471		Identifying number
EPHRATA COMMUNITY HOSPITAL		23-1370484
Name of foreign corporation	EIN (if any)	Reference ID number
CASSATT INSURANCE COMPANY LTD.	13-7270470	

**Important:** Complete a separate Schedule O for each foreign corporation for which information must be reported.

<b>Part I To Be Completed by U.S. Officers and Directors</b>				
(a) Name of shareholder for whom acquisition information is reported	(b) Address of shareholder	(c) Identifying number of shareholder	(d) Date of original 10% acquisition	(e) Date of additional 10% acquisition

**Part II To Be Completed by U.S. Shareholders**  
*Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.*

<b>Section A - General Shareholder Information</b>				
(a) Name, address, and identifying number of shareholder(s) filing this schedule	(b) For shareholder's latest U.S. income tax return filed, indicate:			(e) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation
	(1) Type of return (enter form number)	(2) Date return filed	(3) Internal Revenue Service Center where filed	
EPHRATA COMMUNITY HOSPITAL 23- 169 MARTIN AVE. EPHRATA PA 17522	990	03/28/13	E-FILED	03/28/13

<b>Section B - U.S. Persons Who Are Officers or Directors of the Foreign Corporation</b>				
(a) Name of U.S. officer or director	(b) Address	(c) Social security number	(d) Check appropriate box(es)	
			Officer	Director
AVAILABLE UPON REQUE				

<b>Section C - Acquisition of Stock</b>						
(a) Name of shareholder(s) filing this schedule	(b) Class of stock acquired	(c) Date of acquisition	(d) Method of acquisition	(e) Number of shares acquired		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount paid or value given	(g) Name and address of person from whom shares were acquired

**Section D - Disposition of Stock**

(a) Name of shareholder disposing of stock	(b) Class of stock	(c) Date of disposition	(d) Method of disposition	(e) Number of shares disposed of		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount received	(g) Name and address of person to whom disposition of stock was made

**Section E - Organization or Reorganization of Foreign Corporation**

(a) Name and address of transferor			(b) Identifying number (if any)	(c) Date of transfer

(d) Assets transferred to foreign corporation			(e) Description of assets transferred by, or notes or securities issued by, foreign corporation
(1) Description of assets	(2) Fair market value	(3) Adjusted basis (if transferor was U.S. person)	

**Section F - Additional Information**

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **X**

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).**

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions <b>EPHRATA COMMUNITY HOSPITAL</b>	Employer identification number (EIN) or <b>23-1370484</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>169 MARTIN AVE., P.O. BOX 1002</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>EPHRATA, PA 17522-1002</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**JOHN A. HOLMES, CFO**

• The books are in the care of  **169 MARTIN AVE., P.O. BOX 1002 - EPHRATA, PA 17522-1002**  
Telephone No.  **(717) 738-6753** FAX No.

• If the organization does not have an office or place of business in the United States, check this box   
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 15, 2014**.  
5 For calendar year       , or other tax year beginning **JUL 1, 2012**, and ending **JUN 30, 2013**.  
6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

7 State in detail why you need the extension  
**ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c <b>Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

**Signature and Verification must be completed for Part II only.**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  **James Kelly** Title  **CPA-AGENT** Date  **2/4/14**

## Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box  **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).**

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

<b>Type or print</b>	Name of exempt organization or other filer, see instructions.  <b>EPHRATA COMMUNITY HOSPITAL</b>	Employer identification number (EIN) or  <b>23-1370484</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>169 MARTIN AVE., P.O. BOX 1002</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>EPHRATA, PA 17522-1002</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**JOHN A. HOLMES, CFO**

• The books are in the care of ▶ **169 MARTIN AVE., P.O. BOX 1002 - EPHRATA, PA 17522-1002**  
 Telephone No. ▶ **(717) 738-6753** FAX No. ▶ \_\_\_\_\_

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning **JUL 1, 2012**, and ending **JUN 30, 2013**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c</b> <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2013)