

## TAX RETURN FILING INSTRUCTIONS

### PUBLIC INSPECTION COPY

Prepared by	Grant Thornton LLP 1000 Wilson Boulevard, Suite 1400 Arlington, VA 22209
Special Instructions	Returns should be signed and dated by the appropriate officer(s).  Exempt organizations are required to provide copies of their most recent Forms 990, and their Application for Recognition of Exemption (Form 1023 or 1024) for public inspection upon request. Charities must also make available Forms 990-T filed after August 17, 2006. Schedules, attachments, and supporting documents filed with Form 990-T that do not relate to the imposition of unrelated business income tax are not required to be made available for public inspection and copying (e.g. Form 5471, <i>Information Return of U.S. Persons With Respect to Certain Foreign Corporations</i> and Form 8886, <i>Reportable Transaction Disclosure Statement</i> ). Forms 990 and 990-T must be made available for the three-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing). The names of any contributors should not be disclosed, so we have deleted them.
Application for Recognition of Exemption	The copy of the Application for Recognition of Exemption must include any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application.  An organization that submitted its Form 1023 or 1024 on or before July 15, 1987 must make this form available for public inspection only if they had a copy of the Application on July 15, 1987.
Requests made in person	In the request is made in person, the organization must respond by the end of the business day.
Requests made in writing	If the request is made in writing, the organization must respond within 30 days.
Fees charged for copies	The organization can make a reasonable charge for copying and posting. The regulations limit the copying charge to that charged by the IRS for providing copies, currently \$0.20 for each page.
What if we post Form 990 on our website?	The requirement to provide copies can be eliminated if the organization posts the relevant documents on its website. The public must be able to download the documents and print them in the exact form they were filed with the IRS (except for disclosing contributors). The download must be free and use software that is available without charge. Even if the documents are posted on the web, the organization must still have a copy available for inspection at its offices.
What if we fail to comply with requests?	The IRS may impose significant monetary penalties on an organization that does not adhere to the disclosure requirements.

Cumulative e-File History 2017

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Federal

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<b>Tax Return</b> 5490IC	<b>Return Type</b> 990
<b>Taxpayer</b> Peninsula Regional Medical Center	

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<b>Submitted Date</b>	2019-05-08 10:36:34
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<b>Acknowledgement Date</b>	2019-05-08 10:56:17
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<b>Status</b>	Accepted
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<b>Submission ID</b>	54681420191285000000
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**IRS e-file Signature Authorization  
for an Exempt Organization**

For calendar year 2017, or fiscal year beginning 07/01, 2017, and ending 06/30, 20 18

▶ Do not send to the IRS. Keep for your records.

▶ Go to [www.irs.gov/Form8879EO](http://www.irs.gov/Form8879EO) for the latest information.

**2017**

Department of the Treasury  
Internal Revenue Service

Name of exempt organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

Name and title of officer

BRUCE RITCHIE, CFO

**Part I Type of Return and Return Information (Whole Dollars Only)**

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

- 1a Form 990 check here ▶  b Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . . 1b 475172839.
- 2a Form 990-EZ check here ▶  b Total revenue, if any (Form 990-EZ, line 9) . . . . . 2b \_\_\_\_\_
- 3a Form 1120-POL check here ▶  b Total tax (Form 1120-POL, line 22) . . . . . 3b \_\_\_\_\_
- 4a Form 990-PF check here ▶  b Tax based on investment income (Form 990-PF, Part VI, line 5). 4b \_\_\_\_\_
- 5a Form 8868 check here ▶  b Balance Due (Form 8868, line 3c) . . . . . 5b \_\_\_\_\_

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2017 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize GRANT THORNTON LLP to enter my PIN 

1	4	2	1	9
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 as my signature  
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ *Bruce Ritchie*

Date ▶ 5/8/19

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

5	4	6	8	1	4	3	6	6	0	5
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Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ *Mary O'Leary*

Date ▶ 5/07/2019

**ERO Must Retain This Form - See Instructions  
Do Not Submit This Form To the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see back of form.

**Return of Organization Exempt From Income Tax**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2017 calendar year, or tax year beginning 07/01, 2017, and ending 06/30, 2018

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <u>PENINSULA REGIONAL MEDICAL CENTER</u>		<b>D</b> Employer identification number <u>52-0591628</u>	
	Doing business as		<b>E</b> Telephone number <u>(410) 546-6400</u>	
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>100 EAST CARROLL STREET</u>		<b>G</b> Gross receipts \$ <u>634,193,058.</u>	
	City or town, state or province, country, and ZIP or foreign postal code <u>SALISBURY, MD 21801</u>		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
<b>F</b> Name and address of principal officer: <u>STEVEN LEONARD, CEO</u> <u>100 EAST CARROLL STREET SALISBURY, MD 21801</u>		<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: <u>WWW.PENINSULA.ORG</u>		<b>H(c)</b> Group exemption number ▶		
<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: <u>1897</u>		<b>M</b> State of legal domicile: <u>MD</u>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE.</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<u>16.</u>	
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<u>11.</u>	
	<b>5</b> Total number of individuals employed in calendar year 2017 (Part V, line 2a) . . . . .	<u>3,570.</u>	
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<u>312.</u>	
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<u>8,007,083.</u>	
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<u>0.</u>		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	<u>4,228,101.</u>	<u>2,514,392.</u>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	<u>422,224,611.</u>	<u>442,908,283.</u>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	<u>16,466,589.</u>	<u>28,677,072.</u>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .	<u>950,410.</u>	<u>1,073,092.</u>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	<u>443,869,711.</u>	<u>475,172,839.</u>
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	<u>0.</u>	<u>0.</u>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	<u>0.</u>	<u>0.</u>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) . . . . .	<u>214,366,394.</u>	<u>222,301,968.</u>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	<u>0.</u>	<u>0.</u>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>555,696.</u>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .	<u>230,789,410.</u>	<u>215,782,545.</u>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .	<u>445,155,804.</u>	<u>438,084,513.</u>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 . . . . .	<u>-1,286,093.</u>	<u>37,088,326.</u>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) . . . . .	<u>655,510,872.</u>	<u>710,683,927.</u>
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	<u>218,362,964.</u>	<u>205,044,508.</u>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 . . . . .	<u>437,147,908.</u>	<u>505,639,419.</u>

**COPY FOR PUBLIC INSPECTION**

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** ▶ Bruce Ritchie Signature of officer Date 5/8/19  
 ▶ BRUCE RITCHIE CFO  
 Type or print name and title

**Preparer Use Only**  
 Print/Type preparer's name: MARY TORRETTA Preparer's signature: Mary Torretta Date: 5/07/2019 Check  if self-employed PTIN: P00847851  
 Firm's name: GRANT THORNTON LLP Firm's EIN: 36-6055558  
 Firm's address: 1000 WILSON BLVD, SUITE 1400 ARLINGTON, VA 22209 Phone no.: 703-847-7500

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

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2017)

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

► **File a separate application for each return.**  
► **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request 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), click on Charities & Non-Profits, and click on e-file for *Charities and Non-Profits*.

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	PENINSULA REGIONAL MEDICAL CENTER	52-0591628
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
100 EAST CARROLL STREET		
City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
SALISBURY, MD 21801		

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 (other than individual)	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

JIM GREGORY

• The books are in the care of ► 100 EAST CARROLL ST SALISBURY, MD 21801

Telephone No. ► 410 912-4979 Fax No. ► 410 543-7449

- 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 6-month extension of time until 05/15, 2019, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20\_\_\_\_ or
- tax year beginning 07/01, 2017, and ending 06/30, 2018.

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 Forms 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 Forms 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 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 funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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

<b>Cumulative e-File History 2017</b>	
<b>FED</b>	
Locator:	54901C
Taxpayer Name:	PENINSULA REGIONAL MEDICAL CENTER
Return Type:	990, 990 & 990T (Corp)
Submitted Date:	11/07/2018 10:46:35
Acknowledgement Date:	11/07/2018 11:44:56
Status:	Accepted
Submission ID:	54681420183115000002

**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III  Yes  No

**1** Briefly describe the organization's mission:

IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE.

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

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

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

If "Yes," describe these changes on Schedule O.

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

**4a** (Code: ) (Expenses \$ 380,760,943. including grants of \$ ) (Revenue \$ 435,216,298. )

SEE SCHEDULE O

**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 ▶ 380,760,943.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . . . .	X	
<b>3</b> 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
<b>4 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	
<b>5</b> 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
<b>6</b> 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
<b>7</b> 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
<b>8</b> 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
<b>9</b> 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
<b>10</b> 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	
<b>11</b> 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.		
<b>a</b> 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>b</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
<b>c</b> 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
<b>d</b> 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	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> . . . . .	X	
<b>f</b> 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
<b>12a</b> 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>b</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	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i> . . . . .		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	X	
<b>b</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	
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i> . . . . .		X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i> . . . . .		X
<b>17</b> 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> (see instructions). . . . .		X
<b>18</b> 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
<b>19</b> 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



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

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i> . . . . .	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	X	
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> . . . . .		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> . . . . .		X
<b>23</b> 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	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i> . . . . .	X	
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		X
<b>c</b> 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
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		X
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) 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>b</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
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II.</i> . . . . .		X
<b>27</b> 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
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
<b>b</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
<b>c</b> 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	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
<b>30</b> 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
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i> . . . . .		X
<b>32</b> 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
<b>33</b> 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
<b>34</b> 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	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .	X	
<b>b</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	
<b>36</b> <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
<b>37</b> 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
<b>38</b> 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 or note to any line in this Part V

Table with columns for line numbers (1a-14b), descriptions, and Yes/No checkboxes. Includes entries for Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 990, Form 720, and Form 709.

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 or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (16), 1b (11), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA, MD, NC,
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.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: JIM GREGORY 100 EAST CARROLL STREET SALISBURY, MD 21801 410-912-4979

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, 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 dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEVEN LEONARD PRESIDENT/CEO	40.00 3.00	X		X				602,661.	0.	90,548.
(2) MARGARET NALEPPA PRESIDENT/CEO (THRU 01/18)	40.00 2.00	X		X				986,185.	0.	242,665.
(3) HERBERT J. GEARY III CHAIRMAN	5.00 8.00	X		X				1,524.	0.	0.
(4) DEBORAH ABBOTT VICE CHAIRMAN	1.00 1.00	X		X				0.	0.	0.
(5) RYAN MCLAUGHLIN SECRETARY	1.00 2.00	X		X				0.	0.	0.
(6) DAVID ROMMEL TREASURER	1.00 3.00	X		X				0.	0.	0.
(7) TIMOTHY BENNING, M.D. BOARD MEMBER	1.00 1.00	X						0.	0.	0.
(8) THOMAS COATES BOARD MEMBER	1.00 1.00	X						0.	0.	0.
(9) MEMO DIRIKER BOARD MEMBER	1.00 2.00	X						0.	0.	0.
(10) SIMONA ENG, D.O. BOARD MEMBER	40.00 2.00	X						406,251.	0.	45,668.
(11) MARK HIGDON BOARD MEMBER	1.00 1.00	X						0.	0.	0.
(12) MARION KEENAN BOARD MEMBER (THRU 10/17)	1.00 1.00	X						0.	0.	0.
(13) DAVID KERRIGAN, M.D. BOARD MEMBER (THRU 12/17)	1.00 1.00	X						0.	0.	0.
(14) WILLIAM R. MCCAIN BOARD MEMBER	1.00 1.00	X						1,765.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) VEL NATESAN, M.D. ----- BOARD MEMBER	1.00 ----- 1.00	X					50,207.	0.	0.	
( 16) MARTIN NEAT ----- BOARD MEMBER	1.00 ----- 2.00	X					0.	0.	0.	
( 17) THOMAS RICCIO, M.D. ----- BOARD MEMBER	1.00 ----- 1.00	X					0.	0.	0.	
( 18) MONTY SAYLER ----- BOARD MEMBER	1.00 ----- 3.00	X					27,361.	0.	0.	
( 19) JULIUS ZANT, M.D. ----- BOARD MEMBER	1.00 ----- 1.00	X					0.	0.	0.	
( 20) LURA LUNSFORD ----- VP OF OPERATIONS	40.00 ----- 2.00			X			547,913.	0.	91,623.	
( 21) BRUCE I. RITCHIE ----- CFO	40.00 ----- 4.00			X			554,058.	0.	125,889.	
( 22) CHARLES SILVIA JR., M.D. ----- VP - CHIEF MEDICAL OFFICER	40.00 ----- 1.00			X			479,666.	0.	59,159.	
( 23) SARA SCOTT ----- VP PEOPLE & ORGANIZATION DEV.	40.00 ----- 0.				X		256,398.	0.	63,690.	
( 24) KATHRYN FIDDLER ----- VP- POPULATION HEALTH	40.00 ----- 0.				X		188,904.	0.	8,882.	
( 25) THOMAS DEMARCO, M.D. ----- VP - PRMG	40.00 ----- 0.				X		383,757.	0.	30,328.	
<b>1b Sub-total</b> . . . . .							1,998,386.	0.	378,881.	
<b>c Total from continuation sheets to Part VII, Section A</b> . . . . .							6,715,816.	0.	711,231.	
<b>d Total (add lines 1b and 1c)</b> . . . . .							8,714,202.	0.	1,090,112.	

**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 ► 285

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

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 104

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes entries for SHERI MATTER, JACEK MALIK, M.D., JAMES TODD, M.D., KURT WEHBERG, M.D., ANDY PIERRE, M.D., and DANIEL DANIELS, M.D.

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 285

Table with 3 columns: Question number, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

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.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Header row is present, but no data rows are filled.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization

**Part VIII Statement of Revenue**

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>						
	<b>b</b> Membership dues . . . . .	<b>1b</b>						
	<b>c</b> Fundraising events . . . . .	<b>1c</b>						
	<b>d</b> Related organizations . . . . .	<b>1d</b>	871,662.					
	<b>e</b> Government grants (contributions) . .	<b>1e</b>						
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .	<b>1f</b>	1,642,730.					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$							
	<b>h Total.</b> Add lines 1a-1f . . . . . ▶			2,514,392.				
<b>Program Service Revenue</b>	<b>2a</b> NET PATIENT SERVICES	<b>Business Code</b>	621500	436,176,916.	434,902,234.	1,274,682.		
	<b>b</b> AMBULATORY PHARMACY		900099	6,400,275.		6,400,275.		
	<b>c</b> INVESTMENT IN PREMIER		900099	331,092.	314,064.	17,028.		
	<b>d</b> _____							
	<b>e</b> _____							
	<b>f</b> All other program service revenue . . . . .							
	<b>g Total.</b> Add lines 2a-2f . . . . . ▶			442,908,283.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts). . . . . ▶			3,776,972.		594.	3,776,378.	
	<b>4</b> Income from investment of tax-exempt bond proceeds . ▶			0.				
	<b>5</b> Royalties . . . . . ▶			0.				
	<b>6a</b> Gross rents . . . . .	(i) Real	(ii) Personal					
		194,188.						
		<b>b</b> Less: rental expenses . . . . .		332,029.				
		<b>c</b> Rental income or (loss) . . . . .		-137,841.				
	<b>d</b> Net rental income or (loss) . . . . . ▶				-137,841.		-137,841.	
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		183,565,112.	23,178.					
		<b>b</b> Less: cost or other basis and sales expenses . . . . .		158,238,783.	449,407.			
		<b>c</b> Gain or (loss) . . . . .		25,326,329.	-426,229.			
	<b>d</b> Net gain or (loss) . . . . . ▶				24,900,100.		24,900,100.	
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . . <b>a</b>							
		<b>b</b> Less: direct expenses . . . . . <b>b</b>						
<b>c</b> Net income or (loss) from fundraising events. . . . . ▶					0.			
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . . <b>a</b>								
	<b>b</b> Less: direct expenses . . . . . <b>b</b>							
	<b>c</b> Net income or (loss) from gaming activities. . . . . ▶				0.			
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>								
	<b>b</b> Less: cost of goods sold . . . . . <b>b</b>							
	<b>c</b> Net income or (loss) from sales of inventory. . . . . ▶				0.			
Miscellaneous Revenue			<b>Business Code</b>					
<b>11a</b> CAFETERIA			722514	890,806.			890,806.	
	<b>b</b> MANAGEMENT FEES		561000	200,000.		200,000.		
	<b>c</b> LIFELINE		532283	63,132.		63,132.		
	<b>d</b> All other revenue . . . . .			56,995.		51,372.	5,623.	
	<b>e Total.</b> Add lines 11a-11d . . . . . ▶				1,210,933.			
<b>12 Total revenue.</b> See instructions. . . . . ▶				475,172,839.	435,216,298.	8,007,083.	29,435,066.	

