

Return of Organization Exempt From Income Tax

2007

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(77)

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

A For the 2007 calendar year, or tax year beginning 7/01, 2007, and ending 6/30, 2008

- B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C Jefferson Health System 259 North Radnor Chester Road #290 Radnor, PA 19087-5240

D Employer Identification Number 23-2814503 E Telephone number 610-225-6200 F Accounting method: Cash, Accrual, Other (specify) G

? Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? H (b) If 'Yes,' enter number of affiliates. G H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling?

G Web site: G HTTP: //WWW. JEFFERSONHEALTH. ORG

J Organization type (check only one) G X 501(c) 3 H (insert no.) 4947(a)(1) or 527

K Check here G if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number: G M Check G X if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 G 42, 745, 322.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss) (attach schedule); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See instruct.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... G <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... G <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule).....	23				
24 Benefits paid to or for members (attach schedule).....	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A.....	25a	3,629,643.	3,448,160.	181,483.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B.....	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).....	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c.....	26	4,110,808.	3,905,268.	205,540.	
27 Pension plan contributions not included on lines 25a, b, and c.....	27				
28 Employee benefits not included on lines 25a - 27.....	28	2,016,017.	1,915,216.	100,801.	
29 Payroll taxes.....	29				
30 Professional fundraising fees.....	30				
31 Accounting fees.....	31				
32 Legal fees.....	32	307,536.	292,159.	15,377.	
33 Supplies.....	33	39,196.	37,236.	1,960.	
34 Telephone.....	34	67,809.	64,419.	3,390.	
35 Postage and shipping.....	35	23,713.	22,527.	1,186.	
36 Occupancy.....	36	672,811.	639,170.	33,641.	
37 Equipment rental and maintenance.....	37	74,788.	71,049.	3,739.	
38 Printing and publications.....	38	52,493.	49,868.	2,625.	
39 Travel.....	39	65,842.	62,550.	3,292.	
40 Conferences, conventions, and meetings.....	40	55,098.	52,343.	2,755.	
41 Interest.....	41	28,268,937.	26,855,490.	1,413,447.	
42 Depreciation, depletion, etc (attach schedule).....	42	126,204.	119,894.	6,310.	
43 Other expenses not covered above (itemize):					
a See Statement 2	43a	3,234,427.	3,072,704.	161,723.	
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
f -----	43f				
g -----	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15).....	44	42,745,322.	40,608,053.	2,137,269.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? G <u>See Statement 3</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 4</u> ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	40,608,053.
b ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
c ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
d ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here G <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... G	40,608,053.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash - non-interest-bearing	3,862,895.	45	3,384,174.
	46 Savings and temporary cash investments	26,413,109.	46	24,581,242.
	47a Accounts receivable	47a 4,064,657.		
	b Less: allowance for doubtful accounts	47b	47c	4,064,657.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a 546,666,088.		
	b Less: allowance for doubtful accounts	51b	51c	546,666,088.
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	10,386,607.	53	9,448,262.
	54a Investments - publicly-traded securities	G <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a	
b Investments - other securities (attach sch)	G <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b		
55a Investments - land, buildings, & equipment: basis	55a			
b Less: accumulated depreciation (attach schedule)	55b	55c		
56 Investments - other (attach schedule)		56		
57a Land, buildings, and equipment: basis	57a 1,059,345.			
b Less: accumulated depreciation (attach schedule) <u>Statement 5</u>	57b 747,242.	57c	312,103.	
58 Other assets, including program-related investments (describe G _____)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	610,268,927.	59	588,456,526.	
LIABILITIES	60 Accounts payable and accrued expenses	8,222,894.	60	5,365,557.
	61 Grants payable		61	
	62 Deferred revenue	10,386,133.	62	9,447,783.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)	546,666,088.	64a	546,666,088.
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe G <u>See Statement 6</u>)	4,965,912.	65	5,273,845.
66 Total liabilities. Add lines 60 through 65	587,647,294.	66	566,753,273.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here G <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	22,621,633.	67	21,703,253.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here G <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	22,621,633.	73	21,703,253.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	610,268,927.	74	588,456,526.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	42,745,322.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	42,745,322.
d	Amounts included on Part I, line 12, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	G e	42,745,322.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	42,745,322.
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	42,745,322.
d	Amounts included on Part I, line 17, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	G e	42,745,322.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 7		2,591,022.	1,038,621.	0.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI.	G 88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 G 0. ; section 4912 G 0. ; section 4955 G 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.	G 0.	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	G 0.	
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a	List the states with which a copy of this return is filed G PA		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	50
91 a	The books are in care of G Kirk E. Gorman Telephone number G 610-225-6200 Located at G 259 North Radnor Chester Road Radnor PA ZIP + 4 G 19087-5240		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country G Cayman Islands	91b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued)		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?		91 c	X
If 'Yes,' enter the name of the foreign country <u>G</u>			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of 'Form 1041' Check here		N/A	G <input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the tax year		G 92	N/A

