

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2010

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2010 calendar year, or tax year beginning **JUL 1, 2010** and ending **JUN 30, 2011**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ANNE ARUNDEL MEDICAL CENTER, INC. Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2001 MEDICAL PARKWAY City or town, state or country, and ZIP + 4 ANNAPOLIS, MD 21401 F Name and address of principal officer: ROBERT REILLY SAME AS C ABOVE	D Employer identification number 52-1169362 E Telephone number (443) 481-6554 G Gross receipts \$ 445,691,299. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I 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		
J Website: ▶ WWW.AAHS.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1902 M State of legal domicile: MD

Part I Summary																										
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO ENHANCE THE COMPREHENSIVE HEALTH CARE WE PROVIDE TO THE LOCAL AND REGIONAL COMMUNITY WE SERVE. 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 18 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 15 5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) 5 3378 6 Total number of volunteers (estimate if necessary) 6 590 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 9,818,359. 7b Net unrelated business taxable income from Form 990-T, line 34 7b -880,497.																									
Revenue		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Prior Year</th> <th>Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td align="right">902,049.</td> <td align="right">1,287,801.</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td align="right">392,121,382.</td> <td align="right">423,643,976.</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td align="right">6,454,723.</td> <td align="right">4,688,407.</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td align="right">14,464,331.</td> <td align="right">15,710,602.</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td align="right">413,942,485.</td> <td align="right">445,330,786.</td> </tr> </tbody> </table>		Prior Year	Current Year	8 Contributions and grants (Part VIII, line 1h)	902,049.	1,287,801.	9 Program service revenue (Part VIII, line 2g)	392,121,382.	423,643,976.	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,454,723.	4,688,407.	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	14,464,331.	15,710,602.	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	413,942,485.	445,330,786.						
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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	Signature of officer ROBERT REILLY, CFO Type or print name and title	Date 5/14/12		
Paid Preparer Use Only	Print/Type preparer's name LORI S. BURGHAUSER	Preparer's signature LORI S. BURGHAUSER	Date 05/09/12	Check if self-employed <input type="checkbox"/> PTIN
	Firm's name ▶ SC&H TAX & ADVISORY SERVICES, LLC	Firm's EIN ▶		
	Firm's address ▶ 910 RIDGEBROOK ROAD SPARKS, MD 21152	Phone no. (410) 403-1500		

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: ANNE ARUNDEL MEDICAL CENTER'S ("AAMC") MISSION IS TO ENHANCE THE HEALTH OF THE PEOPLE IT SERVES AND AAMC'S VISION IS "LIVING HEALTHIER TOGETHER" WITH THE COMMUNITY. IN ADDITION TO TRADITIONAL PATIENT SERVICES LIKE DIAGNOSIS, TREATMENT AND REHABILITATION, THIS VISION IS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 371125427. including grants of \$ 6,956,891.) (Revenue \$ 425913843.) INPATIENT

THE AAMC WOMEN'S AND CHILDREN'S CENTER OFFERS MULTIGENERATIONAL PROGRAMS TO SUPPORT A WOMAN FROM THE TIME SHE BEGINS GYNECOLOGICAL CARE THROUGH THE CHILDBEARING YEARS AND BEYOND. WE OFFER THE MOST COMPREHENSIVE WOMEN'S SERVICES; ALL-INCLUSIVE MATERNITY, NEWBORN AND PEDIATRIC CARE; ADVANCED TREATMENTS FOR ANY HEALTH CHALLENGES WOMEN AND THEIR FAMILIES MAY ENCOUNTER; AND EXTENSIVE SCREENING, PREVENTION AND WELLNESS PROGRAMS TO HELP THEM LEAD LONGER, HEALTHIER AND MORE FULFILLING LIVES.

AAMC IS KNOWN FOR EXCELLENCE IN OBSTETRICAL SERVICES, AND WE OFFER MOMS

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 371,125,427.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and financial reporting.

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	X	
a 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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		18
b	Enter the number of voting members included in line 1a, above, who are independent		15
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **MD**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **SANDRA HUFFER - (443) 481-6554**
2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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			
GEORGE T. MORAN CHAIRMAN	1.00	X					0.	0.	0.	
BIANA J. ARENTZ VICE CHAIRMAN	1.00	X					0.	0.	0.	
PATRICIA ROCHE SECRETARY	1.00	X					0.	0.	0.	
RICHARD J. MORGAN TREASURER	1.00	X					0.	0.	0.	
KENT MCNEW ASSISTANT SECRETARY	1.00	X					0.	0.	0.	
CHARLES R. LARSON ASSISTANT TREASURER	1.00	X					0.	0.	0.	
MARTIN L. DOORDAN CEO	40.00	X		X			3,724,512.	0.	20,598.	
VICTORIA BAYLESS PRESIDENT	40.00	X		X			658,944.	0.	42,017.	
JANE CAUDILL BOARD MEMBER	1.00	X					0.	0.	0.	
PAUL ELDER, M.D. BOARD MEMBER	1.00	X					0.	0.	0.	
JAMES ELLERSON BOARD MEMBER	1.00	X					0.	0.	0.	
ED GOSSELIN BOARD MEMBER	1.00	X					0.	0.	0.	
JASON GROVES BOARD MEMBER	1.00	X					0.	0.	0.	
BARRY JACKSON BOARD MEMBER	1.00	X					0.	0.	0.	
GARY JOBSON BOARD MEMBER	1.00	X					0.	0.	0.	
MAULIK JOSHI BOARD MEMBER	1.00	X					0.	0.	0.	
DOUG MITCHELL, M.D. BOARD MEMBER	1.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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			
CHRIS O'MEARA BOARD MEMBER	1.00	X					0.	0.	0.	
ROBERT REILLY CFO - CURRENT	40.00			X			379,091.	0.	15,864.	
MITCHELL SCHWARTZ CHIEF MEDICAL OFFICER	40.00				X		251,070.	0.	27,497.	
SHERRY PERKINS CHIEF NURSING OFFICER	40.00				X		371,299.	0.	7,686.	
JOSEPH D. MOSER, M.D. VP OF MEDICAL AFFAIRS	40.00					X	488,780.	0.	16,601.	
LISA HILLMAN SENIOR VP/ CHIEF DEVELOPMENT	1.00					X	340,038.	0.	15,651.	
CAROLYN CORE VP OF STRATEGIC PLAN	40.00					X	338,858.	0.	18,842.	
DOUGLAS A. ABEL CHIEF INFO. OFFICER	40.00					X	326,464.	0.	16,938.	
STEPHEN CLARKE VP OF PHYSICIAN SERVICES	20.00					X	258,248.	0.	19,956.	
1b Sub-total							7,137,304.	0.	201,650.	
c Total from continuation sheets to Part VII, Section A							252,832.	0.	0.	
d Total (add lines 1b and 1c)							7,390,136.	0.	201,650.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **167**

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

(A) Name and business address	(B) Description of services	(C) Compensation
ANNAPOLIS ASTHMA PULMONARY SLEEP SPECIALIST 2000 MEDICAL PARKWAY, SUITE 607, ANNAPOLIS,	CRITICAL CARE SERVICES	3,745,099.
CR GOODMAN ASSOC LLC 912 COMMERCE ROAD, ANNAPOLIS, MD 21401	CONSTRUCTION DESIGN	1,688,222.
MAXIT HEALTHCARE LLC, LOCKBOX KK, PO BOX 2589, FORT WAYNE, IN 46801	IT CONSULTING	1,217,404.
QUEST DIAGNOSTICS 820 BESTGATE ROAD, ANNAPOLIS, MD 21401	LABORATORY TESTING SERVICES	1,023,520.
INFORMED, LLC 1596 WHITEHALL ROAD, ANNAPOLIS, MD 21409	MEDICAL PLAN SVCS	1,002,523.