**Part IX Statement of Functional Expenses**

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

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

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .	0.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .	0.			
4 Benefits paid to or for members . . . . .	0.			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	6,951,576.	6,142,004.	795,506.	14,066.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0.			
7 Other salaries and wages . . . . .	172,869,033.	152,739,895.	19,779,338.	349,800.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,608,866.	5,839,204.	756,289.	13,373.
9 Other employee benefits . . . . .	23,904,015.	21,098,931.	2,756,345.	48,739.
10 Payroll taxes . . . . .	11,968,478.	10,659,430.	1,288,979.	20,069.
11 Fees for services (non-employees):				
a Management . . . . .	0.			
b Legal . . . . .	680,875.	46,459.	634,416.	
c Accounting . . . . .	211,375.		211,375.	
d Lobbying . . . . .	29,101.		29,101.	
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees . . . . .	1,758,297.		1,758,297.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). <b>ATCH 2</b>	51,175,017.	34,554,702.	16,601,930.	18,385.
12 Advertising and promotion . . . . .	767,519.	767,519.		
13 Office expenses . . . . .	106,599,422.	104,397,015.	2,126,609.	75,798.
14 Information technology . . . . .	1,541,212.	1,514,883.	25,836.	493.
15 Royalties . . . . .	0.			
16 Occupancy . . . . .	4,625,853.	4,556,742.	69,111.	
17 Travel . . . . .	684,962.	475,748.	194,914.	14,300.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings . . . . .	33,600.		33,600.	
20 Interest . . . . .	5,249,856.		5,249,856.	
21 Payments to affiliates . . . . .	0.			
22 Depreciation, depletion, and amortization . . . . .	28,893,751.	28,564,596.	329,155.	
23 Insurance . . . . .	3,780,492.	41,322.	3,739,170.	
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>BAD DEBTS</b>	9,097,506.	9,097,506.		
b <b>DUES</b>	653,707.	264,987.	388,047.	673.
c _____				
d _____				
e All other expenses _____				
<b>25 Total functional expenses.</b> Add lines 1 through 24e	438,084,513.	380,760,943.	56,767,874.	555,696.
<b>26 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0.			



**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing . . . . .	6,107,380.	<b>1</b>	6,080,563.
	<b>2</b> Savings and temporary cash investments . . . . .	27,488,604.	<b>2</b>	24,606,955.
	<b>3</b> Pledges and grants receivable, net . . . . .	0.	<b>3</b>	0.
	<b>4</b> Accounts receivable, net . . . . .	38,956,673.	<b>4</b>	40,179,034.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .	0.	<b>5</b>	0.
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L . . . . .	0.	<b>6</b>	0.
	<b>7</b> Notes and loans receivable, net . . . . .	0.	<b>7</b>	0.
	<b>8</b> Inventories for sale or use . . . . .	8,403,261.	<b>8</b>	9,452,400.
	<b>9</b> Prepaid expenses and deferred charges . . . . .	6,326,974.	<b>9</b>	6,097,279.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b> 560,899,526.		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 340,465,231.		
	<b>11</b> Investments - publicly traded securities . . . . .	222,927,107.	<b>10c</b>	220,434,295.
	<b>12</b> Investments - other securities. See Part IV, line 11 . . . . .	247,986,318.	<b>11</b>	288,997,688.
	<b>13</b> Investments - program-related. See Part IV, line 11 . . . . .	0.	<b>12</b>	0.
	<b>14</b> Intangible assets . . . . .	0.	<b>13</b>	0.
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	0.	<b>14</b>	0.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	97,314,555.	<b>15</b>	114,835,713.	
	655,510,872.	<b>16</b>	710,683,927.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	20,397,583.	<b>17</b>	17,074,076.
	<b>18</b> Grants payable . . . . .	0.	<b>18</b>	0.
	<b>19</b> Deferred revenue . . . . .	0.	<b>19</b>	0.
	<b>20</b> Tax-exempt bond liabilities . . . . .	139,517,828.	<b>20</b>	136,625,004.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .	0.	<b>21</b>	0.
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .	0.	<b>22</b>	0.
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	0.	<b>23</b>	0.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0.	<b>24</b>	0.
	<b>25</b> 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 . . . . .	58,447,553.	<b>25</b>	51,345,428.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	218,362,964.	<b>26</b>	205,044,508.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	401,770,195.	<b>27</b>	463,247,749.
	<b>28</b> Temporarily restricted net assets . . . . .	27,122,679.	<b>28</b>	34,155,903.
	<b>29</b> Permanently restricted net assets . . . . .	8,255,034.	<b>29</b>	8,235,767.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
	<b>33</b> Total net assets or fund balances . . . . .	437,147,908.	<b>33</b>	505,639,419.
<b>34</b> Total liabilities and net assets/fund balances . . . . .	655,510,872.	<b>34</b>	710,683,927.	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	475,172,839.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	438,084,513.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	37,088,326.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	437,147,908.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	10,162,321.
<b>6</b>	Donated services and use of facilities	<b>6</b>	0.
<b>7</b>	Investment expenses	<b>7</b>	0.
<b>8</b>	Prior period adjustments	<b>8</b>	0.
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	21,240,864.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	505,639,419.

**Part XII Financial Statements and Reporting**

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

- 1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

<b>Name of the organization</b> PENINSULA REGIONAL MEDICAL CENTER	<b>Employer identification number</b> 52-0591628
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**.  
Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations. . . . .
  - g Provide the following information about the supported organization(s).

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

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

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 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; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2017; 15 Public support percentage from 2016 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2017; b 33 1/3% support test - 2016; 17a 10%-facts-and-circumstances test - 2017; b 10%-facts-and-circumstances test - 2016; 18 Private foundation.

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support. (Subtract line 7c from line 6.)

Section B. Total Support

Table with 7 columns: (a) 2013, (b) 2014, (c) 2015, (d) 2016, (e) 2017, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 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

Table with 3 columns: Description, Value, Percentage. Rows include: 15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)); 16 Public support percentage from 2016 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Value, Percentage. Rows include: 17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)); 18 Investment income percentage from 2016 Schedule A, Part III, line 17.

19a 33 1/3% support tests - 2017. 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.

19b 33 1/3% support tests - 2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.

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

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

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

**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

**Section D. All Type III Supporting Organizations**

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

**Section E. Type III Functionally Integrated Supporting Organizations**

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

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

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

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b> Net short-term capital gain	<b>1</b>		
<b>2</b> Recoveries of prior-year distributions	<b>2</b>		
<b>3</b> Other gross income (see instructions)	<b>3</b>		
<b>4</b> Add lines 1 through 3.	<b>4</b>		
<b>5</b> Depreciation and depletion	<b>5</b>		
<b>6</b> Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	<b>6</b>		
<b>7</b> Other expenses (see instructions)	<b>7</b>		
<b>8 Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4).	<b>8</b>		

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b> Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
<b>a</b> Average monthly value of securities	<b>1a</b>		
<b>b</b> Average monthly cash balances	<b>1b</b>		
<b>c</b> Fair market value of other non-exempt-use assets	<b>1c</b>		
<b>d Total</b> (add lines 1a, 1b, and 1c)	<b>1d</b>		
<b>e Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):			
<b>2</b> Acquisition indebtedness applicable to non-exempt-use assets	<b>2</b>		
<b>3</b> Subtract line 2 from line 1d.	<b>3</b>		
<b>4</b> Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	<b>4</b>		
<b>5</b> Net value of non-exempt-use assets (subtract line 4 from line 3)	<b>5</b>		
<b>6</b> Multiply line 5 by .035.	<b>6</b>		
<b>7</b> Recoveries of prior-year distributions	<b>7</b>		
<b>8 Minimum Asset Amount</b> (add line 7 to line 6)	<b>8</b>		

<b>Section C - Distributable Amount</b>			Current Year
<b>1</b> Adjusted net income for prior year (from Section A, line 8, Column A)	<b>1</b>		
<b>2</b> Enter 85% of line 1.	<b>2</b>		
<b>3</b> Minimum asset amount for prior year (from Section B, line 8, Column A)	<b>3</b>		
<b>4</b> Enter greater of line 2 or line 3.	<b>4</b>		
<b>5</b> Income tax imposed in prior year	<b>5</b>		
<b>6 Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	<b>6</b>		

**7**  Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).



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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 <b>Total annual distributions.</b> Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required-explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013 . . . . .			
c From 2014 . . . . .			
d From 2015 . . . . .			
e From 2016 . . . . .			
f <b>Total</b> of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7:                     \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 <b>Excess distributions carryover to 2018.</b> Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013 . . . . .			
b Excess from 2014 . . . . .			
c Excess from 2015 . . . . .			
d Excess from 2016 . . . . .			
e Excess from 2017 . . . . .			

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

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**Schedule of Contributors**

**2017**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

<b>Name of the organization</b> PENINSULA REGIONAL MEDICAL CENTER	<b>Employer identification number</b> 52-0591628
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**Organization type** (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

<b>Name of organization</b> PENINSULA REGIONAL MEDICAL CENTER	<b>Employer identification number</b> 52-0591628
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**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	_____	\$ 871,662.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	_____	\$ 778,158.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	_____	\$ 750,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	_____	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	_____	\$ 7,832.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	_____	\$ 6,740.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **PENINSULA REGIONAL MEDICAL CENTER**

Employer identification number

52-0591628

**Part II** **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization **PENINSULA REGIONAL MEDICAL CENTER**

Employer identification number  
52-0591628

**Part III** *Exclusively* religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____ _____ _____		_____ _____ _____	

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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

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

- ▶ **Complete if the organization is described below.**
- ▶ **Attach to Form 990 or Form 990-EZ.**
- ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Department of the Treasury  
Internal Revenue Service

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

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

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

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

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

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

Name of organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) . . . . . ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities (see instructions) . . . . .

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

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

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

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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2017

**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.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying) . . . . .															
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .															
<b>c</b> Total lobbying expenditures (add lines 1a and 1b) . . . . .															
<b>d</b> Other exempt purpose expenditures . . . . .															
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d) . . . . .															
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">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.														
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f) . . . . .															
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0- . . . . .															
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0- . . . . .															
<b>j</b> 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 separate instructions for lines 2a through 2f.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column (e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> 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)).

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; 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).

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

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."

Table with 2 main columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 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; b Carryover from last year; c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (see instructions)

Part IV Supplemental Information

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

SEE PAGE 4

**Part IV** Supplemental Information (continued)

## OTHER ACTIVITIES

SCHEDULE C, PART II-B, LINE 1I

PENINSULA REGIONAL MEDICAL CENTER DOES NOT ENGAGE IN ANY DIRECT LOBBYING ACTIVITIES. THE ORGANIZATION PAYS MEMBERSHIP DUES TO MARYLAND HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN HOSPITAL ASSOCIATION (AHA). MHA AND AHA ENGAGE IN MANY SUPPORT ACTIVITIES INCLUDING LOBBYING AND ADVOCATING FOR THEIR MEMBER HOSPITALS. THE MHA AND AHA REPORTED THAT 6.60% AND 22.98% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND SUCH, THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C PART IV AS LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Attach to Form 990.

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

Name of the organization

Employer identification number

PENINSULA REGIONAL MEDICAL CENTER

52-0591628

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 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?

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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. (2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register), 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?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

Table with 2 columns: Revenue, Assets. Rows include: 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. 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1. (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1. b Assets included in Form 990, Part X.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2017

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | 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, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	56,672,686.	49,801,243.	50,044,611.	45,972,891.	39,054,428.
b Contributions	257,832.	250,000.	500,000.	647,931.	500,000.
c Net investment earnings, gains, and losses	8,059,133.	6,985,039.	-399,685.	3,765,292.	6,781,222.
d Grants or scholarships					
e Other expenditures for facilities and programs	900.				41,210.
f Administrative expenses	405,464.	363,596.	343,683.	341,503.	321,549.
g End of year balance	64,583,287.	56,672,686.	49,801,243.	50,044,611.	45,972,891.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  52.1337 %
  - b Permanent endowment  .1563 %
  - c Temporarily restricted endowment  47.7100 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

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

- (i) unrelated organizations
- (ii) related organizations

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

- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,269,389.		11,269,389.
b Buildings		255,063,663.	114,780,263.	140,283,400.
c Leasehold improvements				
d Equipment		282,881,864.	219,357,925.	63,523,939.
e Other		11,684,610.	6,327,043.	5,357,567.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				220,434,295.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

**Part IX Other Assets.**

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

(a) Description	(b) Book value
(1) DONOR RESTRICTED FUND	39,784,499.
(2) BOARD DESIGNATED INVESTMENTS	30,967,954.
(3) SELF INSURANCE FUND	26,039,686.
(4) OTHER ASSETS	7,355,820.
(5) PENSION ASSET	5,177,209.
(6) INVESTMENT IN PARTNERSHIPS	2,953,578.
(7) INTERCOMPANY RECEIVABLES	2,556,967.
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	114,835,713.

**Part X Other Liabilities.**

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

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) EMPLOYEE COMP RELATED PAYROLL TAXES	18,622,799.	
(3) ACCRUED SELF INSURANCE LIABILITY	18,045,062.	
(4) ADVANCES FROM THIRD PARTY PAYORS	10,084,112.	
(5) OTHER LIABILITIES	4,593,455.	
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	51,345,428.	

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

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

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

Table with 5 main rows and sub-rows (a-e) for adjustments. Total revenue reported as 475,172,839.

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

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

Table with 5 main rows and sub-rows (a-e) for adjustments. Total expenses reported as 438,084,513.

**Part XIII Supplemental Information.**

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

SEE PAGE 5

Multiple horizontal lines provided for supplemental information input.

**Part XIII Supplemental Information** (continued)

INTENDED USE OF ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUNDS ARE USED FOR CAPITAL, PATIENT SERVICES OR EDUCATIONAL PURPOSES.

FIN 48 (ASC 740) FOOTNOTE

SCHEDULE D, PART X, LINE 2

PENINSULA REGIONAL MEDICAL CENTER (PRMC) FOLLOWS GUIDANCE THAT CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, INCLUDING ISSUES RELATING TO FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT. THIS GUIDANCE PROVIDES THAT THE TAX EFFECTS FROM AN UNCERTAIN TAX POSITION CAN ONLY BE RECOGNIZED IN THE FINANCIAL STATEMENTS IF THE POSITION IS "MORE-LIKELY-THAN-NOT" TO BE SUSTAINED IF THE POSITION WERE TO BE CHALLENGED BY A TAXING AUTHORITY. THE ASSESSMENT OF THE TAX POSITION IS BASED SOLELY ON THE TECHNICAL MERITS OF THE POSITION, WITHOUT REGARD TO THE LIKELIHOOD THAT THE TAX POSITION MAY BE CHALLENGED.

THE TAX YEARS ENDING JUNE 30, 2018, 2017, 2016 AND 2015 ARE STILL OPEN TO AUDIT FOR BOTH FEDERAL AND STATE PURPOSES. PRMC HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION OR DISCLOSURE IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017.