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a <u>See Statement 9</u>					12,819,885.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	1,095,831.	
96 Dividends & interest from securities			14	28,254,664.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b <u>Miscellaneous</u>					591,766.
c <u>Partnership</u>	531390	-16,824.			
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		-16,824.		29,350,495.	13,411,651.
105 Total (add line 104, columns (B), (D), and (E))			G		42,745,322.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)	
Line No. F	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
	<u>See Statement 10</u>

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)				
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
<u>See Statement 11</u>	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)	
a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).	

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	See Statement 12 ----- -----			
b	----- -----			
c	----- -----			
Totals				41,074,549.

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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.

Please Sign Here

G _____
Signature of officer

_____ Date

G KIRK E. GORMAN, SVP & CFO
Type or print name and title.

Paid Preparer's Use Only	Preparer's signature G	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X) N/A
	Firm's name (or yours if self-employed), address, and ZIP + 4 G JEFFERSON HEALTH SYSTEM 259 N RADNOR CHESTER RD STE 290 WAYNE, PA 19087-5262	EIN G N/A	Phone no. G 610-225-6200	

BAA

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under
Section 501(c)(3)

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information (See separate instructions.)

G MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization: **Jefferson Health System** Employer identification number: **23-2814503**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
See Statement 13		1,592,883.	454,097.	0.
Total number of other employees paid over \$50,000	G 33			

Part II A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Premier Inc. 5882 Collections Center Drive Chicago, IL 60693	Benchmarking	1,307,207.
Risk Enterprise Management Ltd. P. O. Box 7247-7260 Philadelphia, PA 19170-7260	Workers Comp Claims	840,579.
The Hospital and Healthsystem Assoc. of PA P. O. Box 3344 Harrisburg, PA 17105-3344	Trade Association	786,490.
University Health System Consortium 2001 Spring Road Suite 700 Chicago, IL 60523-4730	Purchasing Services	298,716.
Elliot, Greenleaf and Siedziowski, PC P. O. Box 3010 Blue Bell, PA 19422	Legal Representation	294,548.
Total number of others receiving over \$50,000 for professional services	G 8	

Part II B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Wachovia Insurance Services P. O. Box 601321 Charlotte, NC 28260-1321	Insurance Broker	2,386,208.
Hilb Rogal & Hobbs 13601 Collections Center Drive Chicago, IL 60693	Insurance Broker	908,734.
Hartford Financial Services Department #5454 P. O. Box 30000 Hartford, CT 06150	Insurance Carrier	452,309.
Willis of Pennsylvania P. O. Box 905432 Charlotte, NC 28290-5432	Insurance Broker	239,200.
CS Stars LLC P. O. Box 201739 Dallas, TX 75320-1739	Claims Software	224,642.
Total number of other contractors receiving over \$50,000 for other services	G 14	

Part III Statements About Activities (See instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . G \$ <u>394,436.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	X	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
See Statement 14			
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?	X	
See Form 990, Part V			
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d	Enter the total number of donor advised funds owned at the end of the tax year. G _____		N/A
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year. G _____		N/A
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts. G _____		0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year. G _____		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state G _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions ' subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: G
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Main Line Health, Inc.	23-2331531	07	X		0.
TJUH System, Inc.	23-2829095	07	X		0.
Magee Rehabilitation Hospital	23-1476328	07	X		0.
Frankford Health Care System	23-0596940	07	X		0.
Albert Einstein Healthcare Network	23-1396794	07	X		0.
Total				G	0.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)..... G	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . .	N/A				
16 Membership fees received.					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose.					
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975.					
19 Net income from unrelated business activities not included in line 18.					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22.					
24 Line 23 minus line 17.					
25 Enter 1% of line 23.					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. N/A . . . G					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts. G					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e). G					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total). G					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)). G					26f %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total). G					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e). G					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). G					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). G					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. N/A					

Part V Private School Questionnaire (See instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
	d Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
	a Students' rights or privileges?		
	b Admissions policies?		
	c Employment of faculty or administrative staff?		
	d Scholarships or other financial assistance?		
	e Educational policies?		
	f Use of facilities?		
	g Athletic programs?		
	h Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
	b Has the organization's right to such aid ever been revoked or suspended?		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