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 **40**

SEE PART VII, SECTION A CONTINUATION SHEETS

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(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			
WILLIAM L. HUGHES FORMER CFO	40.00						X	252,832.	0.	0.
Total to Part VII, Section A, line 1c								252,832.		

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	1,031,238.				
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	256,563.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f			1,287,801.			
Program Service Revenue	2 a ANCILLIARY SERVICES	Business Code 621500	315558098.	307995918.	7562180.		
	b ADMISSION/ROOM CHARGES	621990	78521466.	78521466.			
	c EMERGENCY ROOM CHARGES	621990	25866830.	25866830.			
	d CAFETERIA	722210	2,977,999.			2977999.	
	e PATIENT EDUCATION/MISC	624100	719,583.	719,583.			
	f All other program service revenue						
	g Total. Add lines 2a-2f			423643976.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		4,688,407.			4688407.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	1205705.				
		(ii) Personal					
		b Less: rental expenses	172,928.				
		c Rental income or (loss)	1032777.				
	d Net rental income or (loss)		1,032,777.		429,750.	603,027.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
	d Net gain or (loss)						
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	212,559.				
		b Less: direct expenses	b	187,585.			
c Net income or (loss) from fundraising events			24,974.			24,974.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a MANAGEMENT SERVICES	812900	13257156.	11632055.	1625101.			
b PREMIER PURCHASING PAR	525990	1,036,507.	1,034,459.	2,048.			
c ANSWERING/PAGING SERVI	812900	199,280.		199,280.			
d All other revenue	900099	159,908.	143,532.		16,376.		
e Total. Add lines 11a-11d			14652851.				
12 Total revenue. See instructions.			445330786.	425913843.	9818359.	8310783.	

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) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	6,956,891.	6,956,891.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,091,678.		3,091,678.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	160,906,069.	143,877,127.	17,028,942.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,122,462.	1,930,804.	191,658.	
9 Other employee benefits	17,368,508.	15,330,814.	2,037,694.	
10 Payroll taxes	11,957,960.	10,580,468.	1,377,492.	
11 Fees for services (non-employees):				
a Management				
b Legal	766,008.		766,008.	
c Accounting	150,400.		150,400.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	150,353.		150,353.	
g Other	37,149,383.	23,619,442.	13,529,941.	
12 Advertising and promotion	1,053,728.	1,053,728.		
13 Office expenses	15,174,929.	12,676,874.	2,498,055.	
14 Information technology	4,966,985.	21,908.	4,945,077.	
15 Royalties				
16 Occupancy	9,264,231.	6,424,014.	2,840,217.	
17 Travel	661,914.	441,334.	220,580.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	777,415.	578,517.	198,898.	
20 Interest	9,503,511.	9,503,511.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	21,743,792.	21,743,792.		
23 Insurance	4,796,824.	4,317,142.	479,682.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a MEDICAL SUPPLIES	94,606,687.	94,606,687.		
b BAD DEBT EXPENSE	15,226,300.	15,226,300.		
c TEMPORARY AGENCY	2,794,962.	2,236,074.	558,888.	
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	421,190,990.	371,125,427.	50,065,563.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash - non-interest-bearing		1
	2 Savings and temporary cash investments	17,847,607.	2 4,743,721.
	3 Pledges and grants receivable, net		3
	4 Accounts receivable, net	50,238,125.	4 54,676,419.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6 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)		6
	7 Notes and loans receivable, net		7
	8 Inventories for sale or use	7,806,490.	8 7,943,886.
	9 Prepaid expenses and deferred charges	3,596,328.	9 8,925,031.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 575,390,575.	
	b Less: accumulated depreciation	10b 169,571,212.	10c 405,819,363.
	11 Investments - publicly traded securities	173,194,089.	11 202,515,720.
	12 Investments - other securities. See Part IV, line 11	37,414,888.	12 41,825,599.
	13 Investments - program-related. See Part IV, line 11		13
	14 Intangible assets		14
	15 Other assets. See Part IV, line 11	223,958,453.	15 175,896,250.
16 Total assets. Add lines 1 through 15 (must equal line 34)	844,739,672.	16 902,345,989.	
Liabilities	17 Accounts payable and accrued expenses	102,496,551.	17 81,805,706.
	18 Grants payable		18
	19 Deferred revenue		19
	20 Tax-exempt bond liabilities	343,636,986.	20 341,967,347.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22
	23 Secured mortgages and notes payable to unrelated third parties	4,747,911.	23 3,457,980.
	24 Unsecured notes and loans payable to unrelated third parties		24
	25 Other liabilities. Complete Part X of Schedule D	62,322,973.	25 61,776,771.
	26 Total liabilities. Add lines 17 through 25	513,204,421.	26 489,007,804.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	303,097,056.	27 381,544,842.
	28 Temporarily restricted net assets	16,690,195.	28 20,084,343.
	29 Permanently restricted net assets	11,748,000.	29 11,709,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds		30
	31 Paid-in or capital surplus, or land, building, or equipment fund		31
	32 Retained earnings, endowment, accumulated income, or other funds		32
33 Total net assets or fund balances	331,535,251.	33 413,338,185.	
34 Total liabilities and net assets/fund balances	844,739,672.	34 902,345,989.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	445,330,786.
2	Total expenses (must equal Part IX, column (A), line 25)	2	421,190,990.
3	Revenue less expenses. Subtract line 2 from line 1	3	24,139,796.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	331,535,251.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	57,663,138.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	413,338,185.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2010)

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. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization **ANNE ARUNDEL MEDICAL CENTER, INC.** Employer identification number **52-1169362**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		
(ii) A family member of a person described in (i) above? 11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14		%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15		%
16a 33 1/3% support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
b 33 1/3% support test - 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>	

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

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2010

Name of the organization

ANNE ARUNDEL MEDICAL CENTER, INC.

Employer identification number

52-1169362

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, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization 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), and received from any one contributor, during the year, a contribution 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 a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to 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. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not 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 line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2010
Open to Public Inspection

Name of the organization

ANNE ARUNDEL MEDICAL CENTER, INC.