**Part XIII** Supplemental Information (continued)

## RECONCILIATION OF REVENUE AND EXPENSES TO AUDITED FINANCIAL STATEMENTS

SCHEDULE D, PART XI, LINE 2D

RENT EXPENSES	\$332,029
---------------	-----------

SCHEDULE D, PART XI, LINE 4B

BAD DEBT EXPENSES	\$9,097,506
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FOUNDATION CONTRIBUTIONS	\$871,662
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OTHER CONTRIBUTIONS	\$857,832
---------------------	-----------

RECOVERY OF EXPENSES	\$200,000
----------------------	-----------

PARTNERSHIP INCOME TAX ADJUSTMENT	\$163,903
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TOTAL	\$11,190,903
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SCHEDULE D, PART XII, LINE 2D

RENT EXPENSES	\$332,029
---------------	-----------

SCHEDULE D, PART XII, LINE 4B

BAD DEBT EXPENSES	\$9,097,506
-------------------	-------------

MANAGEMENT FEES RECLASSIFIED FROM EXPENSE	\$200,000
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TOTAL	\$9,297,506
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**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
- ▶ Attach to Form 990.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

**Part I** **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on 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 the region	(d) Activities conducted in the region (by type) (such as, 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 the region	(f) Total expenditures for and investments in the region
(1) CENTRAL AMERICA/CARIBBEAN	1.	1.	INVESTMENTS		4,282,743.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
<b>3a</b> Sub-total . . . . .	1.	1.			4,282,743.
<b>b</b> Total from continuation sheets to Part I . . . . .					
<b>c Totals</b> (add lines 3a and 3b)	1.	1.			4,282,743.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2017

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

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

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

3 Enter total number of other organizations or entities . . . . . ▶ \_\_\_\_\_

**Part III** **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

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

**Part IV Foreign Forms**

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

**Part V Supplemental Information**

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

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ACTIVITIES PER REGION

SCHEDULE F, PART IV

THE AMOUNTS IN COLUMN F WERE DETERMINED USING AN ACCRUAL METHOD OF ACCOUNTING. THE ENTIRE \$4,282,743 REPRESENTS A CAPTIVE INSURANCE INVESTMENT.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**

▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Department of the Treasury  
Internal Revenue Service

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	X	
<b>1b</b> If "Yes," was it a written policy? . . . . .	X	
<b>2</b> 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		
<b>3</b> 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.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free care</i> ? 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>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted care</i> ? 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	
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<b>4</b> 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	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
<b>5b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	X	
<b>5c</b> 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
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .	X	
<b>6b</b> If "Yes," did the organization make it available to the public? . . . . .	X	

**7 Financial Assistance and Certain Other Community Benefits at Cost**

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .			6,199,853.		6,199,853.	1.45
<b>b</b> Medicaid (from Worksheet 3, column a) . . . . .						
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs . . . . .			6,199,853.		6,199,853.	1.45
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .		49493	2,163,517.	262,738.	1,900,779.	.43
<b>f</b> Health professions education (from Worksheet 5) . . . . .		393	1,474,263.	45,025.	1,429,238.	.33
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .		137380	63,505,129.	27,983,010.	35,522,119.	8.11
<b>h</b> Research (from Worksheet 7)			6,551.		6,551.	
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .		1166	140,978.		140,978.	.03
<b>j Total.</b> Other Benefits . . . . .		188432	67,290,438.	28,290,773.	38,999,665.	8.90
<b>k Total.</b> Add lines 7d and 7j. . . . .		188432	73,490,291.	28,290,773.	45,199,518.	10.35

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule H (Form 990) 2017

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			2,665.		2,665.	
3 Community support		892	78,706.		78,706.	.02
4 Environmental improvements			51,131.		51,131.	.01
5 Leadership development and training for community members						
6 Coalition building		77	2,143,510.		2,143,510.	.49
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
<b>10 Total</b>		969	2,276,012.		2,276,012.	.52

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount. . . . .		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit . . . . .		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .	5	270,719,410.
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	171,944,280.
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	7	98,775,130.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? . . . . .	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI . . . . .	9b	X	

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Part V Facility Information**

**Section A. Hospital Facilities**

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

How many hospital facilities did the organization operate during the tax year? 1

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

1 PENINSULA REGIONAL MEDICAL CENTER  
 100 E. CARROLL STREET  
 SALISBURY MD 21801  
 WWW.PENINSULA.ORG  
 210019

Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
X	X					X			



Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group PENINSULA REGIONAL MEDICAL CENTER

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

Community Health Needs Assessment

Table with 3 columns: Question, Yes, No. Rows include questions 1 through 12b regarding hospital facility licensing, CHNA (Community Health Needs Assessment) details, implementation strategies, and excise taxes.

**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group PENINSULA REGIONAL MEDICAL CENTER

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	X	
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200.0000</u> % and FPG family income limit for eligibility for discounted care of <u>300.0000</u> %		
<b>b</b>	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input type="checkbox"/> Insurance status		
<b>f</b>	<input type="checkbox"/> Underinsurance status		
<b>g</b>	<input type="checkbox"/> Residency		
<b>h</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? . . . . .	X	
<b>15</b>	Explained the method for applying for financial assistance? . . . . . If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	X	
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b>	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b>	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b>	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.PENINSULA.ORG</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.PENINSULA.ORG</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.PENINSULA.ORG</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
<b>j</b>	<input type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group PENINSULA REGIONAL MEDICAL CENTER

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

**Policy Relating to Emergency Medical Care**

<b>21</b>	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . . If "No," indicate why:	X	
<b>a</b>	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
<b>b</b>	<input type="checkbox"/> The hospital facility's policy was not in writing		
<b>c</b>	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
<b>d</b>	<input type="checkbox"/> Other (describe in Section C)		

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

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

Name of hospital facility or letter of facility reporting group PENINSULA REGIONAL MEDICAL CENTER

		Yes	No
<b>22</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.		
<b>a</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
<b>b</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>c</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>d</b>	<input checked="" type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
<b>23</b>	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . . If "Yes," explain in Section C.		X
<b>24</b>	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . . If "Yes," explain in Section C.		X

Schedule H (Form 990) 2017

**Part V Facility Information** (continued)

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

CONSULTING A REPRESENTATIVE OF THE COMMUNITY SERVED BY THE HOSPITAL

SCHEDULE H, PART V, LINE 5

HEALTH COMMUNITIES INSTITUTE (HCI), A XEROX COMPANY, WAS RETAINED BY PENINSULA REGIONAL MEDICAL CENTER TO CONDUCT THE 2016 COMMUNITY NEEDS ASSESSMENT. HCI PROVIDES CUSTOMIZABLE, WEB-BASED INFORMATION SYSTEMS THAT OFFER A FULL RANGE OF TOOLS AND CONTENT TO IMPROVE COMMUNITY HEALTH. HCI AND PRMC HAVE COLLABORATED SINCE 2012 TO DEVELOP THE PRMC CREATING HEALTH COMMUNITIES PLATFORM. HCI CONSULTANTS CONDUCTED KEY INFORMANT INTERVIEWS IN ORDER TO COLLECT COMMUNITY INPUT. INTERVIEWS WERE CONDUCTED BETWEEN 04/15/2016 AND 05/11/2016. INTERVIEWEES WHO WERE ASKED TO PARTICIPATE WERE RECOGNIZED AS HAVING EXPERTISE IN PUBLIC HEALTH, SPECIAL KNOWLEDGE OF COMMUNITY HEALTH NEEDS AND/OR REPRESENTED THE BROAD INTEREST OF THE COMMUNITY SERVED BY THE HOSPITAL, AND/OR COULD SPEAK TO THE NEEDS OF THE MEDICALLY UNDERSERVED OR VULNERABLE POPULATIONS.

THE FOLLOWING ORGANIZATIONS ARE REPRESENTATIVE OF THE INDIVIDUALS WHO PARTICIPATED IN THE INTERVIEWS: CHESAPEAKE YMCA, COMMUNITY FOUNDATION OF THE EASTERN SHORE, LOWER SHORE CLINIC, MARYLAND STATE POLICE, SALISBURY UNIVERSITY, SOMERSET COUNTY HEALTH DEPARTMENT, ST. PAUL AME ZION EPISCOPAL CHURCH, THREE LOWER COUNTIES COMMUNITIES SERVICES, INC., UNITED WAY AND THE WICOMICO COUNTY HEALTH DEPARTMENT. IN ADDITION, THERE WAS INPUT FROM PENINSULA REGIONAL'S CLINICAL TEAM, EXECUTIVE STAFF AND BOARD IN THE OVERALL REVIEW AND IDENTIFICATION OF VULNERABLE POPULATIONS, CRITICAL COMMUNITY HEALTH NEEDS AND THE MEDICALLY UNDERSERVED.

**Part V Facility Information** (continued)

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

OTHER WAYS THE HOSPITAL MAKES ITS CHNA REPORT AVAILABLE TO THE PUBLIC

SCHEDULE H, PART V, LINE 7D

PENINSULA REGIONAL'S CHNA PLAN IS AVAILABLE TO THE PUBLIC, THROUGH OUR

WEBSITE UNDER COMMUNITY - COMMUNITY HEALTH NEEDS ASSESSMENT AT

(WWW.PENINSULA.ORG/COMMUNITY/COMMUNITY-HEALTH-NEEDS-ASSESSMENT-AND-IMPLEME

NTATION-PLAN). AVAILABLE TO THE PUBLIC IS THE CURRENT AND COMPREHENSIVE

COMMUNITY HEALTH NEEDS ASSESSMENT AND THE IMPLEMENTATION STRATEGY. IN

ADDITION, THERE IS A COMMUNITY HEALTH DATA AND RESOURCES SECTION THAT CAN

BE ACCESSED BY THE PUBLIC, COLLABORATION BETWEEN PENINSULA REGIONAL

MEDICAL CENTER AND WICOMICO COUNTY. AS PART OF THIS CREATING HEALTHY

COMMUNITIES MODULE AVAILABLE TO THE PUBLIC IS DISPARITY DASHBOARD,

DEMOGRAPHICS, HEALTHY PEOPLE 2020 TRACKER, MARYLAND SHIP TRACKER AND

PROMISING PARTNERS.

HOW NEEDS IDENTIFIED IN CHNA ARE ADDRESSED

SCHEDULE H, PART V, LINE 11

PENINSULA REGIONAL MEDICAL CENTER HAS A FIXED VALUE OF RESOURCES

AVAILABLE AND THE HOSPITAL FOCUSES THOSE RESOURCES TO THE AREAS WITH THE

GREATEST IMPACT, THEREFORE NOT ALL NEEDS IDENTIFIED IN THE CHNA WERE ABLE

TO BE ADDRESSED TO DATE.

BASED ON THE SIGNIFICANT NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS

ASSESSMENT, THE FOLLOWING IMPLEMENTATION INITIATIVES WERE DEVELOPED AND

OUTLINED BELOW:

**Part V Facility Information** (continued)

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

## 1) REDUCE DIABETES COMPLICATIONS:

A. PROVIDE AWARENESS, EDUCATION AND DIABETES MANAGEMENT TO THE COMMUNITY.

I. CONTINUE TO CREATE GENERAL PUBLIC AWARENESS AROUND THE HIGH PREVALENCE OF DIABETES IN THIS REGION.

II. CREATE AND CONTINUE A "DIABETES SUPPORT GROUP FOR TEENS AND KIDS" THAT MEETS THE MEDICAL, EDUCATIONAL AND SOCIAL NEEDS OF THIS GROUP.

III. "EDUCATING THE EDUCATORS." WORK WITH MULTIPLE EDUCATORS TO PROMOTE ADOLESCENT AND ADULT DIABETES AWARENESS.

IV. SUPPORT AND PARTNER WITH THE TRI-COUNTY DIABETES ALLIANCE TO CREATE AWARENESS, EDUCATION AND MANAGEMENT OF THE DIABETES POPULATION IN THE LOWER THREE COUNTIES.

V. DISEASE SELF-MANAGEMENT PROGRAM. PARTNER WITH MAINTAINING ACTIVE CITIZENS IN THE STATEWIDE LICENSE FOR CHRONIC DISEASE SELF-MANAGEMENT EDUCATION. THE PRIMARY OBJECTIVE IS TO DELIVER CHRONIC DISEASE SELF-MANAGEMENT SERVICES TO COMMUNITY RESIDENTS. THE PROGRAM WILL PROMOTE INCREASED PATIENT COMPETENCE AND COPING THROUGH TREATMENT PLANS THAT INCLUDE EDUCATION AND REFERRALS TO NECESSARY RESOURCES, PROVIDE COMPREHENSIVE ASSESSMENTS AND HELP THE PATIENT UTILIZE THE HEALTH SYSTEM APPROPRIATELY. HEALTHY LIVING WITH DIABETES. A DIABETES SELF-MANAGEMENT EDUCATION PROGRAM AT MAC. HEALTHY LIVING WITH DIABETES IS A 6-8 WEEK WORKSHOP DEVELOPED AT STANFORD UNIVERSITY, BASED ON SELF-MANAGEMENT.

VI. PARTNER WITH LOCAL HEALTH DEPARTMENTS UNDER THE 1422 GRANT TO PREVENT OBESITY AND DIABETES.

## 2) REDUCE OBESITY:

**Part V Facility Information** (continued)

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

A. REDUCE THE NUMBER OF CHILD AND ADOLESCENTS IN WICOMICO, WORCESTER AND SOMERSET COUNTIES WHO ARE CONSIDERED OVERWEIGHT.

B. DEVELOP EDUCATIONAL MODULES AND INCREASE EDUCATIONAL AWARENESS AROUND CHILDHOOD AND ADOLESCENT OBESITY TO REDUCE THE TOTAL NUMBER OF CHILDREN WHO ARE OVERWEIGHT.

C. THE PRIMARY OBJECTIVE IS TO EDUCATE OUR CHILDREN ON HOW TO MAKE BETTER HEALTHY LIFESTYLE CHOICES AT A YOUNG AGE, AND TO INVOLVE THE PARENTS IN HEALTHY LIFESTYLE ACTIVITIES SO THEY WILL START TO COMMIT TO A HEALTHIER LIFESTYLE AND REINFORCE THIS WITH THEIR CHILDREN.

D. CREATE DIABETES COMMUNITY AWARENESS AND PROVIDE EDUCATION REGARDING HEALTHY LIFESTYLES WITHIN THE TRI-COUNTY REGION (WICOMICO, WORCESTER & SOMERSET).

E. PROVIDE SCREENINGS AND EDUCATION FOR UNDERSERVED AND UNINSURED MEMBERS OF THE COMMUNITY THROUGH HEALTHFEST, AN ANNUAL HEALTH EXPO.

F. PROVIDE PEDIATRIC OBESITY SCREENINGS AND EDUCATION FOR UNDER AND UNINSURED COMMUNITY MEMBERS. INCREASE BREAST FEEDING RATES TO HELP LOWER PEDIATRIC OBESITY. PROMOTE PHYSICAL ACTIVITY.

G. PROVIDE HEALTHY HEART SCREENINGS TO RESIDENTS OF DELMARVA USING A MOBILE VAN TO REACH COMMUNITIES THAT HAVE LIMITED ACCESS TO HEALTHCARE.

THE TWO HEALTHY HEART INITIATIVES INCLUDE:

- CCC- COASTAL CARDIAC CHECKS
- WOMEN'S HEART SCREENINGS

OBESITY COMPONENT

AN INTEGRAL COMPONENT OF THESE HEART SCREENINGS INCLUDES AN EDUCATIONAL



**Part V Facility Information** (continued)

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

SESSION THAT HIGHLIGHTS REDUCING OBESITY, EXERCISING AND HEALTHY FOOD

CHOICES - ALL OF WHICH CONTRIBUTE TO A HEALTHY HEART.

- OBESITY SCREENING COMPONENT INCLUDES:
- HEIGHT
- WEIGHT
- BMI
- BODY FAT %
- EDUCATIONAL SESSION ON NUTRITION AND HEALTHY LIFESTYLES
- RESOURCES AVAILABLE
- POTENTIAL REFERRAL IF NEEDED

ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE

SCHEDULE H, PART V, LINE 13

PENINSULA REGIONAL MEDICAL CENTER OFFERS FINANCIAL ASSISTANCE TO PATIENTS WHOSE INCOME IS AT OR BELOW 200% OF THE FEDERAL POVERTY GUIDELINES. PRMC ALSO PROVIDES FINANCIAL ASSISTANCE BASED UPON SEVERAL SPECIAL SITUATIONS:

- 1) FINANCIAL ASSISTANCE WILL BE CONSIDERED IF PATIENT IS OVER INCOME CRITERION, BUT HAS A FINANCIAL HARDSHIP. A FINANCIAL HARDSHIP EXISTS WHEN THE AMOUNT OF MEDICAL DEBT AT PENINSULA REGIONAL MEDICAL CENTER EXCEEDS 25% OF THE FAMILY'S INCOME IN A YEAR.
- 2) A PATIENT THAT HAS QUALIFIED FOR MARYLAND MEDICAL ASSISTANCE IS DEEMED TO AUTOMATICALLY QUALIFY FOR PRMC'S FINANCIAL ASSISTANCE PROGRAM. THE

**Part V Facility Information** (continued)

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

AMOUNT DUE FROM A PATIENT ON THESE ACCOUNTS MAY BE WRITTEN OFF TO FINANCIAL ASSISTANCE WITH VERIFICATION OF MEDICAID ELIGIBILITY. NORMAL DOCUMENTATION REQUIREMENTS ARE WAIVED FOR FINANCIAL ASSISTANCE GRANTED UPON THE BASIS OF MARYLAND MEDICAL ASSISTANCE ELIGIBILITY.