Check G a if the organization belongs to an affiliated group. Check G b if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures (The term 'expenditures' means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations														
36	Total lobbying expenditures to influence public opinion (grassroots lobbying).....	36															
37	Total lobbying expenditures to influence a legislative body (direct lobbying).....	37	394,436.														
38	Total lobbying expenditures (add lines 36 and 37).....	38 0.	394,436.														
39	Other exempt purpose expenditures.....	39	42,350,886.														
40	Total exempt purpose expenditures (add lines 38 and 39).....	40 0.	42,745,322.														
41	Lobbying nontaxable amount. Enter the amount from the following table ' <table border="1" style="margin-left: 20px;"> <tr> <td>If the amount on line 40 is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000.....</td> <td>20% of the amount on line 40.....</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> </table> </td> <td>The lobbying nontaxable amount is ' <table border="1" style="margin-left: 20px;"> <tr> <td>41</td> <td>1,000,000.</td> </tr> </table> </td> </tr> </table>	If the amount on line 40 is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000.....</td> <td>20% of the amount on line 40.....</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> </table>	Not over \$500,000.....	20% of the amount on line 40.....	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.....	The lobbying nontaxable amount is ' <table border="1" style="margin-left: 20px;"> <tr> <td>41</td> <td>1,000,000.</td> </tr> </table>	41	1,000,000.		1,000,000.
If the amount on line 40 is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000.....</td> <td>20% of the amount on line 40.....</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> </table>	Not over \$500,000.....	20% of the amount on line 40.....	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.....	The lobbying nontaxable amount is ' <table border="1" style="margin-left: 20px;"> <tr> <td>41</td> <td>1,000,000.</td> </tr> </table>	41	1,000,000.				
Not over \$500,000.....	20% of the amount on line 40.....																
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.....																
41	1,000,000.																
42	Grassroots nontaxable amount (enter 25% of line 41).....	42 0.	250,000.														
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.....	43 0.	0.														
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.....	44 0.	0.														
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.																	

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 45 through 50.)

Calendar year (or fiscal year beginning in) G	Lobbying Expenditures During 4 -Year Averaging Period					
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total	
45	Lobbying nontaxable amount.....	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
46	Lobbying ceiling amount (150% of line 45(e)).....					6,000,000.
47	Total lobbying expenditures.....	394,436.	396,852.	246,399.	147,154.	1,184,841.
48	Grassroots non-taxable amount.....	250,000.	250,000.	250,000.	250,000.	1,000,000.
49	Grassroots ceiling amount (150% of line 48(e)).....					1,500,000.
50	Grassroots lobbying expenditures.....					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers.....			
b Paid staff or management (Include compensation in expenses reported on lines c through h.).....			
c Media advertisements.....			
d Mailings to members, legislators, or the public.....			
e Publications, or published or broadcast statements.....			
f Grants to other organizations for lobbying purposes.....			
g Direct contact with legislators, their staffs, government officials, or a legislative body.....			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means.....			
i Total lobbying expenditures (add lines c through h.).....			

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Statement 1
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Unrealized Loss	\$ -918,380.
Total	<u>\$ -918,380.</u>

Statement 2
Form 990, Part II, Line 43
Other Expenses

	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Management & General</u>	(D) <u>Fundrai si ng</u>
BUSINESS TAXES	4,218.	4,007.	211.	
COMMUNITY DEVELOPMENT	30,500.	28,975.	1,525.	
CONSULTING SERVICES	483,522.	459,346.	24,176.	
CORPORATE EXPENSE	1,452,597.	1,379,967.	72,630.	
DUES AND FEES	20,774.	19,735.	1,039.	
FEES	796.	755.	41.	
INSURANCE	1,096,884.	1,042,040.	54,844.	
MAINTENANCE	709.	674.	35.	
Marketing	1,500.	1,425.	75.	
OTHER FOOD PRODUCTS	16,719.	15,883.	836.	
OUTSIDE SERVICES	458,564.	435,636.	22,928.	
PARKING	581.	552.	29.	
PROFESSIONAL FEES	686.	651.	35.	
REIMBURSED EXPENSES	-378,138.	-359,231.	-18,907.	
UTILITIES	44,515.	42,289.	2,226.	
Total	<u>\$ 3,234,427.</u>	<u>\$ 3,072,704.</u>	<u>\$ 161,723.</u>	<u>\$ 0.</u>

Statement 3
Form 990, Part III
Organization's Primary Exempt Purpose

The Organization's exempt purpose is to provide, through its controlled affiliates ("members"), inpatient, outpatient, emergency and other health care services to residents of Southeastern Pennsylvania, Southern New Jersey and Delaware.