Employer identification number

52-1169362

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

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

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIV.

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

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

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		26,895,207.		26,895,207.
b Buildings		338,447,383.	48,593,449.	289,853,934.
c Leasehold improvements		9,397,525.	3,599,628.	5,797,897.
d Equipment		191,033,305.	115,360,105.	75,673,200.
e Other		9,617,155.	2,018,030.	7,599,125.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) 405,819,363.

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

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

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

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

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

(a) Description	(b) Book value
(1) LIMITED USE ASSETS	80,506,147.
(2) DEFERRED DEBT ISSUE COSTS	7,429,910.
(3) DUE FROM AFFILIATES	47,547,200.
(4) NOTES RECEIVABLE FROM AFFILIATES	6,237,920.
(5) BENEFICIAL INTEREST IN AAMC FOUNDATION	32,331,764.
(6) FAIR VALUE OF INTEREST RATE SWAP DERIVATIVE CONTRACTS	1,843,309.
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	175,896,250.

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) THIRD PARTY ADVANCE LIABILITIES	22,052,972.
(3) FAIR VALUE OF INTEREST RATE SWAP	
(4) DERIVATIVE CONTRACTS	38,195,954.
(5) LINE OF CREDIT	1,527,845.
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	61,776,771.

FIN 48 (ASC 740) Footnote. In Part XIV, 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).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2: ANNE ARUNDEL MEDICAL CENTER, INC. IS A SUBSIDIARY OF

THE CONSOLIDATED GROUP KNOWN AS ANNE ARUNDEL HEALTH SYSTEM, INC.

("GROUP"). AN AUDIT WAS PERFORMED AND AUDITED FINANCIAL STATEMENTS WERE

ISSUED FOR ANNE ARUNDEL HEALTH SYSTEM, INC. AND ITS SUBSIDIARIES ON A

CONSOLIDATED BASIS. IN THE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR

ANNE ARUNDEL HEALTH SYSTEM, INC., IT IS NOTED THAT THE GROUP HAS

DETERMINED THAT IT DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THROUGH JUNE

30, 2011.

**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization: **ANNE ARUNDEL MEDICAL CENTER, INC.**
Employer identification number: **52-1169362**

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
CENTRAL AMERICA AND THE CARIBBEAN	0	1	REINSURANCE EXPENSES		4,916,000.
3 a Sub-total	0	1			4,916,000.
b Total from continuation sheets to Part I	0	0			0.
c Totals (add lines 3a and 3b)	0	1			4,916,000.

Part II. **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000

Part II can be duplicated if additional space is needed.

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

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

3 Enter total number of other organizations or entities

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

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

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No

- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* Yes No

- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see Instructions for Form 5471)* Yes No

- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* Yes No

- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865)* Yes No

- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* Yes No

Schedule F (Form 990) 2010

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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		LIGHTS ON THE BAY (event type)	(event type)	NONE (total number)	(add col. (a) through col. (c))
Revenue	1	Gross receipts	212,559.		212,559.
	2	Less: Charitable contributions			
	3	Gross income (line 1 minus line 2)	212,559.		212,559.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses	187,585.		187,585.
	10	Direct expense summary. Add lines 4 through 9 in column (d)			(187,585)
	11	Net income summary. Combine line 3, column (d), and line 10			24,974.

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

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

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

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

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

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

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

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

17 Mandatory distributions:

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

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

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization **ANNE ARUNDEL MEDICAL CENTER, INC.** Employer identification number **52-1169362**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy? If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> Applied uniformly to all hospital facilities		
<input type="checkbox"/> Applied uniformly to most hospital facilities		
<input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>330</u> %		
c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			5683455.		5683455.	1.40%
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			5683455.		5683455.	1.40%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2799525.	119,084.	2680441.	.66%
f Health professions education (from Worksheet 5)			1192832.		1192832.	.29%
g Subsidized health services (from Worksheet 6)			8063982.		8063982.	1.99%
h Research (from Worksheet 7)			681,000.		681,000.	.17%
i Cash and in-kind contributions to community groups (from Worksheet 8)			678,789.		678,789.	.17%
j Total. Other Benefits			13416128.	119,084.	13297044.	3.28%
k Total. Add lines 7d and 7j			19099583.	119,084.	18980499.	4.68%

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			10,353.		10,353.	.00%
3 Community support			51,652.		51,652.	.01%
4 Environmental improvements			1260915.		1260915.	.31%
5 Leadership development and training for community members						
6 Coalition building			187,929.		187,929.	.05%
7 Community health improvement advocacy						
8 Workforce development						
9 Other			123,053.		123,053.	.03%
10 Total			1633902.		1633902.	.40%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1** X

2 Enter the amount of the organization's bad debt expense (at cost) **2** 12,253,784.

3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy **3** 2,257,524.

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME) **5** 148,414,922.

6 Enter Medicare allowable costs of care relating to payments on line 5 **6** 137,977,873.

7 Subtract line 6 from line 5. This is the surplus (or shortfall) **7** 10,437,049.

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6.
 Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year? **9a** 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

(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 %

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

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

Name and address

1 ANNE ARUNDEL MEDICAL CENTER, INC.
2001 MEDICAL PARKWAY
ANNAPOLIS, MD 21401

Table with 8 columns: Licensed hospital, General medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, and Other (describe). Row 1 has 'X' marks in the first three and seventh columns.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of Hospital Facility: ANNE ARUNDEL MEDICAL CENTER

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8		
If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 _____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5 Did the hospital facility make its Needs Assessment widely available to the public?		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in its community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?		
If "Yes," indicate the FPG family income limit for eligibility for free care: _____ %		

Part V Facility Information (continued) ANNE ARUNDEL MEDICAL CENTER

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals?		
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _____ %		
11	Explained the basis for calculating amounts charged to patients?		
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	<input type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?		
13	Included measures to publicize the policy within the community served by the hospital facility?		
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?		
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):		
a	<input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b	<input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued) ANNE ARUNDEL MEDICAL CENTER

Policy Relating to Emergency Medical Care

18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

	Yes	No
18		

If "No," indicate the reasons why (check all that apply):

- a The hospital facility did not provide care for any emergency medical conditions
- b The hospital facility did not have a policy relating to emergency medical care
- c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d Other (describe in Part VI)

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):

- a The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c The hospital facility used the Medicare rate for those services
- d Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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 Part VI.

21 Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?

If "Yes," explain in Part VI.