3) PATIENTS WHO ARE BENEFICIARIES/RECIPIENTS OF CERTAIN MEANS-TESTED SOCIAL SERVICES PROGRAMS ADMINISTERED BY THE STATE OF MARYLAND ARE DEEMED TO HAVE PRESUMPTIVE ELIGIBILITY FOR PRMC'S FINANCIAL ASSISTANCE PROGRAM. THE AMOUNT DUE FROM A PATIENT ON THESE ACCOUNTS MAY BE WRITTEN OFF TO FINANCIAL ASSISTANCE WITH VERIFICATION OF ELIGIBILITY FOR ONE OF THESE PROGRAMS. NORMAL DOCUMENTATION REQUIREMENTS ARE WAIVED FOR FINANCIAL ASSISTANCE GRANTED UPON THE BASIS OF PRESUMPTIVE ELIGIBILITY. IT IS THE RESPONSIBILITY OF PATIENTS TO NOTIFY THE HOSPITAL THEY ARE IN A MEANS TESTED PROGRAM AND PROVIDE THE DOCUMENTATION, BUT PRMC STAFF DOES INQUIRE AS TO THIS STATUS DURING THE INTAKE PROCESS AND AT OTHER POINTS DURING THE FINANCIAL ASSISTANCE DETERMINATION PROCESS.

PUBLICIZING THE FINANCIAL ASSISTANCE POLICY

SCHEDULE H, PART V, LINE 15

IF A PATIENT IS UNABLE TO PAY DUE TO FINANCIAL RESOURCES, ALL EFFORTS WILL BE MADE TO HELP THE PATIENT OBTAIN ASSISTANCE THROUGH APPROPRIATE AGENCIES. IN THE EVENT THAT THE PATIENT HAS APPLIED FOR AND KEPT ALL NECESSARY APPOINTMENTS AND THIRD PARTY ASSISTANCE IS NOT AVAILABLE, PENINSULA REGIONAL MEDICAL CENTER WILL PROVIDE CARE AT REDUCED OR ZERO COST.

**Part V Facility Information** (continued)

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

WHEN NO THIRD PARTY ASSISTANCE IS AVAILABLE TO COVER THE TOTAL BILL AND THE PATIENT INDICATES THAT THEY HAVE INSUFFICIENT FUNDS, THE FOLLOWING PROCEDURE WILL OCCUR:

1) THE MARYLAND STATE UNIFORM FINANCIAL ASSISTANCE APPLICATION SHOULD BE REVIEWED BY STAFF, IN CONSULTATION WITH THE PATIENT, TO MAKE INITIAL ASSESSMENT OF ELIGIBILITY.

2) COMPARE PATIENT'S INCOME TO CURRENT FEDERAL POVERTY GUIDELINES.

3) IF PRELIMINARILY ELIGIBLE PER GUIDELINES, SEND MARYLAND STATE UNIFORM FINANCIAL ASSISTANCE APPLICATION TO PATIENT/GUARANTOR FOR COMPLETION AND SIGNATURE. PATIENT SHOULD ATTACH APPROPRIATE DOCUMENTATION AND RETURN TO REPRESENTATIVE WITHIN 10 DAYS.

UPON RECEIPT OF THE FINANCIAL ASSISTANCE REQUEST, THE REPRESENTATIVE WILL REVIEW INCOME AND ALL DOCUMENTATION. THE PATIENT MUST BE NOTIFIED WITHIN TWO BUSINESS DAYS OF THEIR PROBABLE ELIGIBILITY AND INFORMED THAT THE FINAL DETERMINATION WILL BE MADE ONCE THE COMPLETED FORM AND ALL SUPPORTING DOCUMENTS ARE RECEIVED, REVIEWED, AND THE INFORMATION VERIFIED. INCOME INFORMATION WILL BE VERIFIED USING THE DOCUMENTATION PROVIDED BY THE PATIENT AND EXTERNAL RESOURCES WHEN AVAILABLE. A FINANCIAL ASSISTANCE DISCOUNT WILL BE APPLIED TO THE PATIENT'S RESPONSIBILITY ACCORDINGLY.

**Part V Facility Information** (continued)

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

4) IF INELIGIBLE, THE REPRESENTATIVE WILL NOTIFY THE PATIENT AND RESUME NORMAL DUNNING PROCESS AND FILE DENIAL WITH THE ACCOUNT. THE DENIALS WILL BE KEPT ON FILE IN THE COLLECTION OFFICE. ALL DENIALS WILL BE REVIEWED BY THE COLLECTION COORDINATOR LEVEL OR ABOVE.

THE PATIENT MAY REQUEST RECONSIDERATION BY SUBMITTING A LETTER TO THE DIRECTOR OF PATIENT FINANCIAL SERVICES INDICATING THE REASON FOR THE REQUEST.

ONLY INCOME AND FAMILY SIZE WILL BE CONSIDERED IN APPROVING APPLICATIONS FOR FINANCIAL ASSISTANCE UNLESS ONE OF THE FOLLOWING THREE SCENARIOS OCCURS:

- THE AMOUNT REQUESTED IS GREATER THAN \$50,000.
- THE TAX RETURN SHOWS A SIGNIFICANT AMOUNT OF INTEREST INCOME, OR THE PATIENT STATES THEY HAVE BEEN LIVING OFF OF THEIR SAVINGS ACCOUNTS.
- DOCUMENTATION INDICATES SIGNIFICANT WEALTH.

IF ONE OF THE ABOVE THREE SCENARIOS ARE APPLICABLE IN THE APPLICATION, LIQUID ASSETS MAY BE CONSIDERED INCLUDING: CHECKING AND SAVINGS ACCOUNTS, STOCKS, BONDS, CERTIFICATES OF DEPOSIT, MONEY MARKET OR ANY OTHER ACCOUNTS FOR THE PAST THREE MONTHS ALONG WITH THE PAST YEAR'S TAX RETURN, AND A CREDIT REPORT MAY BE REVIEWED. THE FOLLOWING ASSETS ARE EXCLUDED:

- THE FIRST \$10,000 OF MONETARY ASSETS.

**Part V Facility Information** (continued)

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

- UP TO \$150,000 IN A PRIMARY RESIDENCE.

CERTAIN RETIREMENT BENEFITS (SUCH AS A 401-K WHERE THE IRS HAS GRANTED PREFERENTIAL TAX TREATMENT AS A RETIREMENT ACCOUNT INCLUDING BUT NOT LIMITED TO DEFERRED-COMPENSATION PLANS QUALIFIED UNDER THE INTERNAL REVENUE CODE, OR NONQUALIFIED DEFERRED-COMPENSATION PLANS) WHERE THE PATIENT POTENTIALLY COULD PAY TAXES AND/OR PENALTIES BY CASHING IN THE BENEFIT.

IF THE BALANCE DUE IS SUFFICIENT TO WARRANT IT AND THE ASSETS ARE SUITABLE, A LIEN WILL BE PLACED ON THE ASSETS FOR THE AMOUNT OF THE BILL. COLLECTION EFFORTS WILL CONSIST OF PLACEMENT OF THE LIEN WHICH WILL RESULT IN PAYMENT TO THE HOSPITAL UPON SALE OR TRANSFER OF THE ASSET.

5) COLLECTION COORDINATOR WILL REVIEW DOCUMENTATION.

IF ELIGIBLE, THE ACCOUNT WILL BE WRITTEN OFF TO FINANCIAL ASSISTANCE AND THE "REQUEST FOR FINANCIAL ASSISTANCE" FORM FINALIZED. A COPY IS RETAINED IN THE PATIENT'S FILE. THE REPRESENTATIVE WILL CALL THE PATIENT AND NOTIFY HIM/HER OF THE FINAL DETERMINATION OF ELIGIBILITY.

6) PENINSULA REGIONAL MEDICAL CENTER WILL REVIEW ONLY THOSE ACCOUNTS WHERE THE PATIENT OR GUARANTOR INQUIRE ABOUT FINANCIAL ASSISTANCE, MAELS IN AN APPLICATION, OR IN THE NORMAL WORKING OF THE ACCOUNT THERE IS INDICATION THAT THE PATIENT MAY BE ELIGIBLE. ANY PATIENT/CUSTOMER SERVICE REPRESENTATIVE, FINANCIAL COUNSELOR, OR COLLECTION REPRESENTATIVE MAY

**Part V Facility Information** (continued)

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

BEGIN THE REQUEST PROCESS.

PRE-PLANNED SERVICE MAY ONLY BE CONSIDERED FOR FINANCIAL ASSISTANCE WHEN THE SERVICE IS MEDICALLY NECESSARY. FOR EXAMPLE, NO COSMETIC SURGERY WILL BE ELIGIBLE.

INPATIENT, OUTPATIENT, EMERGENCY, AND PENINSULA REGIONAL MEDICAL GROUP PHYSICIAN CHARGES ARE ALL ELIGIBLE.

MAXIMUM CHARGE AMOUNTS FOR FAP-ELIGIBLE INDIVIDUALS

SCHEDULE H, PART V, LINE 22D

PENINSULA REGIONAL MEDICAL CENTER IS A MARYLAND HOSPITAL. AS SUCH PATIENTS AND ALL INSURANCE COMPANIES, INCLUDING MEDICARE & MEDICAID, PAY THE SAME RATE. THIS RATE IS DETERMINED BY THE STATE AGENCY, THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION.

**Part V Facility Information** (continued)

**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**  
(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

**Part VI Supplemental Information**

Provide the following information.

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

OTHER METHOD USED IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE

SCHEDULE H, PART I, LINE 3C

N/A - PENINSULA REGIONAL MEDICAL CENTER USES THE FPG IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE. FINANCIAL ASSISTANCE IS ALSO CONSIDERED IF A PATIENT IS OVER INCOME CRITERION BUT HAS FINANCIAL HARDSHIP BASED ON MEDICAL DEBT. PATIENTS WHO ARE BENEFICIARIES/RECIPIENTS OF CERTAIN MEANS-TESTED SOCIAL SERVICES PROGRAM ADMINISTERED BY THE STATE OF THE PATIENT'S RESIDENCE ARE DEEMED TO HAVE PRESUMPTIVE ELIGIBILITY FOR PRMC'S FA PROGRAM.

COMMUNITY BENEFIT REPORT

SCHEDULE H, PART I, LINE 6A

PENINSULA REGIONAL MEDICAL CENTER FUNCTIONS AS THE PRIMARY HOSPITAL PROVIDER FOR THE RURAL SOUTHERNMOST THREE COUNTIES OF THE EASTERN SHORE OF MARYLAND, WHICH INCLUDES WICOMICO, WORCESTER AND SOMERSET COUNTIES. IN FY 2018, APPROXIMATELY 78% OF THE PATIENTS DISCHARGED FROM THE MEDICAL CENTER WERE RESIDENTS OF THE PRIMARY SERVICE AREA, WHICH HAS AN ESTIMATED POPULATION OF APPROXIMATELY 180,778 IN 2018 AND IS EXPECTED TO INCREASE



**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
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TO 184,828 IN 2022, OR BY 2.4%. THE PRIMARY SERVICE AREA POPULATION HAS GROWN BY AN ESTIMATED 5% SINCE 2010.

PENINSULA REGIONAL'S CBSA (COMMUNITY BENEFIT SERVICE AREA) CONSISTS OF THOSE ZIP CODES WITHIN OUR PRIMARY SERVICE AREA. THE MAJORITY OF THE POPULATION RESIDES IN WICOMICO COUNTY (104,756) WITH SALISBURY SERVING AS THE CAPITAL OF THE EASTERN SHORE. SALISBURY IS LOCATED ON THE HEADWATERS OF THE WICOMICO RIVER AND IT IS LOCATED AT THE CROSSROADS OF THE BAY AND THE OCEAN. THE REGION IS UNIQUE; THE CITY OF SALISBURY HAS SIMILAR SOCIO-ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS OF A LARGE CITY, HOWEVER, THE AREA SURROUNDING SALISBURY IS RURAL AND HAS LIKE-KIND CHARACTERISTICS OF SMALL TOWN AMERICA. DUE TO THIS DICHOTOMY, SERVING BOTH SOMETIMES PRESENTS A CHALLENGE IN DELIVERING HEALTHCARE. THE TWO OTHER COUNTIES IN PENINSULA REGIONAL'S CBSA INCLUDE WORCESTER COUNTY, WITH A POPULATION OF 52,052 AND SOMERSET COUNTY WITH A POPULATION OF 23,881.

THE GREATER "METROPOLITAN" SALISBURY AREA (ZIP CODES 21801, 21804) HAS A HIGHER POPULATION DENSITY THAN THE SURROUNDING RURAL AREAS. THIS AREA HAS

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A VULNERABLE POPULATION THAT INCLUDES THE INDIGENT AND A HIGHER MEDICAID MIX. MOVING EAST TOWARDS THE BEACH LOCATED IN WORCESTER COUNTY SEVERAL OF THE LARGER TOWNS BERLIN (21811) AND OCEAN CITY (21842) HAVE A HIGHER POPULATION DENSITY. SOUTH OF SALISBURY, LOCATED IN SOMERSET COUNTY, THE TOWN OF PRINCESS ANNE (21853) AND CRISFIELD (21817) ARE TWO OF THE LARGER TOWNS. EXCLUDING THE GREATER SALISBURY AREA, THE LANDSCAPE AND ENVIRONMENT IS CONSIDERED RURAL, MADE UP OF SMALL BUSINESSES AND AGRICULTURE.

ALL THREE COUNTIES CAN BE CLASSIFIED AS RURAL WITH A HISTORIC ECONOMIC FOUNDATION IN AGRICULTURE, POULTRY AND TOURISM. WATERMEN AND FARMERS HAVE ALWAYS COMPRISED A LARGE PERCENTAGE OF THE PENINSULA POPULATION; HOWEVER, THEIR NUMBERS HAVE BEEN DECLINING WITH GROWTH IN THE POPULATION AND EXPANSION OF OTHER SMALL BUSINESSES. OCEAN CITY, LOCATED IN WORCESTER COUNTY, IS A MAJOR TOURIST DESTINATION; DURING THE SUMMER WEEKENDS, THE CITY HOSTS BETWEEN 320,000 AND 345,000 VACATIONERS, AND UP TO 8 MILLION VISITORS ANNUALLY.

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THE THREE COUNTIES HAVE A DIVERSIFIED ECONOMIC BASE; HOWEVER, IT IS PREDOMINATELY MADE UP OF SMALL EMPLOYERS (COMPANIES WITH LESS THAN 50 EMPLOYEES). MAJOR EMPLOYERS INCLUDE LOCAL HOSPITALS, THE CHICKEN INDUSTRY, LOCAL COLLEGES AND TEACHING INSTITUTIONS. THE MEDIAN INCOME IN OUR COMMUNITY BENEFITS SERVICE AREA IS CONSIDERABLY LESS THAN \$54,131, COMPARED TO MARYLAND'S MEDIAN INCOME OF \$77,385. IN ADDITION, 2015 UNEMPLOYMENT RATES WERE HIGHER FOR MARYLAND'S MOST EASTERN SHORE COUNTIES. THE UNEMPLOYMENT RATE IN MARYLAND WAS 5.2%, THE NATION 5.3% COMPARED TO WICOMICO 6.0%; WORCESTER 8.6%; AND SOMERSET 8.1%. RESEARCH INDICATES LOWER MEDIAN INCOMES AND HIGHER UNEMPLOYMENT RATES CONTRIBUTE TO A DISPARITY IN ACCESS TO MEDICAL CARE AND A PREVALENCE OF UNTREATED CHRONIC DISEASE.

IN THE PAST PENINSULA REGIONAL'S APPROACH TO RURAL POPULATION HEALTH AND COMMUNITY BENEFITS WAS GENERALIZED AND CONSISTED OF TOUCHING OUR THREE PRIMARY COUNTIES: WICOMICO, WORCESTER AND SOMERSET. HOWEVER, THERE ARE EXAMPLES WHERE PENINSULA REGIONAL HAS PARTICIPATED WITH OUR NEIGHBORS IN DELAWARE AND VIRGINIA ON URGENT COMMUNITY HEALTHCARE NEEDS. MANY OF THE

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SOCIAL DETERMINANTS OF RURAL HEALTH IN OUR THREE COUNTY AREAS SPILL OVER STATE LINES CREATING SIMILAR ISSUES IN OUR NEIGHBORING STATES AND ALLOWING US TO WORK TOGETHER.