Statement 4
Form 990, Part III, Line a
Statement of Program Service Accomplishments

<u>Description</u>	<u>Grants and Allocations</u>	<u>Program Service Expenses</u>
Jefferson Health System, Inc. ("JHS"), a Pennsylvania non-profit corporation headquartered in Radnor, Pennsylvania, is the parent of a system of health care organizations comprised of five member health systems. JHS is the sole corporate member of the parent companies of each of the five member health systems. These five member systems are Albert Einstein Healthcare Network ("AEHN"), Frankford Health Care		

Statement 4 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
<p>System ("FHCS"), The Magee Memorial Hospital for Convalescents, d/b/a Magee Rehabilitation Hospital ("Magee"), Main Line Health, Inc. ("MLH") and TJUH System Inc. ("TJUH") (AEHN, FHCS, Magee, MLH and TJUH are collectively referred to as "Members").</p> <p>The Members provide services to all patients regardless of ability to pay. Although patients are ultimately financially responsible for those hospital services rendered that are not covered by insurance, some uninsured patients qualify for charity care under established guidelines and are therefore not responsible for payment for such services. These guidelines require medical indigency status based on federal poverty guidelines. Charges for services rendered to patients who qualify for charity care are not reflected in the accompanying consolidated financial statements. Some uninsured patients, who do not qualify for free charity care, qualify for care at reduced rates.</p> <p>The Members maintain records to identify and monitor the level of charity care provided. These records include the amount of charges forgone for services and supplies furnished. Such amounts have been excluded from net patient service revenue. Management estimates that the charges converted to the cost associated with these services and supplies for charity care provided by the Members approximated \$22.5 million and \$22.5 million for the years ended June 30, 2008 and 2007, respectively. These amounts do not include the provision for bad debts, which is reflected separately in the accompanying consolidated statements of operations and changes in net assets.</p> <p>Other Uncompensated Community Services (unaudited) Services are provided to patients in the community who are insured under the Pennsylvania Medical Assistance Program. Payments from the Medical Assistance Program are substantially below the cost of providing such services. The cost of providing services to eligible Medical Assistance recipients (including members of the state HealthChoices Program) exceeded reimbursement by \$43.3 million in 2008 and \$34.7 million in 2007.</p> <p>In addition to providing direct patient charity care and in furtherance of its exempt purpose to benefit the community, the Members provide various community services such as education, screenings and support groups for patients and their families, health wellness festivals, continuum of independent living and senior health programs, heart disease screenings, maternity care and childbirth programs, and other related community health programs and lectures. The Members of JHS are also involved with school partnerships and help organize educational programs for childhood and adolescent health issues, including underage drinking and smoking. Associated amounts expended for the above community services approximated \$23.3 million and \$21.3 million for</p>		

Client 1

Jefferson Health System

23-2814503

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Statement 4 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
the years ended June 30, 2008 and 2007, respectively. Includes Foreign Grants: No		40,608,053.
	<u>\$ 0.</u>	<u>\$ 40608053.</u>

Statement 5
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 1,059,345.	\$ 747,242.	\$ 312,103.
Total	<u>\$ 1,059,345.</u>	<u>\$ 747,242.</u>	<u>\$ 312,103.</u>

Statement 6
Form 990, Part IV, Line 65
Other Liabilities

Bond Interest Payable	\$ 3,409,846.
IBNR Liability	1,863,999.
Total	<u>\$ 5,273,845.</u>

Statement 7
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
ROBERT ADELSON 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	\$ 0.	\$ 0.	\$ 0.
JACK F. ADLER, JR. 250 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
MI CHAEL L. ANZALONE 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.

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Jefferson Health System

23-2814503

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Statement 7 (continued)
 Form 990, Part V-A
 List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
ROBERT L. BARCHI M.D. Ph.D. 259 N. RADNOR CHESTER ROAD RADNOR, PA 19087	Trustee 2.00	\$ 0.	\$ 0.	\$ 0.
JAY W BLUMENTHAL P.A. 250 N. RADNOR CHESTER ROAD RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
RICHARD J. BRAEMER ESQ 259 N. RADNOR CHESTER ROAD RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
IRA BRIND ESQ 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
ALFRED J. D'ANGELO JR. ESQ 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
JACK FARBER 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
SAMUEL L. FRIEDER 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
GEORGE W. GEPHART, JR. 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
FRANK C. McGEEHIN III M.D. 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
THOMAS NASCA 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
JOHN C. MITKUS 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
ALFRED W. PUTNAM JR. ESQ 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Chairman 2.00	0.	0.	0.