19		
20		
21		

Part V Facility Information *(continued)*

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

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address	Type of Facility (describe)
1 BLOOD DRAW SITE- SAJAK PAVILION 2002 MEDICAL PARKWAY ANNAPOLIS, MD 21401	BLOOD DRAW LABORATORY
2 BLOOD DRAW SITE- KENT ISLAND 1630 MAIN STREET CHESTER, MD 21619	BLOOD DRAW LABORATORY
3 BLOOD DRAW SITE- BOWIE MITCHELLVILLE ROAD BOWIE, MD 20716	BLOOD DRAW LABORATORY

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7: CHARITY CARE REPORTED IN LINE 7A WAS CALCULATED USING A COST TO CHARGE RATIO DERIVED USING THE RATIO OF PATIENT CARE COST TO CHARGES AND THE HOSPITAL'S AUDITED FINANCIAL STATEMENTS. OTHER COST AMOUNTS INCLUDED IN LINE 7 RELATING TO COMMUNITY BENEFITS AND COMMUNITY BUILDING ACTIVITIES WERE OBTAINED FROM THE ORGANIZATION'S COMMUNITY BENEFIT REPORT FILING WITH THE HSCRC IN THE STATE OF MARYLAND. THESE COSTS WERE DETERMINED USING A VARIETY OF SOURCES, INCLUDING PAYROLL INFORMATION (FOR DIRECT LABOR COSTS) AND THE ORGANIZATION'S GENERAL LEDGER SYSTEM DETAIL (FOR OTHER DIRECT COSTS E.G. SUPPLIES). INDIRECT COSTS IN THESE AREAS OF BENEFIT WERE DETERMINED BY APPLYING AN INDIRECT COST RATIO TO THE DIRECT COST AMOUNTS OBTAINED. THIS RATIO IS CALCULATED USING SCHEDULE M OF THE HOSPITAL'S ANNUAL COST REPORT FILING WITH THE HSCRC IN THE STATE OF MARYLAND.

PART I, LINE 7A, COLUMN (D) AND LINE 7F, COLUMNS (C) AND (D): MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. 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

Part VI Supplemental Information

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 OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

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

PART I, LINE 7G: ANNAPOLIS OUTREACH CLINIC - THE ANNE ARUNDEL MEDICAL CENTER SPONSORS A FREE MEDICAL AND DENTAL CLINIC AT THE STANTON COMMUNITY CENTER, WHICH IS SUPPORTED BY A NETWORK OF DEDICATED PHYSICIAN VOLUNTEERS, NURSES, AND OTHER PROFESSIONALS IN THE COMMUNITY. THE ANNAPOLIS OUTREACH CENTER OFFERS A "SAFETY-NET OF CARE" TO THOSE WHO DO NOT HAVE HEALTH INSURANCE, HAVE LIMITED HEALTH COVERAGE, OR DO NOT HAVE ACCESS TO HEALTH SERVICES FOR A VARIETY OF OTHERS REASONS. THE CENTER'S HEALTH CARE TEAM CONSISTS OF A NURSE COORDINATOR, CASE MANAGER, NUTRITION COUNSELOR, AND

Part VI Supplemental Information

SPANISH SPEAKING PATIENT ADVOCATE. THEY SUPPORT THE DOCTORS WHO VOLUNTEER THEIR TIME AND TALENTS TO OFFER WEEKLY HEALTH CLINICS, CHILDREN'S HEALTH CLINICS, AND OTHER SPECIALTY CLINICS THROUGHOUT THE MONTH. THE CENTER'S CARE TEAM WORKS WITH CLIENTS TO IMPROVE LIFESTYLES AND PREVENT ILLNESS; THERE ARE SPECIAL PROGRAMS FOR PEOPLE WITH DIABETES AND/OR HYPERTENSION. ALL SERVICES PROVIDED BY THE DOCTORS, NURSES AND COUNSELORS AT THE CENTER ARE FREE OF CHARGE. COST (INCLUDED IN I LINE 7G - \$313,389)

KENT ISLAND URGENT CARE FACILITY - JOHNS HOPKINS COMMUNITY PHYSICIANS, IN PARTNERSHIP WITH AAMC, OFFERS BOTH PRIMARY CARE AND EXTENDED-HOURS URGENT CARE IN AAMC HEALTH SERVICES - KENT ISLAND. THIS VALUABLE SERVICE CURRENTLY TREATS HUNDREDS OF URGENT CARE CASES EACH MONTH. THE FACILITY FEATURES A WALK-IN, AFTER HOURS URGENT CARE CENTER, A FULL-SERVICE DIAGNOSTIC RADIOLOGY CENTER, LAB SERVICES, AND SPECIALTY AND PRIMARY CARE PHYSICIANS. COST (INCLUDED IN I LINE 7G - \$50,000)

PHYSICIAN SHORTAGES IDENTIFIED:

ACCORDING TO AAMC'S COMMUNITY HEALTH NEEDS ANALYSIS, THERE ARE GAPS IN THE AVAILABILITY PHYSICIANS, INCLUDING OUTPATIENT SPECIALTY CARE, TO SERVE THE UNINSURED IN OUR COMMUNITY. UPON REVIEW OF OUR OWN MEDICAL STAFF, GAPS WERE ALSO IDENTIFIED IN PRIMARY AND SPECIALTY CARE WITH PATIENT ACCESS TO CARE LIMITED BY LONG WAIT TIMES FOR APPOINTMENTS TO SEE PHYSICIANS.

PRIMARY CARE PHYSICIANS:

THERE IS A SIGNIFICANT SHORTAGE OF PRIMARY CARE PHYSICIANS (PCPS) IN THE REGION ESPECIALLY IN ANNE ARUNDEL COUNTY AND PRINCE GEORGE'S COUNTY PER THE 2009 RAND CORPORATION REPORT.

THIS SHORTAGE RESULTS IN SERIOUSLY LIMITED ACCESS TO PRIMARY CARE IN PARTS OF OUR COMMUNITY SERVICE AREA. BUILDING PRIMARY CARE ACCESS IS ESSENTIAL;

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PROVIDING ACCESSIBILITY AND MAKING CARE LESS FRAGMENTED WILL HELP TO INCREASE THE FOCUS ON PREVENTION AND IMPROVING QUALITY OF LIFE FOR OUR PATIENTS/CONSTITUENTS.

SPECIALTY CARE PHYSICIANS:

BASED ON THE PHYSICIAN WORKFORCE STUDY MOST RECENTLY PERFORMED IN MARYLAND (MHCC/MHA/MEDCHI 2007), MANY OF THE MEDICAL AND SURGICAL SPECIALTIES HAD IDENTIFIED SHORTAGES ACROSS THE REGION. THESE SHORTAGES ARE PROJECTED THROUGH THE YEAR 2015. THERE ARE ALSO PROJECTED SHORTAGES FOR ALL PEDIATRIC SPECIALTIES. PSYCHIATRIST SHORTAGES ARE OCCURRING IN FOUR OUT OF FIVE REGIONS. THERE IS ALSO CONCERN FOR THE AGING OF PHYSICIANS WITH 25% OF SURGEONS AGED 60 YEARS OR OLDER.

PART I, LN 7 COL(F): THE PORTION OF BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25 AND REMOVED FROM LINE 7 COLUMN F IS \$15,226,300.