UNTIL NOW, MOST OF PRMC'S INITIATIVES HAVE BEEN "REACTIVE," ACTIVATED BY PATIENTS PRESENTING IN THE EMERGENCY ROOM OR AS INPATIENTS. PRMC NOW SEEKS TO DEPLOY RESOURCES AND EMBED CARE MANAGEMENT FUNCTIONS WITHIN PRIMARY CARE PRACTICES TO ADDRESS SOME OF THE DETERMINANTS (OR ROOT CAUSES) OF HIGH UTILIZATION. BY MOVING CARE BACK OUT INTO THE COMMUNITY WITH PCPS (PRIMARY CARE PROVIDERS) AND CARE MANAGERS EMBEDDED WITHIN THOSE PCPS, THE RIGHT CARE WILL BE DELIVERED, REDUCING THE NEED FOR INPATIENT HOSPITAL ADMISSIONS AND READMISSIONS.

PENINSULA REGIONAL HAS EMBARKED ON IDENTIFYING AND TARGETING "SUPER UTILIZERS" WITHIN OUR CBSA; THESE RESIDENTS WILL BE IDENTIFIED, AND TARGETED FOR POPULATION HEALTH MANAGEMENT.

- DEMOGRAPHICS (BLOCK GROUPS, ZIP CODES)

- RACE/ETHNICITY

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- AGE-COHORTS

- CHRONIC CONDITIONS

THE TARGET POPULATION INCLUDES PATIENTS THAT HAVE CHRONIC CONDITIONS WHO HAVE DEMONSTRATED TO HAVE BEEN HIGH UTILIZERS AT PRMC, OR ARE IDENTIFIED AS BEING AT RISK OF HIGH UTILIZATION BASED ON HIS/HER CHRONIC CONDITIONS AND PATTERNS OF CARE. CURRENT DATA INDICATES AN "OVERRELIANCE" BY LOCAL RESIDENTS ON PENINSULA REGIONAL'S EMERGENCY ROOM FOR PRIMARY AND CHRONIC CONDITION NEEDS. IN RESPONSE, PRMC HAS INTRODUCED INTERVENTIONS, CARE MANAGEMENT PROGRAMS, EDUCATION, AND FOLLOW-UP WITH MEASUREMENT AND OUTCOMES. BASED UPON A CURRENT ASSESSMENT THERE ARE APPROXIMATELY 1,330 RESIDENTS THAT MEET THE CRITERIA OF "SUPER UTILIZERS" STRATIFIED BY SOCIO-DEMOGRAPHICS AND CHRONIC DISEASE.

PENINSULA REGIONAL IS TARGETING CBSA ZIP CODES BASED UPON SOCIAL AND ECONOMIC DETERMINANTS OF HEALTH TO INCLUDE THE UNINSURED, INDIGENT POPULATION, RESIDENTS WHO LACK TRANSPORTATION, LACK OF EDUCATION AND AVAILABILITY OF HEALTHY FOODS. TARGETING THIS BY CLUSTER AND BLOCK GROUPS, WE SEEK TO IMPACT THE HEALTH BY PROVIDING PRIMARY HEALTH

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SERVICES, EDUCATION, ACCESS AND MORE IMPORTANTLY BY FOSTERING RELATIONSHIPS WITHIN THE COMMUNITY WE SERVE. FOR EXAMPLE, OUR WAGNER WELLNESS VAN TRAVELS LOCALLY TO BLOCK GROUPS WHERE THERE WAS AN IDENTIFIED NEED FOR BASIC HEALTH SERVICES, IN ADDITION TO PROVIDING HEALTH SERVICES AND EDUCATION TO LOCAL ETHNIC CHURCHES AND CIVIC ORGANIZATIONS.

PENINSULA REGIONAL MEDICAL CENTER FILES ANNUALLY A COMMUNITY BENEFIT REPORT WITH THE STATE OF MARYLAND. THE REPORT IS FILED WITH THE HSCRC (HEALTH SERVICES COST REVIEW COMMISSION).

FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST SCHEDULE H, PART I, LINE 7, COLUMN (F)

THE AMOUNT OF BAD DEBT EXPENSE EXCLUDED FROM THE DENOMINATOR IN THE COLUMN (F) PERCENTAGES IS \$9,097,506.

LINE 7B COLUMN (C) & (F)- MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION.

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THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE-SETTING SYSTEM.

THE COST METHODOLOGY FOR CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS IS THE COST-TO-CHARGE RATIO USED FOR THE CHARITY CARE PROGRAMS AND DIRECT COST METHOD FOR THE OTHER BENEFITS/PROGRAMS.

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COMMUNITY BUILDING ACTIVITIES

SCHEDULE H, PART II

PENINSULA REGIONAL FUNDS A VARIETY OF PROGRAMS THAT WORK TO PROMOTE THE HEALTH AND SAFETY OF OUR COMMUNITY. THESE PROGRAMS INCLUDE ACTIVITIES IN THE AREAS OF HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT, ENVIRONMENTAL IMPROVEMENTS, COALITION BUILDING, AND WORKFORCE DEVELOPMENT.

THE NUMBER OF PERSONS SERVED BY THE COMMUNITY BUILDING ACTIVITIES WERE NOT TRACKED FOR ALL PROGRAMS THROUGHOUT THE COURSE OF THE YEAR.

COALITION BUILDING

HISTORICALLY PENINSULA REGIONAL HAS FACILITATED INVOLVEMENT WITH HEALTH IMPROVEMENT ORGANIZATIONS TO IDENTIFY, ASSESS, AND CREATE AGGREGATE ACTION PLANS TO ADDRESS LOCAL EMERGING AND CHRONIC COMMUNITY BENEFIT SERVICE AREA HEALTHCARE ISSUES. KATHRYN FIDDLER (EXECUTIVE DIRECTOR OF POPULATION HEALTH) AND STEPHANIE ELLIOT (DIRECTOR OF COMMUNITY SERVICES HEALTH) ATTEND THE FOLLOWING LOCAL HEALTH IMPROVEMENT COALITION'S



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INCLUDING SOME OF THE FRONT-LINE CARE MANAGEMENT COORDINATORS AND  
PHYSICIANS.

- WICOMICO COUNTY LHIC
- WORCESTER COUNTY HRSA
- HEALTHY SOMERSET COALITION
- WORCESTER COUNTY LHIC
- TRI COUNTY HEALTH IMPROVEMENT PLANNING
- TRI COUNTY ALLIANCE FOR THE HOMELESS
- PROJECT LIVING WELL ADVISORY COMMITTEE - MAC (MAINTAINING ACTIVE  
CITIZENS)

PHYSICIAN RECRUITING

PENINSULA REGIONAL FEELS IT IS IMPORTANT TO CONTINUALLY MONITOR  
SPECIALTIES WHERE A SIGNIFICANT AMOUNT OF PATIENT CARE WITHIN THE SERVICE  
AREA IS PROVIDED BY OLDER PHYSICIANS, AS A SUDDEN OR UNEXPECTED LOSS OF  
COVERAGE COULD HAVE AN ADVERSE EFFECT ON THE PROVISION OF MEDICAL  
SERVICES TO THE COMMUNITY. SUCCESSION PLANNING AND RECRUITMENT GO

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HAND-IN-HAND, AS DOES SOCIO-DEMOGRAPHICS AND GOVERNMENTAL INITIATIVES ALL OF WHICH MUST BE CONSIDERED TO ASSESS APPROPRIATE PHYSICIAN RECRUITMENT. KEY FINDINGS, ACCORDING TO THE MOST RECENT MEDICAL STAFF DEVELOPMENT PLAN, INDICATE AN IMMEDIATE NEED FOR RECRUITMENT OF PRIMARY CARE PHYSICIANS TO ENGAGE IN CHRONIC DISEASE MANAGEMENT AS PART OF OUR POPULATION HEALTH INITIATIVES. SUCCESSION PLANNING IS A KEY OBJECTIVE AS TEN PRIMARY CARE PHYSICIANS ARE ABOVE THE AGE OF 55 WHICH WILL LEAVE A VOID IN AN ALREADY UNDERSERVED AREA. DEMOGRAPHICS ALSO PLAY A KEY ROLE AS THE MEDICARE POPULATION IS GROWING AT A FASTER RATE THAN THE STATE OF MARYLAND AND THE NATION. AS A GROWING RETIREMENT COMMUNITY, THERE IS AN INCREASED NEED FOR ADDITIONAL PRIMARY CARE PHYSICIANS AND CERTAIN SPECIALTIES. THERE WILL BE A 22.7% GROWTH OF THOSE BETWEEN THE AGES OF 65 TO 74 OVER THE NEXT 5 YEARS. DEFICIENCIES AND SURPLUSES IN THE CURRENT SUPPLY OF PHYSICIANS WERE DETERMINED BY REVIEWING PHYSICIAN TO-POPULATION RATIOS, PHYSICIAN PATIENT VOLUMES, POPULATION DATA, AND OTHER DATA. MANAGEMENT CONSULTANTS RECOMMEND EVALUATING POTENTIAL RECRUITMENT OF PRIMARY CARE FAMILY MEDICINE, PRIMARY CARE INTERNAL MEDICINE AND PRIMARY CARE PEDIATRICS OVER THE NEXT SEVERAL YEARS. MEDICAL SPECIALTY NEEDS ARE

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DRIVEN BY THE OVERALL MARKET SUPPLY, WAIT TIMES FOR NEW PATIENT APPOINTMENTS, AND CALL COVERAGE AND INPATIENT CONSULTATION NEEDS. CURRENT MEDICAL SPECIALTY RECOMMENDATIONS INCLUDE RECRUITMENT OF THE FOLLOWING PHYSICIAN SPECIALTIES DUE TO COMMUNITY NEEDS ASSESSMENT, MARKET DEMAND AND RETIREMENT: ALLERGY/IMMUNOLOGY, DERMATOLOGY, ENDOCRINOLOGY, INFECTIOUS DISEASE, NEUROLOGY, OB/GYN, PAIN MANAGEMENT, PSYCHIATRY AND RHEUMATOLOGY. OF THE MEDICAL STAFF, 32% IS EITHER AT OR ABOVE THE AGE OF 55, WHICH POSES SUCCESSION RISK. PENINSULA REGIONAL A RURAL HOSPITAL, AND OTHER LIKE-KIND RURAL COMMUNITIES ARE TYPICALLY CHALLENGED IN BOTH RECRUITMENT AND RETENTION OF PHYSICIANS DUE TO NUMEROUS FACTORS. SOME OF THESE CHALLENGES ARE DUE TO THE LOCATION AND GEOGRAPHY OF THE AREA AND AVAILABILITY OF HEALTHCARE RESOURCES. RETAINING AND RECRUITING RESOURCES IN SUB-SPECIALTIES CAN BE HARD FOR REGIONAL RURAL HOSPITALS AND PENINSULA REGIONAL MEDICAL CENTER IS NO EXCEPTION. TO ADDRESS SPECIFIC COMMUNITY HEALTHCARE NEEDS THE MEDICAL CENTER HAS HAD TO RECRUIT, RETAIN, EMPLOY AND SUBSIDIZE SOME OF THE FOLLOWING SUBSPECIALTIES; PULMONARY, NEURO-HOSPITALIST, NEUROSURGERY, MEDICAL ONCOLOGY & HEMATOLOGY, GASTROENTEROLOGY, PEDIATRIC SPECIALTIES, ENDOCRINOLOGY, CARDIOLOGY,

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CARDIOVASCULAR SURGERY, AND PAIN MANAGEMENT. RURAL COMMUNITIES LACK THE CULTURAL AND EDUCATIONAL RESOURCES THAT LARGER URBAN CENTERS PROVIDE MAKING IT HARDER TO RETAIN AND RECRUIT THESE PHYSICIANS. LOW POPULATION PATTERNS BY GEOGRAPHY MAKE IT MORE COSTLY AND HARDER FOR COMMUNITIES AND BUSINESSES TO PROVIDE VARIOUS TYPES OF SERVICES ESPECIALLY SPECIALTY PHYSICIAN SERVICES. OVERALL, OUR LOCAL ECONOMY IS NOT AS ROBUST AS THE URBAN CENTERS AS INDICATED BY OUR LOW AVERAGE HOUSEHOLD INCOME IN THE TRI-COUNTY AREA.

DISASTER READINESS

PENINSULA REGIONAL MEDICAL CENTER IS A MEMBER OF DRHMAG (DELMARVA REGIONAL HEALTH MUTUAL AID GROUP) WHICH IS A COALITION OF LOCAL HEALTH DEPARTMENTS, HOSPITALS AND NURSING HOMES. THEY MEET QUARTERLY TO DISCUSS ISSUES OF DISASTER PREPAREDNESS IN THE DELMARVA REGION. PRMC HAS AN INTERNAL EMERGENCY MANAGEMENT COMMITTEE THAT MEETS MONTHLY WHOSE MEMBERS INCLUDE THE SAFETY COORDINATOR, CHIEF OF SECURITY, EMERGENCY DEPARTMENT RN, RISK MANAGEMENT, INFECTION PREVENTION, EXECUTIVE TEAM REPRESENTATIVE, PHARMACIST, EMERGENCY MANAGEMENT COORDINATOR, FIREFIGHTER, AND A COUNTY

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HEALTH DEPARTMENT REPRESENTATIVE. PRMC ALSO MEETS QUARTERLY WITH OUR LOCAL PARTNERS THAT INCLUDE FIRE, POLICE, EMERGENCY MEDICAL SERVICES, AND WICOMICO COUNTY EMERGENCY MANAGEMENT TO FACILITATE DISASTER PLANNING AND MOCK DRILLS WITHIN THE COMMUNITY.

METHODOLOGY USED TO ESTIMATE BAD DEBT EXPENSE

SCHEDULE H, PART III, LINES 2 AND 3

SEE RESPONSE BELOW TO LINE 4 REGARDING THE METHODOLOGY USED BY THE ORGANIZATION REGARDING BAD DEBT.

BAD DEBT FOOTNOTE IN THE AUDITED FINANCIAL STATEMENTS

SCHEDULE H, PART III, LINE 4

PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, MANAGEMENT ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE

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SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, MANAGEMENT ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), MANAGEMENT RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. THERE HAVE BEEN NO CHANGES IN THE CHARITY CARE OR UNINSURED DISCOUNT POLICIES DURING THE YEARS ENDED JUNE 30, 2018 OR 2017.

DISCOUNTS RANGING FROM 2% TO 6% OF CHARGES ARE GIVEN TO MEDICARE, MEDICAID, AND CERTAIN APPROVED COMMERCIAL HEALTH INSURANCE AND HEALTH MAINTENANCE ORGANIZATION PROGRAMS FOR REGULATED SERVICES. DISCOUNTS IN

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VARYING PERCENTAGES ARE GIVEN FOR CERTAIN UNREGULATED SERVICES.

MEDICARE COSTING METHODOLOGY

SCHEDULE H, PART III, LINE 8

MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST TO CHARGE RATIO.

PENINSULA REGIONAL MEDICAL CENTER PROVIDES QUALITY MEDICAL SERVICES TO ALL PATIENTS REGARDLESS OF WHAT INSURANCE THEY HAVE. APPROXIMATELY, 38% OF THE MEDICAL CENTER'S REVENUE IS ATTRIBUTABLE TO MEDICARE PATIENTS DURING THE YEAR ENDED JUNE 30, 2018.

COLLECTION POLICY

SCHEDULE H, PART III, LINE 9B

THE PENINSULA REGIONAL MEDICAL CENTER COLLECTION POLICY INCLUDES INFORMATION ABOUT OUR FINANCIAL ASSISTANCE POLICY (FAP) AND HOW TO FIND THE FAP. THE DEBT COLLECTION POLICY APPLIES TO ALL PATIENTS. ADDITIONALLY OUR COLLECTION POLICY INSTRUCTS THAT EXTRAORDINARY COLLECTION ACTIONS (ECA) WILL BE SUSPENDED WHEN A PATIENT REQUESTS INFORMATION ON OUR FAP OR SUBMITS A FINANCIAL ASSISTANCE APPLICATION WITHIN 240 DAYS OF THE FIRST

**Part VI Supplemental Information**

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POST-DISCHARGE BILLING STATEMENT. OUR POLICY DESCRIBES WHAT TO DO IF THE FINANCIAL ASSISTANCE APPLICATION IS INCOMPLETE AND WHAT IS REQUIRED TO BE REFUNDED (AMOUNTS OVER \$5) IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE AFTER MAKING A PAYMENT. WE INCLUDE CLARIFICATION OF WHAT DATES OF SERVICES ARE INCLUDED IN THE FINANCIAL ASSISTANCE SO THAT WE UNDERSTAND WHEN NORMAL COLLECTION EFFORTS ARE APPROPRIATE.