Client 1

Jefferson Health System

23-2814503

5/05/09

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Statement 7 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/Other
RICHARD SHEERR 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	\$ 0.	\$ 0.	\$ 0.
FRANK P. SLATTERY JR. 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
MICHAEL J. VERGARE M.D. 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
GEORGE A. VOEGELE, SR. 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Trustee 2.00	0.	0.	0.
JOSEPH T. SEBASTIANELLI 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	President & CEO 40.00	1,317,753.	664,518.	0.
KIRK E. GORMAN 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	SVP & CFO 40.00	592,992.	183,500.	0.
PATRICIA HOLT 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	Secretary 40.00	114,223.	14,882.	0.
DAVID F SIMON ESQ 259 N. RADNOR CHESTER RD. RADNOR, PA 19087	SVP GEN. COUN. 40.00	566,054.	175,721.	0.
	Total	<u>\$ 2,591,022.</u>	<u>\$ 1038621.</u>	<u>\$ 0.</u>

Statement 8
Form 990, Part VI, Line 80b
Related Organizations

Name of Organization	Exempt	Nonexempt
001 As of June 30, 2008 Jefferson	X	
002 Health System, Inc. ("JHS"),	X	
003 a not-for-profit corporation, was	X	
004 the sole member of the following	X	
005 non-profit entities ("Member"):	X	
006 Main Line Health, Inc.	X	
007 TJUH System, Inc.	X	
008 Albert Einstein Healthcare Network	X	
009 Frankford Health Care System	X	
010 The Magee Memorial Hospital for	X	
011 Convalescents D/B/A Magee	X	

Client 1

Jefferson Health System

23-2814503

5/05/09

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Statement 8 (continued)
Form 990, Part VI, Line 80b
Related Organizations

Name of Organization	Exempt	Nonexempt
012 Rehabilitation Hospital	X	
013	X	
014 As of June 30, 2008, entities	X	
015 wholly owned by JHS and its	X	
016 members (except as noted)	X	
017 consisted of the following:	X	
018 Whitehall Station Insurance Company		X
019 LTD. (Cayman Island Captive		X
020 Insurance Company)		X
021 Whitehall Station Insurance SPC,		X
022 LTD. (Cayman Island Captive		X
023 Insurance Company)		X
024 Jefferson Health Network, Inc.		X
025 (Inactive)		X
026 Mountain Laurel Risk Retention		X
027 Group, Inc. (Vermont		X
028 Captive Insurance Company 5.7%		X
029 owned by policyholders other		X
030 than JHS and its members)		X
031 SEPA Healthcare Alliance, Inc (PA		X
032 Corp. (JHS Sole Shareholder)		X
033 Five Pointe Professional	X	
034 Liability Ins. Co. (Delaware	X	
035 Non-Profit Corporation)	X	
036	X	
037 As of June 30, 2008, Main Line	X	
038 Health, Inc. was the sole member	X	
039 or owner (except where noted)	X	
040 of the following entities:	X	
041 Main Line Hospitals, Inc. D/B/A	X	
042 The Bryn Mawr Hospital	X	
043 The Lankenau Hospital	X	
044 Paoli Hospital	X	
045 Lankenau Institute of Medical	X	
046 Research	X	
046a LIMR Development, Inc.		X
046b LIMR Chemical Genomics Ctr Inc		X
047 The Bryn Mawr Hospital Foundation	X	
048 (1)	X	
049 The Lankenau Hospital Foundation	X	
050 (1)	X	
051 Paoli Hospital Foundation (1)	X	
052 Riddle Memorial Hospital	X	
053 Riddle Enterprises, Inc.	X	
054 Riddle System Services	X	
055 Mirrnot Alcohol Rehabilitation	X	
056 Center	X	
057 RMH Physician Services	X	
058 Riddle Health Care Services	X	
059 The Riddle Healthcare Foundation	X	
060 (1)	X	
061 Riddle HealthCare Associates	X	
062 Riddle Health System	X	
063 Riddle Memorial Health Care		X
064 Center Associates (56% interest)		X
065 Riddle Memorial Hospital Health		X
066 Care Center III Associates, L.P		X

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Statement 8 (continued)
Form 990, Part VI, Line 80b
Related Organizations