PART II: SUPPORT SYSTEMS ENHANCEMENT INCLUDES EMERGENCY MANAGEMENT ACTIVITIES, ALTERNATE CARE SITE NAVAL SUPPORT ACTIVITY, OTHER DRILLS AND REAL TIME ACTIVITIES. THE HOSPITAL HAS A DISASTER PREPAREDNESS COORDINATOR THAT IS RESPONSIBLE FOR STAFF TRAINING, COORDINATING DISASTER DRILLS AND KEEPING THE HOSPITAL'S DISASTER PREPAREDNESS INVENTORY UP TO DATE. IN FYE 2011, 5 ADDITIONAL EMPLOYEES COMPLETED FEMA EMERGENCY PREPARATION COURSES TO BETTER COLLABORATE WITH OTHER COUNTY SERVICE PROVIDERS TO BETTER SERVE THE COMMUNITY. THESE STAFF MEMBERS PARTICIPATED IN A NUMBER OF OF COLLABORATIVE PLANNING MEETINGS AND DRILLS WITH DESIGNATED COUNTY SERVICES AND FIRST RESPONDERS.

COALITION BUILDING INCLUDES HOSPITAL REPRESENTATION TO COMMUNITY

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COALITIONS, COLLABORATIVE PARTNERSHIPS WITH COMMUNITY GROUPS TO IMPROVE COMMUNITY HEALTH, COMMUNITY MEETING COSTS, VISIONING SESSIONS AND COSTS FOR TASK FORCE SPECIFIC PROJECTS AND INITIATIVES. THE HOSPITALS ONGOING WORK WITH COMMUNITY GROUPS AND PARTICIPATION IN ADVISORY COMMITTEES AND COUNCELS CREATE A CONTINUOUS COMMUNICATIONS PROCESS, BRINGING NEW IDEAS FROM ANNE ARUNDEL COUNTY RESIDENTS AND ORGANIZATIONS INTO THE HOSPITAL'S COMMUNITY BENEFIT PLANNING PROCESS.

MYCHART ELECTRONIC HEALTH RECORD IS A SECURE ON-LINE ACCESS TO PORTIONS OF MEDICAL RECORDS. PATIENTS CAN REQUEST MEDICAL APPOINTMENTS, VIEW THEIR HEALTH SUMMARY FROM THE MYCHART ELECTRONIC HEALTH RECORD, VIEW TEST RESULTS, REQUEST PRESCRIPTION RENEWAL, ACCESS TRUSTED HEALTH INFORMATION RESOURCES AND COMMUNICATE ELECTRONICALLY AND SECURELY WITH THEIR MEDICAL TEAM. CURRENTLY THERE ARE 3,147 ACTIVE USERS.

PART III, LINE 4: THE HOSPITAL HAS ADOPTED HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT #15. THE HOSPITAL'S POLICY IS TO WRITE OFF ALL PATIENT ACCOUNTS THAT HAVE BEEN IDENTIFIED AS UNCOLLECTIBLE. AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IS RECORDED FOR ACCOUNTS NOT YET WRITTEN OFF THAT ARE ANTICIPATED TO BECOME UNCOLLECTIBLE IN FUTURE PERIODS.

INSURANCE COVERAGE AND CREDIT INFORMATION ARE OBTAINED FROM PATIENTS WHEN AVAILABLE. NO COLLATERAL IS OBTAINED FOR ACCOUNTS RECEIVABLE. BAD DEBT EXPENSE AT COST WAS DETERMINED BY USING A COST TO CHARGE RATIO. THE BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY WAS DETERMINED BY SPECIFIC IDENTIFICATION REVIEWING BAD DEBT RECORDS AND DETERMINING WHO WOULD HAVE BECOME ELIGIBLE FOR CHARITY CARE IF ALL INFORMATION HAD BEEN OBTAINED FROM THE PATIENTS.

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PART III, LINE 8: COMMUNITY BENEFIT QUESTION IS NOT APPLICABLE IN MARYLAND AS MARYLAND HOSPITALS ARE REIMBURSED UNDER THE HSCRC WAIVER PROGRAM WHEREIN NET REVENUE (REIMBURSEMENT) IS BASED ON A PERCENTAGE OF REGULATED CHARGES. COSTING METHODOLOGY BASED ON TRIAL BALANCE EXPENSES ADJUSTED TO ALLOWABLE EXPENSE IN ACCORDANCE WITH MEDICARE COST REPORTING RULES AND REGULATIONS. COST NUMBERS REPORTED ARE CONSISTENT WITH AAMC'S MEDICARE COST REPORT FILING.

PART III, LINE 9B: EACH AAMS PATIENT BILL INCLUDES CONTACT INFORMATION FOR FINANCIAL ASSISTANCE AND STATES WHERE TO CALL TO REQUEST A PAYMENT PLAN. SHORT AND LONG TERM INTEREST FREE PAYMENTS PLANS ARE AVAILABLE. THE HOSPITAL TAKES INTO ACCOUNT THE BALANCE OF THE BILL AND THE PATIENT'S FINANCIAL CIRCUMSTANCES IN DETERMINING THE APPROPRIATE AGREEMENT. SHOULD THE PATIENT CONTACT PATIENT FINANCIAL SERVICES CUSTOMER SERVICE UNIT REGARDING INABILITY TO PAY, FINANCIAL ASSISTANCE IS OFFERED, THE AMOUNT OF WHICH IS BASED ON THE FINANCIAL ASSISTANCE SCREENING PROCESS.

IF THERE IS NO INDICATION FROM THE PATIENT OR A REPRESENTATIVE THAT THEY CANNOT PAY AND NO ATTEMPT AT PAYMENT OR REASONABLE PAYMENT ARRANGEMENTS ARE MADE, THE ACCOUNT IS REFERRED TO A COLLECTION AGENCY. THE COLLECTION AGENCY IS EDUCATED ON HOW TO MAKE REFERRALS TO AAMC'S FINANCIAL COUNSELING DEPARTMENT FOR INDIVIDUALS INDICATING THEY HAVE AN INABILITY TO PAY. THE HOSPITAL COLLECTION POLICY ALLOWS THE HOSPITAL TO TAKE INTO ACCOUNT PATIENT CIRCUMSTANCES SUCH AS THE AMOUNT OF THE BILL AND AMOUNTS OWED TO OTHER PROVIDERS IN DETERMINATION OF ULTIMATE AMOUNT TO BE PAID.