WITHIN OUR COLLECTION POLICY WE DESCRIBE THAT A PATIENT DENIED FINANCIAL ASSISTANCE MAY REQUEST A RECONSIDERATION. FOR DATES OF SERVICES APPROVED FOR FINANCIAL ASSISTANCE COLLECTIONS PROCESSES ARE HALTED AS THE ACCOUNT IS ADJUSTED TO ZERO DUE FROM PATIENT. THE POLICY STATES HOW TO PROCESS THE PATIENT BALANCE WHEN ONLY A PORTION OF THE CHARGE QUALIFIED FOR FINANCIAL ASSISTANCE; COLLECTIONS WILL ONLY BE PURSUED ON THE AMOUNT THAT DID NOT QUALIFY FOR FINANCIAL ASSISTANCE.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

PENINSULA REGIONAL ASSESSES COMMUNITY HEALTH NEEDS IN PARTNERSHIP WITH



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THE LOCAL COUNTY HEALTH DEPARTMENTS (WICOMICO, WORCESTER, SOMERSET). WE MEET ON A REGULAR BASIS TO DISCUSS AND FORMULATE STRATEGIES AND ACTION PLANS IN WHICH WE COLLABORATE WITH EACH OTHER AND LOCAL ENTITIES TO ADDRESS RESIDENTS' MOST UNDERSERVED AND CRITICAL HEALTHCARE AND SOCIAL NEEDS. DEVELOPING RELATIONSHIPS WITH COMMUNITY PARTNERS IS CRITICAL TO CONTINUED IDENTIFICATION OF UNDERSERVED NEEDS AND POPULATION HEALTH MANAGEMENT SUCCESS; A CORNERSTONE OF PENINSULA REGIONAL STRATEGY. THE FOLLOWING LOCAL RELATIONSHIPS, PARTNERSHIPS AND MEMBERSHIPS HAS CREATED SYNERGY PRODUCING LOCAL HEALTHCARE DIVIDENDS, EXAMPLES OF THESE RELATIONSHIPS INCLUDE THE FOLLOWING: TRI-COUNTY DIABETES ALLIANCE, SWIFT (SALISBURY WICOMICO INTEGRATED FIRSTCARE TEAM), FEDERALLY QUALIFIED HEALTH CENTERS, YMCA, PATIENT CARE ADVISORY COUNCIL, LOCAL SNFS, FAITH BASED ENTITIES, MAC (MAINTAINING ACTIVE CITIZENS), SHELTERS (HALO, HOPE), LOCAL COLLEGES & HIGH SCHOOLS. WORKING TOGETHER WITH DIVERSE AND DISPARATE LOCAL ENTITIES FOR THE UNITED BUT COMMON GOAL OF MEETING RESIDENTS' UNDERSERVED NEEDS- PLANNING TOGETHER, APPLYING RESOURCES OUR GOAL IS A HEALTHIER COMMUNITY.

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IN ADDITION TO THE CHNA, PENINSULA REGIONAL HAS EMBARKED ON IDENTIFYING AND TARGETING "SUPER UTILIZERS" WITHIN OUR CBSA (COMMUNITY BENEFIT SERVICE AREA); THESE RESIDENTS WILL BE IDENTIFIED, AND TARGETED FOR POPULATION HEALTH MANAGEMENT.

- DEMOGRAPHICS (BLOCK GROUPS, ZIP CODES)
- RACE/ETHNICITY
- AGE-COHORTS
- CHRONIC CONDITIONS

THE TARGET POPULATION INCLUDES PATIENTS THAT HAVE CHRONIC CONDITIONS WHO HAVE DEMONSTRATED TO HAVE BEEN HIGH UTILIZERS AT PRMC, OR ARE IDENTIFIED AS BEING AT RISK OF HIGH UTILIZATION BASED ON HIS/HER CHRONIC CONDITIONS AND PATTERNS OF CARE. CURRENT DATA INDICATES AN "OVERRELIANCE" BY LOCAL RESIDENTS ON PENINSULA REGIONAL'S EMERGENCY ROOM FOR PRIMARY AND CHRONIC CONDITION NEEDS. IN RESPONSE, PRMC HAS INTRODUCED INTERVENTIONS, CARE MANAGEMENT PROGRAMS, EDUCATION, AND FOLLOW-UP WITH MEASUREMENT AND OUTCOMES. BASED UPON A CURRENT ASSESSMENT THERE ARE APPROXIMATELY 1,000+ RESIDENTS THAT MEET THE CRITERIA OF "SUPER UTILIZERS" STRATIFIED BY SOCIO-DEMOGRAPHICS AND CHRONIC DISEASE.

**Part VI** Supplemental Information

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PENINSULA REGIONAL IS TARGETING CBSA ZIP CODES BASED UPON SOCIAL AND ECONOMIC DETERMINANTS OF HEALTH TO INCLUDE THE UNINSURED, INDIGENT POPULATION, RESIDENTS WHO LACK TRANSPORTATION, LACK OF EDUCATION AND AVAILABILITY OF HEALTHY FOODS. TARGETING THIS BY CLUSTER AND BLOCK GROUPS, WE SEEK TO IMPACT THE HEALTH BY PROVIDING PRIMARY HEALTH SERVICES, EDUCATION, ACCESS AND MORE IMPORTANTLY BY FOSTERING RELATIONSHIPS WITHIN THE COMMUNITY WE SERVE. FOR EXAMPLE, OUR WAGNER WELLNESS VAN TRAVELS LOCALLY TO BLOCK GROUPS WHERE THERE WAS AN IDENTIFIED NEED FOR BASIC HEALTH SERVICES, IN ADDITION TO PROVIDING HEALTH SERVICES AND EDUCATION TO LOCAL ETHNIC CHURCHES AND CIVIC ORGANIZATIONS.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, LINE 3

PENINSULA REGIONAL MEDICAL CENTER MAKES AVAILABLE TO ALL PATIENTS THE HIGHEST QUALITY OF MEDICAL CARE POSSIBLE WITHIN THE RESOURCES AVAILABLE.

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IF A PATIENT IS UNABLE TO PAY DUE TO FINANCIAL RESOURCES, ALL EFFORTS WILL BE MADE TO HELP THE PATIENT OBTAIN ASSISTANCE THROUGH APPROPRIATE AGENCIES, OR, IF HELP IS NOT AVAILABLE, TO PROVIDE CARE AT REDUCED OR ZERO COST. ONE OF PENINSULA REGIONAL'S OVERALL GUIDING PRINCIPLES IS THAT CONCERN OVER A HOSPITAL BILL SHOULD NEVER PREVENT ANY INDIVIDUAL FROM RECEIVING EMERGENCY HEALTH SERVICES.

THE MEDICAL CENTER WILL COMMUNICATE THIS MESSAGE CLEARLY TO PROSPECTIVE PATIENTS AND TO LOCAL COMMUNITY SERVICE AGENCIES AND MAKE IT CLEAR THAT EMERGENCY SERVICES WILL BE PROVIDED WITHOUT REGARD TO ABILITY TO PAY. THE MEDICAL CENTER WILL ENSURE THAT AN EMERGENCY ADMISSION OR TREATMENT IS NOT DELAYED OR DENIED PENDING DETERMINATION OF COVERAGE OR REQUIREMENT FOR PREPAYMENT OR DEPOSIT. THE MEDICAL CENTER WILL POST ADEQUATE NOTICE OF THE AVAILABILITY OF MEDICAL SERVICES, AND THE GENERAL OBLIGATION OF THE HOSPITAL TO PROVIDE CHARITY CARE.

PENINSULA REGIONAL'S "FINANCIAL ASSISTANCE POLICY" INCLUDES THE REQUIRED LANGUAGE OF DETERMINATION OF PROBABLE ELIGIBILITY WITHIN TWO BUSINESS

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DAYS. ON PAGE 2, THE "FINANCIAL ASSISTANCE POLICY" STATES THAT UPON RECEIPT OF THE FINANCIAL ASSISTANCE REQUEST, THE REPRESENTATIVE WILL REVIEW INCOME AND ALL DOCUMENTATION. THE PATIENT MUST BE NOTIFIED WITHIN TWO BUSINESS DAYS OF THEIR PROBABLE ELIGIBILITY.

IN ACCORDANCE WITH SECTION 1, 2 AND 3, PENINSULA REGIONAL PROVIDES PUBLIC NOTICE AND INFORMATION REGARDING ITS CHARITY CARE POLICY IN DELMARVA'S LARGEST PAPER "THE DAILY TIMES", POSTED SIGNS IN THE ADMISSION, BUSINESS OFFICE EMERGENCY ROOM AND OTHER MAJOR SERVICE AREAS OF THE MEDICAL CENTER; ADDITIONALLY INDIVIDUAL NOTICE IS PROVIDED TO EACH SELF-PAY ACCOUNT WHO SEEKS SERVICES IN THE MEDICAL CENTER AT THE TIME OF PRE-ADMISSION, ADMISSION, OR UPON REQUEST.

A COPY OF THE FINANCIAL ASSISTANCE POLICY IS PROVIDED DURING INTAKE AND DISCHARGE PROCESS UPON REQUEST, AND A FINANCIAL ASSISTANCE INFORMATION BROCHURE IS PROVIDED TO ALL SELFPAY PATIENTS DURING INTAKE. THE AVAILABILITY OF FINANCIAL ASSISTANCE IS PRINTED ON BILLING STATEMENTS SENT TO PATIENTS. PRMC NOTIFIES THE PATIENT OR POTENTIAL PATIENT OF

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GOVERNMENT PROGRAMS, INCLUDING PROVIDING THEM WITH INITIAL ASSISTANCE TO  
APPLY FOR SUCH PROGRAMS.

## COMMUNITY INFORMATION

SCHEDULE H, PART VI, LINE 4

PENINSULA REGIONAL IS LOCATED IN SALISBURY, MARYLAND. THE HOSPITAL'S SERVICE AREA IS PREDOMINATELY RURAL AND COVERS 6 COUNTIES LOCATED IN THREE DIFFERENT STATES: MARYLAND, DELAWARE AND VIRGINIA. SOME OF THE UNIQUE HEALTHCARE CHARACTERISTICS OF THESE COUNTIES INCLUDE A HIGH PREVALENCE OF DIABETES WHICH IS APPROXIMATELY TWICE THAT OF THE STATE OF MARYLAND. THERE IS A HIGHER INCIDENCE OF SKIN CANCER AND THE INCIDENCE RATE FOR HEART DISEASE IS STATISTICALLY SIGNIFICANTLY HIGHER THAN MARYLAND. IN FY 2018, APPROXIMATELY 78% OF THE PATIENTS DISCHARGED FROM THE MEDICAL CENTER WERE RESIDENTS OF THE PRIMARY SERVICE AREA, WHICH HAS AN ESTIMATED POPULATION OF APPROXIMATELY 180,778 IN 2018 AND IS EXPECTED TO INCREASE TO 184,828 IN 2022, OR BY 2.4%. THE PRIMARY SERVICE AREA POPULATION HAS GROWN BY AN ESTIMATED 5% SINCE 2010. THE FASTEST GROWING AND LARGEST AGE COHORT IN OUR PRIMARY SERVICE AREA IS REPRESENTED BY

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THOSE 55 AND OLDER. THIS SENIORS' AGE CATEGORY REPRESENTS 32% OF OUR POPULATION WHICH IS 4% HIGHER THAN THE NATIONAL DISTRIBUTION RATE OF 28%. THIS AGE-COHORT HAS A PER CAPITA CONSUMPTION OF HEALTH SERVICES 3 TIMES MORE THAN YOUNGER ADULTS. THE OLDER ADULTS ALSO HAVE VASTLY DIFFERENT NEEDS AND NEARLY 80% OF SENIORS HAVE BEEN DIAGNOSED WITH ONE CHRONIC CONDITION, AND HALF HAVE BEEN DIAGNOSED WITH AT LEAST TWO. THE MEDICAL CENTER ALSO SERVICES DORCHESTER COUNTY, MARYLAND, THE SOUTHERN PORTION OF SUSSEX COUNTY, DELAWARE AND THE NORTHERN PORTION OF ACCOMACK COUNTY, VIRGINIA. THESE COUNTIES COMPRISED AN ADDITIONAL 19 PERCENT OF THE MEDICAL CENTER'S TOTAL DISCHARGES DURING THE SAME TIME PERIOD.

PATIENTS DISCHARGED FROM THE FOLLOWING GEOGRAPHICAL AREAS:

AREA	2018 DISCHARGES	DISCHARGES %
WICOMICO	9,800	51.2%
WORCESTER	3,036	15.9%

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SOMERSET	2,095	10.9%
DORCHESTER, TALBOT, CAROLINE	506	2.6%
DELAWARE	2,044	10.7%
VIRGINIA	1,086	5.7%
ALL OTHERS	575	3.0%
	-----	-----
TOTAL	19,142	100.0%

SOURCE: PENINSULA REGIONAL MEDICAL CENTER, FINANCIAL AND STATISTICAL REPORT, JUNE 30, 2018.

AT 289 LICENSED BEDS AND MULTI-SPECIALTY SERVICE LINES, PENINSULA REGIONAL MEDICAL CENTER SERVES AS THE LARGEST REGIONAL TERTIARY CARE REFERRAL CENTER ON THE EASTERN SHORE OF DELMARVA. OUR PRIMARY SERVICE AREA CONSISTS OF WICOMICO, WORCESTER, AND SOMERSET COUNTIES OF WHICH SEVERAL SMALLER HOSPITAL FACILITIES ALSO SERVE THESE RURAL RESIDENTS. ATLANTIC GENERAL HOSPITAL IS LOCATED 25 MILES EAST OF PRMC AND IS A 45 LICENSED BED COMMUNITY HOSPITAL LOCATED IN THE CITY OF BERLIN, WORCESTER COUNTY, MD. EDWARD W. MCCREADY MEMORIAL HOSPITAL IS LICENSED FOR 3 BEDS



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- 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.

AND IS LOCATED 30 MILES SOUTH OF PRMC IN THE TOWN OF CRISFIELD ADJACENT TO THE CHESAPEAKE BAY SOMERSET COUNTY, MD. ALL THREE HOSPITAL HAVE PARTNERED ON VARIOUS EMERGENCY AND URGENT COMMUNITY HEALTH AND WELLNESS ISSUES AS IDENTIFIED THROUGH THE COMMUNITY HEALTH NEEDS ASSESSMENT AND HAVE DEVELOPED ACTIONABLE PROGRAMS TO IMPROVE THE HEALTH OF THE RESIDENTS.

LOCATED IN PENINSULA REGIONAL'S PRIMARY SERVICE AREA IS SOMERSET COUNTY, THIS COUNTY IS ONE OF THE NEEDIEST COUNTIES IN THE STATE OF MARYLAND ACCORDING TO ([WWW.COUNTYHEALTHRANKINGS.ORG/MARYLAND](http://WWW.COUNTYHEALTHRANKINGS.ORG/MARYLAND)). MARYLAND COUNTY HEALTH RANKINGS 2017 ASSERTS SOMERSET COUNTY IS SECOND TO LAST FOR HEALTH FACTORS. MARYLAND'S SUMMARY RANKS HEALTH FACTORS BASED ON WEIGHTED SCORES FOR SOCIO-ECONOMIC FACTORS, HEALTH BEHAVIORS, PHYSICAL ENVIRONMENT AND CLINICAL CARE. ACCORDING TO DEPARTMENT OF HEALTH & HUMAN SERVICES/HRSA THE SOMERSET SERVICE AREA IS LISTED AS A MEDICALLY UNDERSERVED AREA (MUA) AS IS WORCESTER COUNTY, IN ADDITION TO CERTAIN CENSUS TRACTS IN WICOMICO COUNTY THAT PRMC SERVES. MUA IS A DESIGNATION THAT INDICATES A POPULATION HAVING TOO FEW PRIMARY CARE PROVIDERS AND HAVING HIGHER

**Part VI Supplemental Information**

Provide the following information.