Name of Organization	Exempt	Nonexempt
067 Riddle Imaging Associates, L. P.		X
068 (99% interest)		X
068 Main Line Diversified Services, Inc	X	
069 Mid County Senior Services	X	
070 Bryn Mawr Rehabilitation Hospital	X	
071 Bryn Mawr Rehabilitation	X	
072 Foundation (1)	X	
073 Jefferson Home Care (a/k/a The	X	
074 Home Care Network)	X	
075 The Hospice and Home Care	X	
076 Foundation	X	
077 Main Line Services	X	
078 Main Line Health Laboratories	X	
079 (formerly Main Line Clinical	X	
080 Laboratories)	X	
081 Main Line Affiliates	X	
082 Main Line Realty Corporation	X	
083 Main Line Health Care	X	
084 (formerly Great Valley Health)	X	
085 Main Line Corporation		X
086 Main Line Health Care Group, Inc.		X
087 (D/B/A Main Line Health		X
088 Psychiatric Group) (Inactive)		X
089 Main Line Medical Enterprises, Inc.		X
090 (50% controlled by MLH, Inactive)		X
091 Psych Care Systems (Inactive)		X
092 BMH - Malpractice Trust	X	
093 TLH Malpractice Trust	X	
094 Main Line Health Heart Center	X	
095 Main Line Health Imaging, L. P.		X
096 Man 'O War Racing		X
097 Association (inactive)		X
098 Riddle Health Network LLC (inactive)		X
098a Jefferson Behavioral Health		X
098b Network (40% shareholder)		X
099	X	
100 As of June 30, 2008, TJUH System	X	
101 was the sole member or owner of the	X	
102 following entities:	X	
103 Thomas Jefferson University	X	
104 Hospitals, Inc.	X	
105 Jeffcare, Inc.		X
106 Jeffex, Inc.	X	
107 Emergency Transport Associates,	X	
108 Inc.	X	
109 Jeffquip, Inc	X	
110 Walnut Home Therapeutics, Inc.	X	
111 Walnut Imaging Associates, Inc.	X	
112 Walnut Health Management	X	
113 Services, Inc.	X	
114 Suthbreit Properties, LTD.	X	
115 TJUH Health Affiliates	X	
116 Methodist Associates in	X	
117 Healthcare, Inc.	X	
118 Jefferson Medical Care, PC (NJ)	X	
119 Jefferson Medical Care, PC (PA)	X	
120 The Atrium Corporation		X

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Statement 8 (continued)
Form 990, Part VI, Line 80b
Related Organizations

Name of Organization	Exempt	Nonexempt
121 908 Walnut Street Pharmacy		X
122 Asbury Corporation		X
123 Healthmark, Inc.		X
124	X	
125	X	
150 As of June 30, 2008, Magee	X	
151 Rehabilitation Hospital was the	X	
152 sole member or owner (except where	X	
153 noted) of the following entities:	X	
154 Magee Rehabilitation Hospital	X	
155 Foundation (3)	X	
156 Magee Rehabilitation Services, Inc.	X	
157 Magee-Moss Rehab, LLC		X
158 (50% owner with another member)		X
174	X	
175 As of June 30, 2008 Frankford	X	
176 Health Care System ("FHCS")	X	
177 was the sole member or owner	X	
178 (except where noted) of the	X	
179 following entities (6):	X	
180 Frankford Hospital	X	
181 Frankford Hospital Foundation (2)	X	
182 FHCS Physician Services	X	
183 Community Care Center of the	X	
184 Northeast	X	
185 Hospital Medical Imaging	X	
186 System Service Corporation		X
187 T. F. Development, LTD		X
188 Health Care, Inc.		X
189 Health Partners (14% membership	X	
190 interest with another member and	X	
191 others)	X	
192 Prestige Health (50% ownership with		X
193 another member)		X
195	X	
200 As of June 30, 2008 Albert Einstein	X	
201 Healthcare Network ("AEHN")	X	
202 was the sole member or owner	X	
203 (except where noted) of the	X	
204 following entities (5):	X	
205 Albert Einstein Medical Center	X	
206 GHMC Management, Inc.	X	
207 Friends of Moss Rehab	X	
208 Rehab Ventures, Inc. (RVI)		X
209 Allied Orthotics &		X
210 Prosthetics LLC (RVI owns 50%)		X
211 Occupational Health Ventures		X
212 (RVI owns 40%)		X
213 Magee-Moss Rehab, LLC (50%		X
214 shareholder with another		X
215 member) (4)		X
216 Philadelphia International		X
217 Medicine (11% shareholder)		X
218 Belmont Center for	X	
219 Comprehensive Treatment	X	
220 Jefferson Behavioral Health		X
221 Network (30% shareholder)		X

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Statement 8 (continued)
Form 990, Part VI, Line 80b
Related Organizations