PART VI, LINE 2: THE PROCESS USED TO IDENTIFY THE HEALTH NEEDS OF OUR COMMUNITY INCLUDES ANALYZING DATA AND CONDUCTING PRIMARY AND SECONDARY MARKET RESEARCH. THE DATA ANALYSIS INCLUDES REPORTS ON THE NATIONAL,

Part VI Supplemental Information

STATE, AND COUNTY LEVEL. HOSPITAL-LEVEL DATA AND NEILSEN CLARITAS DEMOGRAPHIC DATA IS ALSO ANALYZED. THE RESEARCH INCLUDES FEEDBACK FROM OUR CONSUMER SURVEYS, PATIENT SATISFACTION SURVEYS, PATIENT ADVISORY GROUPS, CUSTOMER CALL CENTER INQUIRIES AND FEEDBACK FROM OUR COMMUNITY OUTREACH AND EDUCATIONAL SESSIONS. THE HOSPITAL'S ONGOING WORK WITH COMMUNITY GROUPS AND PARTICIPATION IN ADVISORY BOARDS, COMMITTEES AND COUNCILS CREATES A CONTINUOUS COMMUNICATION PROCESS, BRINGING NEW IDEAS AND IDENTIFYING SPECIFIC NEEDS FROM ANNE ARUNDEL COUNTY RESIDENTS AND ORGANIZATIONS INTO THE HOSPITAL'S COMMUNITY NEEDS PLANNING PROCESS.

THE HOSPITAL'S COMMUNITY BENEFIT INITIATIVES REFLECT THE NEEDS OF OUR COMMUNITY. THE FOLLOWING ARE RESOURCES UTILIZED IN COLLECTING AND ANALYZING DATA FOR FY11: ANNE ARUNDEL COUNTY HEALTH DEPARTMENT'S LOCAL HEALTH PLAN 2011, ANNE ARUNDEL COUNTY HEALTH DEPARTMENT'S 14TH ANNUAL (2011) REPORT CARD OF COMMUNITY HEALTH INDICATORS, "MEASURING SUCCESS", AND THE COUNTY'S REPORT CALLED "POVERTY AMIDST PLENTY: A GUIDE TO ACTION" (2010).

WE ALSO CONSULTED WITH THE FOLLOWING ORGANIZATIONS AND INDIVIDUALS:

ANNE ARUNDEL COUNTY:

- DEPARTMENT OF HEALTH - PRE-NATAL CARE PROGRAM, COMENZANDO BIEN, AND WIC PROGRAM
- DEPARTMENT OF AGING AND DISABILITIES - LIVING WELL WITH CHRONIC CONDITIONS AND THE FUTURE IS NOW WORKSHOP SERIES
- FIRE DEPARTMENT - DISASTER PREPAREDNESS DRILL, PYXIS STATION - MEDICATION FOR PATIENTS VIA EMS
- A. A. CO. PUBLIC SCHOOLS - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE

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- A. A. CO. DEPT. OF SOCIAL SERVICES - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE

ANNE ARUNDEL MEDICAL CENTER:

- A. A. CO. EMERGENCY MEDICAL SERVICES (EMS) - EMERG. STEMI PROGRAM, DISASTER PREPAREDNESS DRILL

- A. A. CO. FIMR (FETAL INFANT MORTALITY REVIEW) COMMITTEE - TO DECREASE INFANT MORTALITY

CITY OF ANNAPOLIS:

- RECREATION AND PARKS DEPARTMENT - ANNAPOLIS COMMUNITY HEALTH INITIATIVE

- CITY EMERGENCY MEDICAL SERVICES (EMS) - DISASTER PREPAREDNESS DRILL

- CITY POLICE DEPARTMENT - DISASTER PREPAREDNESS DRILL

- CITY HOUSING AUTHORITY - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE

- PEDIATRIC PHYSICIAN GROUPS - PEDIATRIC EMERGENCY DEPARTMENT DEVELOPMENT

- LIGHTHOUSE SHELTER - VOLUNTEER HEALTH SERVICES FOR THE HOMELESS, RIDE FOR SHELTER, HOMELESS RESOURCE DAY, THANKSGIVING DAY FOOD BASKET DRIVE, CULTURAL DIVERSITY INITIATIVE

- PRIVATE INDIVIDUALS FROM THE LOCAL COMMUNITY - PATIENT AND FAMILY ADVISORY GROUP

- U. S. NAVAL ACADEMY - DISASTER PREPAREDNESS DRILL

- JOHNS HOPKINS HOME HEALTH GROUP - CONGESTIVE HEART FAILURE (CHF)

READMISSION PREVENTION PROG.

- ANNE ARUNDEL COMMUNITY ACTION PARTNERSHIP - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE

- ANNAPOLIS YOUTH SERVICES BUREAU - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE

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- CENTER OF HELP (ANNAPOLIS) - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE
- FAMILY & CHILDREN'S SERVICES OF CENTRAL MARYLAND - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE
- MD. COMMUNITY HEALTH RESOURCES COMMISSION - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE
- ANNE ARUNDEL COMMUNITY ACTION PARTNERSHIP - COMMUNITY HEALTH CENTER ADVISORY COMMITTEE
- MD. PATIENT SAFETY CENTER NEONATAL COLLABORATIVE - TO DECREASE INFANT MORTALITY, REDUCE INFECTIONS, ETC.
- MD. PERINATAL LEARNING NETWORK - TO IMPROVE PRENATAL CARE
- MD. DHMHIMED CHI MATERNAL MORTALITY REVIEW COMMITTEE- TO DECREASE MATERNAL MORTALITY

PART VI, LINE 3: PUBLIC NOTICE AND INFORMATION REGARDING THE ANNE ARUNDEL MEDICAL CENTER'S CHARITY CARE POLICY SHALL INCLUDE THE FOLLOWING:

A) ANNUAL NOTICE THAT CHARITY CARE IS PROVIDED AND THE CRITERIA UNDER WHICH IT WILL BE PROVIDED WILL BE PUBLISHED IN THE LOCAL NEWSPAPER, THE CAPITAL.

B) THE NOTICE PROVIDED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES REGARDING MEDICAL CARE FOR THOSE WHO CANNOT AFFORD TO PAY IS POSTED AT THE POINT OF ADMISSION, THE BUSINESS OFFICE, CASHIER, AND EMERGENCY ROOM.

C) INDIVIDUAL NOTICE IS PROVIDED TO EACH PERSON SEEKING SERVICE AT THE TIME OF ADMISSION OR PRE-ADMISSION TESTING.

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PART VI, LINE 4: THE ANNE ARUNDEL MEDICAL CENTER CBSA PRIMARILY CONSISTS OF ANNE ARUNDEL COUNTY. ANNE ARUNDEL COUNTY IS A DIVERSE COMMUNITY WITH A CONTINUOUSLY EVOLVING BLEND OF AGE GROUPS, ETHNIC GROUPS, OCCUPATIONS, AND SOCIAL AND ECONOMIC CONDITIONS. RESIDENTS LIVE IN SETTINGS THAT RANGE FROM URBAN TO AGRICULTURAL. RACE/ETHNICITY BREAKS DOWN AS FOLLOWS: CAUCASION 74.4%, AFRICAN-AMERICAN 15.4%, HISPANIC 4.9%, ASIAN 3.2% AND AMERICAN INDIAN 0.3%. THE NON-ENGLISH SPEAKING POPULATION IN THE COUNTY IS EXPECTED TO EXPERIENCE SIGNIFICANT GROWTH OVER THE NEXT DECADE, HOWEVER, THE GREATEST EXPECTED GROWTH OVER THE NEXT DECADE (38%) IS AMONG THOSE AGE 65 AND OVER. CLEARLY, COMMUNITY HEALTH INITIATIVES FOR THE NEXT DECADE WILL NEED TO FOCUS ON PREVENTION AND MANAGEMENT OF CHRONIC DISEASES AMONG THE AGED AS WELL AS THOSE THAT DISPROPORTIONATELY AFFECT THE GROWING MINORITY POPULATIONS (ANNE ARUNDEL COUNTY DEPARTMENT OF HEALTH/LOCAL HEALTH PLAN/FY11).