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

SOCIO-DETERMINANTS OF HEALTH SUCH AS POVERTY HEALTH ILLITERACY THAT PREVENT OPTIMUM HEALTH OUTCOMES. THERE IS ALSO A SHORTAGE OF PRIMARY CARE PHYSICIANS IN VARIOUS GEOGRAPHIC POCKETS OF THIS THREE COUNTY REGION AREAS AS SUPPORTED BY A MEDICAL STAFF DEVELOPMENT PLAN REPORT COMPLETED BY CONSULTANT'S AND SUBSTANTIATED BY HPSA (HEALTH PROFESSIONAL SHORTAGE AREA) DESIGNATION.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, LINE 5

PENINSULA REGIONAL MEDICAL CENTER IS COMMITTED TO THE HEALTH OF THE RURAL COMMUNITIES IT SERVES. IN FY 2018, THE HOSPITAL'S CHARITY CARE WAS \$7,897,746; COMBINED CHARITY AND BAD DEBT FOR FY 2018 WAS \$16,995,252. AS PART OF PENINSULA REGIONAL'S ONGOING COMMITMENT AND MISSION STATEMENT "TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE," WE CONTINUE TO ASSESS THE HEALTH NEEDS OF THE COMMUNITY. WE ATTEND TRI-COUNTY COMMUNITY HEALTH IMPROVEMENT (T-CHIP) PROCESS MEETINGS. THESE MEETINGS ARE MADE UP OF WICOMICO, WORCESTER AND SOMERSET'S HEALTH DEPARTMENT, LOCAL HOSPITALS, LOCAL AND NATIONAL COMMUNITY HEALTH ORGANIZATIONS AND OTHER LOCAL HEALTHY

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 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.

LIFESTYLE PROGRAMS. WE SYNERGIZE AS A GROUP WORKING TOWARD OUR IDENTIFIED SHIP (STATE HEALTH IMPROVEMENT PROCESS INITIATIVES) IN ADDITION TO SHARING WITH EACH OTHER OUR PROGRAM SUCCESSES AND SOMETIMES FAILURES. THE DIVERSITY OF THE PARTICIPANTS AND THE DYNAMICS OF THIS PARTICULAR GROUP ALLOW US TO KEEP A BETTER PULSE IN THE NEEDS OF THE COMMUNITY WHICH CONTRIBUTES TO PLANNING AND FORMULATION OF TACTICS TO MEET LOCAL HEALTH OBJECTIVES. PENINSULA REGIONAL CLINICIANS AND EXECUTIVES ATTEND VARIOUS PUBLIC MEETINGS AS REQUESTED BY EITHER ENTITY AS WE EXCHANGE COMMUNITY HEALTH IDEAS, DATA OR BRING RESOURCES TO BEAR THAT BOTH PARTIES CAN BENEFIT FROM. AS MENTIONED EARLIER, IN JUNE 2016, PENINSULA REGIONAL MEDICAL CENTER PUBLISHED THEIR 2016 COMMUNITY HEALTH NEEDS ASSESSMENT. THE CHNA WAS DEVELOPED AFTER CAREFUL REVIEW OF EXTENSIVE SECONDARY DATA, INPUT FROM KEY INFORMANTS INCLUDING THE HEALTH OFFICERS FROM WICOMICO, WORCESTER AND SOMMERSET COUNTIES.

AS PART OF MARYLAND'S SHIP INITIATIVE, THE T-CHIP IS ADOPTING SHIP OBJECTIVE 27: REDUCE DIABETES COMPLICATIONS AND REDUCE DIABETES RELATED EMERGENCY DEPARTMENT VISITS, AND SHIP OBJECTIVE 31: REDUCE THE PROPORTION

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 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.

OF CHILDREN AND ADOLESCENTS WHO ARE CONSIDERED OBESE OR OVERWEIGHT.

PENINSULA REGIONAL WILL CONTINUE TO PARTNER WITH T-CHIP AND WICOMICO

COUNTY HEALTH DEPARTMENT TO CREATE STRATEGIES AND TACTICS AROUND SHIP

OBJECTIVE 27 AND 31. BY ADOPTING THE SAME HEALTH IMPROVEMENT OBJECTIVES

WE HOPE TO CREATE ALIGNMENT, SYNERGY, AND EFFICIENT RESOURCE ALLOCATION

FOR ESTABLISHING AND PROMOTING THESE COMMUNITY HEALTHCARE IMPROVEMENT

OBJECTIVES.

IN FY15 PENINSULA REGIONAL KICKED OFF A "LIVE WELL" COMMUNITY CAMPAIGN

THAT SPANS SEVERAL YEARS AND WILL ADDRESS AND PROMOTE HEALTH LIFESTYLE

CHOICES WITH A NEW MONTHLY THEME. A LIVE WELL DELMARVA WEBSITE WAS

LAUNCHED THAT EMBODIES THE SPIRIT OF CARE/COACH/CONNECT, WHERE PRMC WILL

CARE FOR YOU, COACH YOU TO WELLNESS AND CONNECT YOU WITH THE RIGHT

PROVIDERS. THE SITE PROVIDES INFORMATION ON HEALTHY LIFESTYLE CHOICES

WITH LOCAL AND REGIONAL INFORMATION SUCH AS "FARM TO TABLE" IN-SEASON

FRESH FRUITS AND VEGETABLES, INCLUDING NUTRITIONAL RECIPES. THE

IMPORTANCE OF EXERCISE AND NUTRITION IS A THEME THAT IS WOVEN THROUGHOUT,

WITH LISTINGS OF FREE SCREENINGS AND EVENTS FOR THE COMMUNITY THAT

**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
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- 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.

INCLUDE FREE SKIN CANCER SCREENINGS, LIVE WELL HEALTH FEST EVENT, FREE HEART SCREENINGS, BABIES HEALTH STARTS, DRIVE-THRU FLU CLINIC, HEALTH TIPS AND CANCER SURVIVORSHIP CELEBRATIONS. THE WEBSITE ALSO ADDRESSES REGIONAL HEALTH ISSUES NATIVE TO THE EASTERN SHORE.

A MAJORITY OF PRMC'S BOARD IS COMPRISED OF REPRESENTATIVES OF THE COMMUNITY SERVED BY PRMC. FURTHER, A MAJORITY OF THE BOARD ARE NOT EMPLOYEES, INDEPENDENT CONTRACTORS OR FAMILY MEMBERS OF SUCH PERSONS OF PRMC OR ITS RELATED ENTITIES. PRMC EXTENDS STAFF PRIVILEGES TO QUALIFIED PHYSICIANS FOLLOWING A CREDENTIALING PROCESS.

AFFILIATED HEALTH CARE SYSTEM ROLES

SCHEDULE H, PART VI, LINE 6

PENINSULA REGIONAL MEDICAL CENTER IS PART OF THE PENINSULA REGIONAL HEALTH SYSTEM. THE SYSTEM INCLUDES A FOUNDATION AND FOR-PROFIT ENTITIES WITH INTERESTS IN VARIOUS HEALTH CARE JOINT VENTURES. IN ADDITION TO THE COMMUNITY BENEFITS PROVIDED BY THE MEDICAL CENTER, THE HEALTH SYSTEM EVALUATES THE NEEDS OF THE COMMUNITY AND WILL PARTICIPATE IN COMMUNITY

**Part VI** Supplemental Information

Provide the following information.

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

BENEFIT PROGRAMS AS NEEDED.

COMMUNITY BENEFIT REPORT STATE FILINGS

SCHEDULE H, PART VI, LINE 7

STATE(S) WITH WHICH THE ORGANIZATION FILES A COMMUNITY BENEFIT REPORT:

MARYLAND

**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" on Form 990, Part IV, line 23.
- ▶ Attach to Form 990.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input checked="" 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 type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

**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

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
  - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
  - c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
  - b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
  - b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1a</b>	X	
<b>2</b>	X	
<b>3</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>	X	
<b>6b</b>	X	
<b>7</b>	X	
<b>8</b>		X
<b>9</b>		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990	
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation					
1	STEVEN LEONARD PRESIDENT/CEO	(i)	511,202.	80,182.	11,277.	64,612.	25,936.	693,209.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
2	MARGARET NALEPPA PRESIDENT/CEO (THRU 01/18)	(i)	723,920.	244,416.	17,849.	228,810.	13,855.	1,228,850.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
3	SIMONA ENG, D.O. BOARD MEMBER	(i)	349,408.	55,625.	1,218.	34,566.	11,102.	451,919.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
4	LURA LUNSFORD VP OF OPERATIONS	(i)	455,073.	91,622.	1,218.	84,463.	7,160.	639,536.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
5	BRUCE I. RITCHIE CFO	(i)	455,239.	97,601.	1,218.	103,633.	22,256.	679,947.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
6	CHARLES SILVIA JR., M.D. VP - CHIEF MEDICAL OFFICER	(i)	419,466.	58,982.	1,218.	44,856.	14,303.	538,825.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
7	SARA SCOTT VP PEOPLE & ORGANIZATION DEV.	(i)	230,537.	24,643.	1,218.	43,384.	20,306.	320,088.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
8	KATHRYN FIDDLER VP- POPULATION HEALTH	(i)	176,278.	12,626.	0.	8,236.	646.	197,786.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
9	THOMAS DEMARCO, M.D. VP - PRMG	(i)	355,913.	26,626.	1,218.	11,538.	18,790.	414,085.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
10	JACEK MALIK, M.D. PHYSICIAN	(i)	658,073.	155,000.	1,218.	28,720.	10,934.	853,945.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
11	JAMES TODD, M.D. PHYSICIAN	(i)	748,344.	55,500.	1,218.	79,035.	17,592.	901,689.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
12	KURT WEHBERG, M.D. PHYSICIAN	(i)	738,262.	55,500.	1,218.	78,683.	19,894.	893,557.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
13	ANDY PIERRE, M.D. PHYSICIAN	(i)	652,145.	36,000.	10,737.	25,718.	11,104.	735,704.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
14	DANIEL DANIELS, M.D. PHYSICIAN	(i)	490,820.	328,503.	1,218.	17,973.	9,830.	848,344.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
15	SHERI MATTER VP PATIENT CARE SVS	(i)	265,761.	26,817.	1,218.	31,427.	750.	325,973.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
16		(i)							
		(ii)							



**Part III Supplemental Information**

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

TRAVEL FOR COMPANIONS

SCHEDULE J, PART I, LINE 1A

PRMC PROVIDES TRAVEL FOR COMPANIONS OF BOARD MEMBERS AND REPORTS THE VALUE OF THE COMPENSATION PROVIDED AS TAXABLE TO THE RECIPIENT. THIS POLICY HAS BEEN APPROVED BY THE BOARD.

RECEIVE PAYMENT FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

PRMC HAS A NON-QUALIFIED SUPPLEMENTAL RETIREMENT PLAN (UNDER SECTION 457 (F)). THIS PLAN WAS APPROVED BY THE COMPENSATION COMMITTEE OF THE PRMC BOARD OF DIRECTORS TO SUPPLEMENT THE EXECUTIVE'S RETIREMENT INCOME. THE SUPPLEMENTAL RETIREMENT PLAN WAS DEVELOPED BASED ON AN INDEPENDENT CONSULTANT REPORT ON MARKET-BASED PRACTICES FOR SUPPLEMENTAL RETIREMENT PLANS. THE PERCENTAGE OF FINAL AVERAGE PAY, THE REQUIREMENTS FOR VESTING, PARTICIPANTS, AND PAY-OUT PROVISIONS WERE ESTABLISHED, REVIEWED, AND APPROVED BY THE COMPENSATION COMMITTEE. THE CONTRIBUTIONS TO THE SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN ARE INCLUDED IN SCHEDULE J, PART II, COLUMN C OR IN SCHEDULE J, PART II, COLUMN B(III) AS PART OF DEFERRED COMPENSATION.

**Part III Supplemental Information**

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

THE FOLLOWING INDIVIDUALS PARTICIPATED IN THIS SUPPLEMENTAL NON-QUALIFIED

RETIREMENT PLAN:

MARGARET NALEPPA	\$73,996
LURA LUNSFORD	\$40,000
BRUCE I. RITCHIE	\$40,000
STEVEN LEONARD	\$40,000
JAMES TODD, M.D.	\$50,000
KURT WEHBERG, M.D.	\$50,000

PRMC PROVIDED \$103,500 IN FUNDING TO DR. NALEPPA'S PLAN ON 10/17/2017.

CONTINGENT COMPENSATION

SCHEDULE J, PART I, LINES 6A, 6B AND 7

OFFICERS AND KEY EMPLOYEES OF PENINSULA REGIONAL MEDICAL CENTER ARE PAID

COMPENSATION DETERMINED BY A NUMBER OF VARIABLES INCLUDING BUT NOT

LIMITED TO INDIVIDUAL GOALS AS WELL AS ORGANIZATION OPERATIONAL

ACHIEVEMENTS IN SERVICE, QUALITY, SAFETY, EMPLOYEE SATISFACTION, AND

COST. THE FINAL DETERMINATION OF THE CONTINGENT COMPENSATION AMOUNT IS

**Part III Supplemental Information**

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

DETERMINED AND APPROVED BY THE BOARD AS PART OF THE OVERALL COMPENSATION  
REVIEW OF OFFICERS AND KEY EMPLOYEES.

VARIABLE COMPENSATION PAYMENTS ARE REPORTED IN SCHEDULE J, PART II,  
COLUMN B(II) AND REFLECT ATTAINMENT OF CERTAIN GOALS. ALSO INCLUDED IN  
THAT COLUMN ARE PRODUCTIVITY PAYMENTS OF \$304,503 (DANIELS), \$50,000  
(MALIK), AND \$10,000 (ENG).

**SCHEDULE K  
(Form 990)**

**Supplemental Information on Tax-Exempt Bonds**

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Department of the Treasury  
Internal Revenue Service

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
<b>A</b> MARYLAND HEALTH & HIGHER EDUCATION FACILITIES	52-0936091	574217UF8	02/05/2015	122,212,727.	REFER TO PART VI	X			X		X
<b>B</b> MARYLAND HEALTH & HIGHER EDUCATION FACILITIES	52-0936091	574218UE1	02/05/2015	25,222,024.	REFER TO PART VI	X			X		X
<b>C</b>											
<b>D</b>											

**Part II Proceeds**

	A		B		C		D	
1 Amount of bonds retired . . . . .	525,000.		250,000.					
2 Amount of bonds legally defeased . . . . .								
3 Total proceeds of issue . . . . .	122,212,727.		25,222,024.					
4 Gross proceeds in reserve funds . . . . .								
5 Capitalized interest from proceeds . . . . .								
6 Proceeds in refunding escrows . . . . .	121,024,047.							
7 Issuance costs from proceeds . . . . .	1,188,680.		222,024.					
8 Credit enhancement from proceeds . . . . .								
9 Working capital expenditures from proceeds . . . . .								
10 Capital expenditures from proceeds . . . . .			25,000,000.					
11 Other spent proceeds . . . . .								
12 Other unspent proceeds . . . . .								
13 Year of substantial completion . . . . .								
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue? . . . . .		X		X				
15 Were the bonds issued as part of an advance refunding issue? . . . . .	X			X				
16 Has the final allocation of proceeds been made? . . . . .	X			X				
17 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	X		X					

**Part III Private Business Use**

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

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

MARYLAND HEALTH & HIGHER EDUCATION FACILITY

	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					
<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? . . . . .	X		X					
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .	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? . . . . .	X		X					
<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 . . . . . ▶	.8400 %		.8400 %					
<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 . . . . . ▶	.8300 %		.8300 %					
<b>6</b> Total of lines 4 and 5 . . . . .	1.6700 %		1.6700 %					
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .		X		X				
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		X		X				
<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					

**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, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		X		X				
<b>2</b> If "No" to line 1, did the following apply? . . . . .								
<b>a</b> Rebate not due yet? . . . . .				X				
<b>b</b> Exception to rebate? . . . . .	X							
<b>c</b> No rebate due? . . . . .								
If "Yes" to 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				
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? . . . . .		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 VI** Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) (Continued)

## DESCRIPTION OF PURPOSE

SCHEDULE K, PART I, COLUMN F

PROCEEDS OF PUBLICLY-OFFERED, FIXED RATE SERIES 2015 BONDS, TOGETHER WITH FUNDS HELD IN AN EXISTING DEBT SERVICE RESERVE FUND ACCOUNT AND THE EXISTING PRINCIPAL AND INTEREST ACCOUNTS, HAVE BEEN USED TO 1) ADVANCE REFUND ALL OF PRMC'S OUTSTANDING SERIES 2006 BONDS (ISSUED 2/09/06) FOR SAVINGS, 2) FUND VARIOUS CAPITAL EXPENDITURES (INCLUDING EQUIPMENT PURCHASES) (THE "PROJECT"), AND 3) PAY ALL BOND ISSUANCE EXPENSES.