Name of Organization	Exempt	Nonexempt
222 Einstein Practice Plan, Inc.	X	
223 Moss Practice Plan (inactive		X
224 subsidiary of EPPI)		X
225 Einstein Community Health	X	
226 Associates	X	
227 Einstein Healthcare Systems,		X
228 Inc. ("EHS")		X
229 Prestige Health (50% ownership		X
230 with another member)		X
231 Health Partners (14% membership	X	
232 with another member and others)	X	
233 Premier Purchasing LLP (1% or		X
234 less shareholder)		X
235 New Regional Medical Center	X	
236 (PA not-for-profit, federal	X	
237 exemption in application	X	
238 status)	X	
240	X	
245	X	
250 (1) The Bryn Mawr Hospital	X	
251 Foundation, The Lankenau	X	
252 Hospital Foundation, Paoli	X	
253 Hospital Foundation, the Bryn	X	
254 Mawr Rehabilitation	X	
255 Foundation, the Riddle	X	
256 Healthcare Foundation	X	
257 (collectively "the	X	
258 Foundations") are specifically	X	
259 excluded from JHS. The	X	
260 Foundations are separately	X	
261 incorporated non-membership	X	
262 non-profit corporations	X	
263 governed by self-perpetuating	X	
264 boards of trustees. The by-laws	X	
265 of each Foundation provide that	X	
266 all assets held by it shall not	X	
267 be subject to attachment,	X	
268 execution, or sequestration for	X	
269 any debt, obligation or	X	
270 liability of its hospital	X	
271 affiliate or any other person or	X	
272 entity, and shall not be subject	X	
273 to pledge, assignment,	X	
274 conveyance or anticipation by	X	
275 that hospital affiliate or any	X	
276 other person or entity.	X	
279	X	
285 (2) The Frankford Hospital	X	
286 Foundation ("FHF"), a separate	X	
287 corporation not under the	X	
288 control of Frankford Hospital,	X	
289 accepts gifts and requests and	X	
290 engages in fundraising	X	
291 activities for the benefit of	X	
292 FHCS. The Board of Trustees	X	
292 of FHF, at its sole	X	
293 discretion, is authorized to	X	

Statement 8 (continued)
Form 990, Part VI, Line 80b
Related Organizations

Name of Organization	Exempt	Nonexempt
294	contribute FHF funds to FHCS.	X
295	The by-laws of FHF provide	X
296	that all assets held by FHF	X
297	not be subject to attachment,	X
298	execution, or sequestration	X
299	for any debt, obligation or	X
300	liability of Frankford	X
301	Hospital or any other	X
302	person or entity, and shall	X
303	not be subject to pledge,	X
304	assignment, conveyance or	X
305	anticipation by Frankford	X
306	Hospital or any	X
307	other person or entity. In	X
308	particular, FHF is not a party	X
309	or obligated by any debt	X
310	instrument of FHCS or	X
311	Frankford Hospital, and	X
312	assets owned by FHF are not	X
313	subject to the lien of any	X
314	such debt instrument.	X
320		X
325	(3) The Magee Rehabilitation Hospital	X
326	Foundation ("MRHF"), a	X
327	separate corporation not under	X
328	the control of Magee	X
329	Rehabilitation Hospital,	X
330	accepts gifts and bequests and	X
331	engages in fundraising	X
332	activities for the benefit of	X
333	MRHF. The Board of Trustees	X
334	of MRHF, at its sole	X
335	discretion, is authorized to	X
336	contribute MRHF funds to the	X
337	hospital. The by-laws of MRHF	X
338	provide that all assets held by	X
339	it shall not be subject to	X
340	attachment, execution, or	X
341	sequestration for any debt,	X
342	obligation or liability of	X
343	Magee Rehabilitation Hospital	X
344	or any other person or entity,	X
345	and shall not be subject to	X
346	pledge, assignment, conveyance	X
347	or anticipation by Magee	X
348	Rehabilitation Hospital or any	X
349	other person or entity. In	X
350	particular, MRHF is not a party	X
351	or obligated by any debt	X
352	instrument of MRHF or Magee	X
353	Rehabilitation Hospital, and	X
354	assets owned by MRHF are not	X
355	subject to the lien of any such	X
356	debt instrument.	X
359		X
360	(4) Location is in Voorhees,	X
361	New Jersey	X

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Statement 8 (continued)
Form 990, Part VI, Line 80b
Related Organizations

<u>Name of Organization</u>	<u>Exempt</u>	<u>Nonexempt</u>
362	X	
363 (5) No longer a member as of	X	
364 September 30, 2008	X	
365	X	
366 (6) No longer a member as of	X	
367 December 31, 2008	X	

Statement 9
Form 990, Part VII, Line 93
Program Service Revenue

<u>Program Service Revenue</u>	<u>(A) Busi - ness Code</u>	<u>(B) Unrel ated Busi ness Amount</u>	<u>(C) Excl u- si on Code</u>	<u>(D) Excl uded Amount</u>	<u>(E) Rel ated or Exempt Function</u>
Albert Einstein Health Ca					\$ 2,553,085.
Frankford Health Care Sys					1,724,592.
Magee Rehabilitation Hosp					176,862.
Main Line Health					2,846,144.
Mountain Laurel Risk Rete					2,204,713.
TJUH System, Inc.					3,314,489.
Total		<u>\$ 0.</u>		<u>\$ 0.</u>	<u>\$ 12,819,885.</u>

Statement 10
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93	JHS supports the charitable activities of its members, and the JHS members reimburse JHS for all of the expenses incurred in providing such support. JHS reported this reimbursement in column (E) of Part VII. The support is essential to the charitable activities of the JHS members and is related to JHS' exempt purpose. Included in the amount reported in column (E) of Part VII is the reimbursement for the operating expenses related to the compensation amounts reported on Form 990 Part II, Line 26; Form 990 Part V; and Schedule A (Form 990) Part I represent compensation provided to individuals that provide services to Jefferson Health System, Inc. (JHS). All of the federal, state and local employment tax responsibilities for these individuals (including federal employment tax reporting responsibilities) are handled by the members of JHS per agreements between such members and JHS.