THE MEDIAN HOUSEHOLD INCOME IS \$81,824 WITH 3.3% OF FAMILIES AND 5.2% OF INDIVIDUALS LIVING BELOW THE POVERTY LEVEL. THE UNEMPLOYMENT RATE AS OF JUNE 2011 IS 6.9% (MD. DEPT. OF LABOR, LICENSING, & REGULATION). THE NUMBER OF UNINSURED RESIDENTS IN ANNE ARUNDEL COUNTY IS GROWING AS THE ECONOMY CONTINUES TO STRUGGLE.

THE GEOGRAPHY OF ANNE ARUNDEL COUNTY CREATES A CHALLENGE IN ACCESSING HEALTHCARE. PARTS OF THE COUNTY CONSIST OF A SERIES OF PENINSULAS MAKING A COMPREHENSIVE PUBLIC TRANSPORTATION SYSTEM TOO EXPENSIVE TO MAINTAIN. ACCORDING TO THE REPORT, "POVERTY AMIDST PLENTY", ONLY 3 PERCENT OF ANNE ARUNDEL COUNTY RESIDENTS UTILIZED PUBLIC TRANSPORTATION TO GET TO WORK. INADEQUATE TRANSPORTATION IS NOT ONLY A BARRIER FOR EMPLOYMENT; IT IS ALSO A BARRIER TO ACCESS OTHER NEEDED SERVICES SUCH HEALTHCARE.

Part VI Supplemental Information

LASTLY, THE COUNTY IS CONSIDERED A HIGH RISK AREA FOR BIOTERRORISM AS ITS GEOGRAPHY CONTAINS THE NATIONAL SECURITY AGENCY, THE U.S. NAVAL ACADEMY, THE BALTIMORE-WASHINGTON THURGOOD MARSHALL INTERNATIONAL AIRPORT, AND FORT MEADE. BECAUSE OF BRAC (BASE REALIGNMENT AND CLOSURE), FORT MEADE HAS GROWN TO OVER 48,000 MILITARY, GOVERNMENT SERVICE CIVILIAN, AND CONTRACTOR EMPLOYEES. THIS HAS INCREASED THE DEMAND FOR HEALTH CARE SERVICES IN WEST COUNTY. IN RESPONSE TO THIS INCREASED DEMAND, THE INTEGRATED HEALTH SYSTEM IS DEVELOPING A MEDICAL OFFICE BUILDING IN ODENTON IN PARTNERSHIP WITH JOHNS HOPKINS. THE MEDICAL OFFICE BUILDING IS ANTICIPATED TO BE OPENED IN THE FALL OF 2012.

PART VI, LINE 5: THE FOLLOWING ARE SEVERAL EXAMPLES OF HOSPITAL ACTIVITIES AND INITIATIVES:

THE HOSPITAL HAS RUN A FREE MEDICAL CLINIC FOR OUR UNDERSERVED AND UNINSURED COMMUNITY FOR THE PAST 16 YEARS. THE ANNAPOLIS OUTREACH CENTER, LOCATED IN THE HISTORIC STANTON CENTER IN ANNAPOLIS' CLAY STREET COMMUNITY, IS A FREE CLINIC ESTABLISHED TO PROVIDE MEDICAL CARE FOR THOSE THAT ARE UNINSURED AND OTHERWISE MAY NOT BE ABLE TO OBTAIN PROPER MEDICAL CARE. THOUSANDS OF INDIVIDUALS ARE SEEN EACH YEAR IN ITS MEDICAL AND SPECIALTY CLINICS. 75% OF THE CARE RENDERED AT THE OUTREACH CENTER IS BY VOLUNTEER PROVIDERS. THERE ARE OVER 300 VOLUNTEERS (INCLUDING PHYSICIANS, DENTIST, RADIOLOGIST, ANESTHESIOLOGIST, NURSES, TRANSLATORS, AND CLINICAL STAFF) WITH COMBINED VOLUNTEER HOURS OF OVER 5,000 PER YEAR TO ASSIST IN KEEPING THE CLINIC OPEN AND OPERATIONAL. IN FISCAL 2011, THERE WERE 7,863 MEDICAL VISITS AND 1,100 DENTAL VISITS AT THE OUTREACH CENTER.

Part VI Supplemental Information

THE HOSPITAL HAS DOCTOR ON-CALL ROTATIONS IN EVERY SPECIALTY FOR WHICH THERE MAY BE AN EMERGENCY OR INPATIENT NEED. ON-CALL COVERAGE IS PROVIDED TO ALL PATIENTS REGARDLESS OF INSURANCE STATUS. THERE ARE NO GAPS IN AVAILABILITY OF ANY SPECIALTY FOR UNINSURED OR UNDERSERVED PATIENTS. IN ADDITION, THE HOSPITAL HAS HOSPITALIST PROGRAMS IN MEDICINE, PEDIATRICS, GENERAL SURGERY, OBSTETRICS AND AN INTENSIVIST PROGRAM. THESE PHYSICIANS PROVIDE 24-HOUR IN-HOUSE COVERAGE FOR EACH OF THESE AREAS FOR ALL PATIENTS REGARDLESS OF INSURANCE STATUS. THE HOSPITAL ALSO PROVIDES SPECIALTY PROGRAMS FOR THORACIC SURGERY, NEONATAL OPHTHALMOLOGY, GYN ONCOLOGY, PALLIATIVE CARE, NEUROLOGY/STROKE, WOMEN'S PELVIC HEALTH, SURGICAL ONCOLOGY, AND THE BREAST CENTER.

THE HOSPITAL AND MANY OF ITS PHYSICIANS SUPPORT THE ANNE ARUNDEL COUNTY HEALTH DEPARTMENT'S REACH PROGRAM (RESIDENTS ACCESS TO A COALITION OF HEALTH), WHICH OFFERS ACCESS TO AFFORDABLE HEALTH SERVICES FOR LOW-INCOME UNINSURED INDIVIDUALS IN ANNE ARUNDEL COUNTY.