SCHEDULE K, PART I, LINE A (F)

REFUNDING OF BONDS ISSUED ON 02/09/2006

SCHEDULE K, PART II, LINE 13

YEAR OF SUBSTANTIAL COMPLETION

A - 2006 PROJECTS - 2009; 1993 PROJECTS - 1998

B - 2015 PROJECTS - 2017

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

**Transactions With Interested Persons**

OMB No. 1545-0047

**2017**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

**Open To Public Inspection**

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization, . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1)									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b> . . . . . ▶						\$						

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				



**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SIMONA ENG, D.O.	TRUSTEE	123,535.	MEDICAL STAFF FEES		X
(2) DAVID ROMMEL	TRUSTEE	747,337.	ELECTRICAL/MECHANICAL SERVICES		X
(3) DAVID KERRIGAN, M.D.	TRUSTEE	419,800.	PHYSICIAN FEES		X
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

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

DESCRIPTION OF TRANSACTIONS WITH INTERESTED PERSONS

SCHEDULE L, PART IV

EACH OF THE ABOVE-NAMED TRUSTEES ARE OWNERS OF BUSINESSES WHICH PROVIDE SERVICES TO PRMC. THE SERVICES PROVIDED WERE APPROVED BY INDEPENDENT MEMBERS OF THE GOVERNING BODY AND ARE CHARGED AT FAIR MARKET VALUE RATES.

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

**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.

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

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

Employer identification number

52-0591628

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

FORM 990, PART III, LINE 4A

PENINSULA REGIONAL MEDICAL CENTER IS A NOT-FOR-PROFIT 501(C)(3) NON-STOCK CORPORATION FOUNDED IN 1897 TO SERVE THE HEALTH CARE NEEDS OF THE COMMUNITY. THE HOSPITAL'S PRIMARY PURPOSE IS TO PROVIDE THE HIGHEST PRIMARY, SECONDARY, AND SELECTED TERTIARY HEALTH CARE SERVICES TO RESIDENTS OF AND VISITORS TO THE MID-DELMARVA PENINSULA IN A COMPETENT, COMPASSIONATE, AND COST-EFFECTIVE MANNER DESIGNED TO ELICIT A HIGH DEGREE OF CUSTOMER SATISFACTION. THE HOSPITAL'S MISSION IS TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE BY PROVIDING QUALITY MEDICAL CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, OR AGE. IF A PATIENT IS UNABLE TO PAY DUE TO FINANCIAL RESOURCES, EFFORTS WILL BE TAKEN TO ASSURE CARE AT AN AFFORDABLE COST, OR OBTAINED ASSISTANCE THROUGH APPROPRIATE AGENCIES ON THE PATIENT'S BEHALF. EMERGENCY SERVICES CARE WILL BE PROVIDED TO EVERYONE REGARDLESS OF ABILITY TO PAY.

PENINSULA REGIONAL MEDICAL CENTER SERVED OVER 19,000 INPATIENTS AND PROVIDED MORE THAN 560,000 OUTPATIENT SERVICES DURING FISCAL 2018. FOOD SERVICE PROVIDED MORE THAN 460,000 MEALS TO PATIENTS AND EMPLOYEES.

ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF PENINSULA REGIONAL MEDICAL CENTER, IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PAY FOR ESSENTIAL MEDICAL SERVICES. THE HOSPITAL, IN KEEPING WITH THE COMMITMENT TO SERVE ALL

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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MEMBERS OF THE COMMUNITY, DURING FISCAL 2018 PROVIDED:

- CHARITY AND OTHER ALLOWANCES TOTALING \$44,002,060
- DISCOUNTS TO THIRD PARTY PAYORS INCLUDING GOVERNMENT PROGRAMS SUCH AS MEDICARE AND MEDICAID \$63,977,658
- WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS \$9,097,506
- TOTAL UNREIMBURSED VALUE OF PROVIDING CARE TO THESE PATIENTS IS \$117,077,224

ALSO PROVIDED ARE MANY WELLNESS PROGRAMS, COMMUNITY EDUCATION AND FREE PROGRAMS OFFERED THROUGHOUT THE YEAR BASED UPON ACTIVITIES AND SERVICES THAT PENINSULA REGIONAL MEDICAL CENTER BELIEVES WILL SERVE A BONA FIDE COMMUNITY HEALTH NEED. SOME OF THE PROGRAMS ARE AS FOLLOWS:

- A VARIETY OF BROCHURES ARE DISPLAYED IN ALL HOSPITAL WAITING AREAS TO EDUCATE MEMBERS OF THE COMMUNITY REGARDING PROGRAMS AND SERVICES.
- PARTICIPATION IN HEALTH FAIRS DURING FY 2018 IN ORDER TO FOSTER HEALTH EDUCATION IN THE COMMUNITY.
- WE PROVIDE CHILDBIRTH PREPARATION CLASSES, EXERCISE CLASSES FOR PRENATAL AND POSTPARTUM WOMEN AND CPR CLASSES.
- WE PROVIDE ASSISTANCE TO EDUCATORS THROUGH OUR WORK WITH STUDENT NURSES, RADIOLOGY, RESPIRATORY AND LABORATORY TECHNICIANS.

DURING FY 2018, PENINSULA REGIONAL MEDICAL CENTER VOLUNTEERS CONTRIBUTED

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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OVER 27,500 HOURS TOWARD THE COMMON PURPOSE OF SERVICING THE HEALTH CARE OF THE COMMUNITY.

PROGRAM ACTIVITY

DURING FY 2018, PENINSULA REGIONAL MEDICAL CENTER PERFORMED OVER 390 COMMUNITY OUTREACH ACTIVITIES. SPECIFIC EXAMPLES OF EDUCATION AND OUTREACH PROGRAMS, SUPPORT GROUPS, COMMUNITY HEALTH SCREENINGS, AND FITNESS AND WELLNESS ACTIVITIES SUPPORTED BY PENINSULA REGIONAL MEDICAL CENTER ARE AS FOLLOWS:

COMMUNITY EDUCATIONAL AND OUTREACH PROGRAMS:

- CPR
- CHILDBIRTH PREPARATION CLASSES
- REFRESHER COURSE - CHILDBIRTH
- INFANT CARE CLASSES
- SAFE SITTER PROGRAM
- WOMEN'S HEALTH EDUCATION

SUPPORT GROUPS:

- DIABETES SUPPORT GROUP
- HEAD AND NECK CANCER SUPPORT GROUP
- CAREGIVER SUPPORT GROUP

EVENTS:

- COMMUNITY SCREENINGS

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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- HEIGHT/WEIGHT, BLOOD PRESSURE
- SKIN CANCER SCREENINGS
- ORAL, HEAD AND NECK CANCER SCREENINGS
- HEARING SCREENINGS
- FLU CLINIC
- EDUCATIONAL EXHIBITS TO PROMOTE HEALTHY LIFESTYLES

## BENEFITS:

- UNITED WAY
- HEALTHFEST
- MARCH OF DIMES

## FITNESS/EXERCISE PROGRAMMING:

- CARDIAC REHABILITATION
- INDOOR CYCLING AND WEIGHTS

## BUSINESS RELATIONSHIPS

FORM 990, PART VI, SECTION A, LINE 2

STEVEN LEONARD, DAVID ROMMEL, MEMO DIRIKER, MARGARET NALEPPA, RYAN MCLAUGHLIN AND MONTY SAYLER ARE MEMBERS OF THE BOARD OF DIRECTORS OF PENINSULA HEALTH VENTURES, A WHOLLY-OWNED TAXABLE SUBSIDIARY OF PENINSULA REGIONAL HEALTH SYSTEM.

BRUCE I. RITCHIE, PRMC'S CFO, ALSO SERVES AS SECRETARY/TREASURER OF PENINSULA HEALTH VENTURES.

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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## MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, SECTION A, LINE 6

PENINSULA REGIONAL HEALTH SYSTEM IS THE SOLE CORPORATE MEMBER OF THE MEDICAL CENTER.

## MEMBERS OR STOCKHOLDERS WHO MAY ELECT

FORM 990, PART VI, SECTION A, LINE 7A

IN ITS CAPACITY AS THE SOLE CORPORATE MEMBER OF THE MEDICAL CENTER, PENINSULA REGIONAL HEALTH SYSTEM HAS THE ABILITY TO ELECT MEMBERS OF THE MEDICAL CENTER'S GOVERNING BODY.

## DECISIONS SUBJECT TO APPROVAL

FORM 990, PART VI, SECTION A, LINE 7B

AS THE SOLE CORPORATE MEMBER, PENINSULA REGIONAL HEALTH SYSTEM HAS THE ABILITY TO APPROVE MAJOR EXPENDITURES AND LONG TERM BORROWINGS OF THE MEDICAL CENTER.

## FORM 990 REVIEW PROCESS

FORM 990, PART VI, SECTION B, LINE 11B

OVERSIGHT OF THE COMPLETION OF THE ORGANIZATION'S FORM 990 HAS BEEN DELEGATED TO THE CHIEF FINANCIAL OFFICER OF PENINSULA REGIONAL MEDICAL CENTER BY THE PRESIDENT OF THE ORGANIZATION. ONCE THE FORM 990 AND ALL SCHEDULES HAVE BEEN PREPARED BY THE ORGANIZATION'S INDEPENDENT TAX SERVICES PROVIDER, THEY ARE REVIEWED BY THE PRESIDENT PRIOR TO FILING. THE RETURN IS PRESENTED TO THE BOARD OF TRUSTEES BY THE ORGANIZATION'S INDEPENDENT TAX ADVISORS FROM GRANT THORNTON LLP AND APPROVED FOR SUBMISSION.

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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## CONFLICT OF INTEREST POLICY MONITORING &amp; ENFORCEMENT

FORM 990, PART VI, SECTION B, LINE 12C

THE BOARD OF TRUSTEES ARE REQUIRED TO DISCLOSE ANNUALLY, IN WRITING, ANY AND ALL INTEREST WHICH THEY OR ANY IMMEDIATE MEMBER OF THEIR FAMILY MAY HAVE IN ANY BUSINESS ENTITY WHICH HAS OR SEEKS A CONTRACTUAL OR COMPETITIVE RELATIONSHIP WITH THE ORGANIZATION. THE BOARD HAS THE AUTHORITY TO DETERMINE IF A VIOLATION HAS OCCURRED AND WHETHER ANY INTEREST WHICH SHOULD BE DISCLOSED SHOULD DISQUALIFY A DIRECTOR FROM PARTICIPATING IN ANY SPECIFIC BOARD DISCUSSION OR BOARD MEMBERSHIP. ALL DISCLOSURES ARE REVIEWED BY THE ORGANIZATION'S CHIEF COMPLIANCE OFFICER. ANY CONFLICTS ARE PRESENTED TO THE BOARD. IF A PERSON IS CONFLICTED, THEY WILL RECUSE THEMSELVES FROM ALL DISCUSSIONS AND DELIBERATIONS TO WHICH THEY WOULD APPEAR TO BE CONFLICTED.

## PROCESS FOR DETERMINING COMPENSATION

FORM 990, PART VI, SECTION B, LINES 15A &amp; 15B

THE ORGANIZATION USES A COMPENSATION COMMITTEE TO DETERMINE THE COMPENSATION OF THE CEO/EXECUTIVE DIRECTOR AND OTHER KEY EMPLOYEES. THE CEO OF THE ORGANIZATION HAS A WRITTEN EMPLOYMENT CONTRACT. THE COMPENSATION COMMITTEE USES AN INDEPENDENT CONSULTANT, COMPENSATION SURVEYS AND OTHER ORGANIZATION'S FORM 990 IN THE DETERMINATION PROCESS.

THE MEMBERS OF THE COMPENSATION COMMITTEE ARE INDEPENDENT AND RELY ON THIS COMPARABILITY DATA WHEN THEY DISCUSS AND DETERMINE THE INDIVIDUAL'S COMPENSATION. CONTEMPORANEOUS MINUTES OF SUCH DISCUSSIONS ARE KEPT AND MAINTAINED IN THE ORGANIZATION'S FILES.

Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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## HOW DOCUMENTS ARE MADE AVAILABLE TO THE PUBLIC

FORM 990, PART VI, SECTION C, LINE 19

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST TO THE PUBLIC INFORMATION OFFICE OF PENINSULA REGIONAL MEDICAL CENTER AT 100 EAST CARROLL STREET, SALISBURY, MD 21801.

## OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 9

PENSION ADJUSTMENT - FAS 158	\$18,616,666
PARTNERSHIP INCOME - TAX ADJUSTMENT	\$(163,903)
CONTRIBUTION FROM FOUNDATION	\$(871,662)
OTHER CONTRIBUTIONS	\$(857,832)
INCREASE IN CAPITAL	\$4,517,595
	-----
TOTAL	\$21,240,864

ATTACHMENT 1990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
HORIZON CSA, LLC 265 PIT ROAD MOORESVILLE, NC 21815	BIOMEDICAL SERVICES	5,479,494.
SHERIDAN ANESTHESIA OF MD 7700 WEST SUNRISE BLVD. PLANTATION, FL 33322	ANESTHESIA SERVICES	4,810,902.
EPIC SYSTEMS CORP P.O. BOX 88314 MILWAUKEE, WI 53288	TECHNICAL SERVICES	3,138,517.
SLEEP WAVES, INC.	SLEEP LAB	2,760,000.



Name of the organization PENINSULA REGIONAL MEDICAL CENTER	Employer identification number 52-0591628
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ATTACHMENT 1 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
873 EAST BALTIMORE PIKE SUITE 345 KENNETT SQUARE, PA 19348		
ADVENTIST HEALTHCARE, INC. 820 WEST DIAMOND AVENUE SUITE 600 GAITHERSBURG, MD 20878	BEHAVIORAL HEALTH	2,191,025.

ATTACHMENT 2FORM 990, PART IX - OTHER FEES

<u>DESCRIPTION</u>	(A) <u>TOTAL FEES</u>	(B) <u>PROGRAM SERVICE EXP.</u>	(C) <u>MANAGEMENT AND GENERAL</u>	(D) <u>FUNDRAISING EXPENSES</u>
TECHNICAL PROFESSIONAL FEES	7,963,707.		7,963,707.	
REFERENCE LAB WORK	2,223,209.	2,223,209.		
MEDICAL STAFF ADMINISTRATION	77,500.		77,500.	
CONTRACTED SERVICES	23,510,046.	15,503,568.	7,988,093.	18,385.
LICENSES TAXES	804,306.	804,306.		
COLLECTION FEES	1,167,573.	1,167,573.		
TEMPORARY LAB WORK	3,821,475.	3,821,475.		
PEST CONTROL	48,766.	48,766.		
TRASH PICKUP	402,802.	402,802.		
CANDIDATE EXPENSE	481,107.		481,107.	
EMPLOYEE MOVING EXPENSE	91,523.		91,523.	
PHYSICIAN PROFESSIONAL FEES	10,583,003.	10,583,003.		
TOTALS	<u>51,175,017.</u>	<u>34,554,702.</u>	<u>16,601,930.</u>	<u>18,385.</u>

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization

PENINSULA REGIONAL MEDICAL CENTER

Employer identification number

52-0591628

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) PENINSULA REGIONAL MEDICAL CENTER FDN 100 EAST CARROLL STREET SALISBURY, MD 21801 52-1851935	FUNDRAISING	MD	501(C)(3)	12 TYPE I	PRHS		X
(2) PENINSULA REGIONAL HEALTH SYSTEM (PRHS) 100 EAST CARROLL STREET SALISBURY, MD 21801 52-2132761	PARENT	MD	501(C)(3)	12 TYPE II	N/A		X
(3) PENINSULA GENERAL HOSPITAL INS TRUST 100 EAST CARROLL STREET SALISBURY, MD 21801 52-6321234	INSURANCE	MD	501(C)(3)	12 TYPE III	PRHS		X
(4) DELMARVA PENINSULA INSURANCE COMPANY P.O. BOX 1159 KY1-1102 GRAND CAYMAN, CJ 98-1110617	INSURANCE	CJ	501(C)(3)		PRMC	X	
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) DELMARVA SURG CTR 52-2251436 641 S SALISBURY BLVD SALISBURY	HEALTHCARE	MD	N/A	N/A								
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) PENINSULA HEALTH VENTURES (PHV) 52-2250012 100 EAST CARROLL STREET SALISBURY, MD 21801	P'SHIP INV	MD	N/A	C CORP					
(2) PRLTC, INC. 52-2190588 100 EAST CARROLL STREET SALISBURY, MD 21801	LT CARE	MD	N/A	C CORP					
(3)									
(4)									
(5)									
(6)									
(7)									

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

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

	Yes	No
<b>1</b> 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?		
<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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) DELMARVA PENINSULA INSURANCE COMPANY	R	4,282,743.	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

**Part VI** **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

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**Part VII** **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

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