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Statement 11
Form 990, Part IX
Information Regarding Taxable Subsidiaries

<u>Name, Address and EIN of Corporation, Partnership, or Disregarded Entity</u>	<u>% of Owner Int.</u>	<u>Nature of Activities</u>	<u>Total Income</u>	<u>End of Year Assets</u>
Whitehall Station Insurance Co P.O. Box 1109 Georgetown, P.O. Box 1109 Cayman Islands 98-0436713	100.00%	Insurance	264,000.	759,000.
Whitehall Station Ins. SPC 23 Lime Tree Bay Avenue Georgetown, PO Box 1051 Cayman Islands 98-0436713	100.00%	Insurance	0.	0.
Mountain Laurel Risk Retention 100 Bank Street Suite 610 Burlington, VT 05401 14-1868175	94.33%	Insurance	-2,200,000.	182,100,000.

Statement 12
Form 990, Part XI, Line 107
Transfers From Controlled Entity

<u>Controlled Entity Name and Address</u>	<u>Federal EIN</u>	<u>Description of Transfer</u>	<u>Amount of Transfer</u>
Thomas Jefferson University Hospital 111 South 11th Street Philadelphia, PA 19107	23-2829095	Program Service Revenue	3,314,489.
Main Line Health, Inc. 950 Haverford Road Suite 110 Bryn Mawr, PA 19010	23-1396794	Program Service Revenue	2,846,144.
Magee Rehabilitation Hospital 1513 Race Street Philadelphia, PA 19102	23-1476328	Program Service Revenue	176,862.
Frankford Health Care System Knights and Red Line Roads Philadelphia, PA 19114	23-0596940	Program Service Revenue	1,724,592.
Albert Einstein Healthcare Network 5501 Old York Road Philadelphia, PA 19141	23-1396794	Program Service Revenue	2,553,085.
Thomas Jefferson University Hospital 111 South 11th Street Philadelphia, PA 19107	23-2829095	Interest	12,036,950.
Main Line Health, Inc. 950 Haverford Road Suite 110 Bryn Mawr, PA 19010	23-2331531	Interest	6,505,888.

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Statement 12 (continued)
Form 990, Part XI, Line 107
Transfers From Controlled Entity

Controlled Entity Name and Address	Federal EIN	Description of Transfer	Amount of Transfer
Frankford Health Care System Knights and Red Lion Roads Philadelphia, PA 19141	23-1396794	Interest	3,384,480.
Albert Einstein Healthcare Network 5501 Old York Road Philadelphia, PA 19141	23-1396794	Interest	6,327,346.
Mountain Laurel Risk Retention Group 100 Bank Street Suite 610 Burlington, VT 05401	14-1868175	Program Service Revenue	2,204,713.

Statement 13
Schedule A, Part I
Compensation of Five Highest Paid Employees

Name and Address	Title & Average Hours Worked	Compen- sation	Contri but. EBP & DC	Expense Account
Stanton N. Smullens 259 N. Radnor Chester Rd. Suite 290 Radnor, PA 19087	Chief Medical 40.00	410,686.	145,817.	0.
Debra Taylor 259 N. Radnor Chester Rd. Suite 290 Radnor, PA 19087	VP Payor Contra 40.00	353,381.	108,043.	0.
Dianne P. Salter 259 N. Radnor Chester Rd. Suite 290 Radnor, PA 19087	SVP Insurance 40.00	353,109.	104,713.	0.
Russell C. Raphael 259 N. Radnor Chester Rd. Suite 290 Radnor, PA 19087	Dep. Gen. Couns 40.00	252,461.	51,938.	0.
Mark L. Richards 259 N. Radnor Chester Rd. Suite 290 Radnor, PA 19087	VP Network Serv 40.00	223,246.	43,586.	0.
	Total	<u>\$1,592,883.</u>	<u>\$ 454,097.</u>	<u>\$ 0.</u>

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Statement 14
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

During the course of operations, Jefferson Health System, Inc. (JHS) transacts business in the normal course at arms length with several firms whose partners or officers and owners are present or past members of the Board of Trustees of JHS. JHS has a conflict of interest policy and does not utilize these services if such amounts would exceed the customary or prevailing rates for similar services performed by non-related parties. The goods and services provided to JHS by firms whose officers / partners serve on the board include legal counsel.

The payment of compensation is disclosed on Form 990 Part V.