THE HOSPITAL HAS ALSO IMPLEMENTED A "GREEN INITIATIVE/PROGRAM" IN ORDER TO IMPROVE AND PROTECT THE HEALTH OF STAFF AND THE COMMUNITY BY IMPLEMENTING ENVIRONMENTALLY FRIENDLY INITIATIVES. THE NEWLY CONSTRUCTED HOSPITAL PAVILION SOUTH TOWER IS THE FIRST 24/7 HOSPITAL TO BE LEED GOLD CERTIFIED. VARIOUS PROGRAMS UNDER THIS INITIATIVE INCLUDE BATTERY RECYCLING, REUSABLE SHARPS CONTAINERS, REPROCESSING TO REDUCE MEDICAL WASTE, AND USE OF GREEN SEAL CERTIFIED CLEANERS. THE HOSPITAL EMPLOYS A SUSTAINABILITY MANAGER AS PART OF THIS PROGRAM.

THE HOSPITAL ALSO HAS A DISASTER PREPAREDNESS COORDINATOR THAT IS RESPONSIBLE TO PROVIDE STAFF TRAINING, COORDINATE DISASTER DRILLS, AND

Part VI Supplemental Information

KEEP THE HOSPITAL'S DISASTER PREPAREDNESS SUPPLY INVENTORY UP TO DATE. HOSPITAL EMPLOYEES HAVE COMPLETED FEMA EMERGENCY PREPARATION COURSES TO BETTER COLLABORATE WITH OTHER COUNTY SERVICE PROVIDERS TO BETTER SERVE THE COMMUNITY. THESE STAFF MEMBERS PARTICIPATED IN A NUMBER OF COLLABORATIVE PLANNING MEETINGS AND DRILLS WITH DESIGNATED COUNTY SERVICES AND FIRST RESPONDERS.

COMMUNITY ACCESS IS ALWAYS AVAILABLE THROUGH THE HOSPITAL'S ASK-A-NURSE PROGRAM CALLED ASKAAMC. THE ASK-A-NURSE PROGRAM PROVIDES THE COMMUNITY AROUND THE CLOCK TELEPHONE ACCESS TO REGISTERED NURSES.

THE HEALTH SYSTEM'S COMMUNITY HEALTH AND WELLNESS DEPARTMENT PARTNERS WITH THE ANNAPOLIS AND ANNE ARUNDEL COUNTY COALITION TO END HOMELESSNESS TO ORGANIZE THE COUNTY'S HOMELESS RESOURCE DAY. THE ANNUAL MARCH EVENT, NOW IN ITS FIFTH YEAR, ASSISTED APPROXIMATELY 600 OF THE AREAS HOMELESS RESIDENTS TO GAIN ACCESS TO NEEDED HEALTH AND HUMAN SERVICES THIS PAST YEAR. HEALTHCARE PROVIDERS FROM THE PUBLIC AND PRIVATE SECTORS, INCLUDING OTHER COUNTY HOSPITALS, CLINICS, UNIVERSITIES, AND COLLEGES, ASSIST TO PROVIDE HEALTHCARE SERVICES AT THE ANNUAL EVENT.

PART VI, LINE 6: THE HEALTH SYSTEM'S PHYSICIAN ENTERPRISE, LLC ENTITY OPENED THE COMMUNITY HEALTH CENTER (CHC) IN JANUARY 2011. THE CHC IS DESIGNED TO BE A "PATIENT-CENTERED MEDICAL HOME" WHERE A TEAM OF HEALTH PROFESSIONALS PROVIDES CONTINUOUS, COMPREHENSIVE, AND COORDINATED CARE THROUGHOUT THE PATIENT'S LIFETIME. OUR TEAM MEETS THE NEEDS OF THE UNINSURED AND UNDERINSURED BY PROVIDING ACCESS TO AFFORDABLE PRIMARY HEALTH CARE SERVICES. THE CENTER IS CONVENIENTLY LOCATED ON LOCAL BUS ROUTES, AND REDUCES EMERGENCY ROOM VISITS BY PROVIDING MEDICAL SERVICES

Part VI Supplemental Information

WITH AN EMPHASIS ON EARLY INTERVENTION AND DISEASE PREVENTION. THE CHC EMPLOYS 8 STAFF, 75% OF WHICH ARE BILINGUAL. THROUGH OCTOBER 2011, THE CHC HAD PROVIDED MEDICAL CARE TO 3,597 PATIENTS (46% SPANISH SPEAKING) AT A COST TO THE HEALTH SYSTEM OF \$363,528.

ADDITIONAL COMMUNITY BENEFIT EXPENSES INCURRED BY AFFILIATED ENTITIES WITHIN THE HEALTH SYSTEM INCLUDE:

RESEARCH EXPENSE - \$1,258,000 INCURRED BY ANNE ARUNDEL HEALTH SYSTEM RESEARCH INSTITUTE, INC.

SUBSIDIZED HEALTH SERVICES - \$491,514 INCURRED BY ANNE ARUNDEL HEALTH CARE SERVICES, INC.

CHARITY CARE AND EDUCATION - \$106,961 INCURRED BY ANNE ARUNDEL GENERAL TREATMENT SERVICES, INC.

PHYSICIAN SUBSIDIES - \$50,000 INCURRED BY ANNE ARUNDEL HEALTHCARE ENTERPRISES, INC.

WHEN CONSIDERING THE ADDITIONAL EXPENSE OF COMMUNITY BENEFIT ACTIVITIES PROVIDED BY AFFILIATED ENTITIES IN COMBINATION WITH THE COST REPORTED AT PART I, LINE 7, TOTAL COMMUNITY BENEFIT EXPENSE AS A PERCENTAGE OF AAMC EXPENSES WOULD INCREASE TO 5.07%.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

MD

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization

ANNE ARUNDEL MEDICAL CENTER, INC.

Employer identification number
52-1169362

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
PHYSICIAN ENTERPRISE, LLC 2001 MEDICAL PARKWAY ANNAPOLIS, MD 21401	27-0263214	501(C)(3)	6,956,891.	0.			TO SUPPORT THE OPERATIONS OF PHYSICIAN ENTERPRISE, LLC

2 Enter total number of section 501(c)(3) and government organizations ▶ 1.

3 Enter total number of other organizations ▶ 0.

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

Schedule I (Form 990) (2010)

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

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

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

ANNE ARUNDEL MEDICAL CENTER, INC.

Employer identification number

52-1169362

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 in 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 checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

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 officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

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

- a** Receive a severance payment or change-of-control payment from the organization or a related organization?
- 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) and 501(c)(4) organizations must complete lines 5-9.

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

- a** The organization?
- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

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

- a** The organization?
- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

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

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

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

	Yes	No
1b	X	
2	X	
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.
 For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii).
 Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MARTIN L. DOORDAN	774,701.	145,818.	2,803,993.	6,900.	13,698.	3,745,110.	2,340,895.
	0.	0.	0.	0.	0.	0.	0.
2 VICTORIA BAYLESS	442,465.	140,000.	76,479.	35,485.	6,532.	700,961.	51,568.
	0.	0.	0.	0.	0.	0.	0.
3 ROBERT REILLY	312,556.	62,000.	4,535.	2,752.	13,112.	394,955.	0.
	0.	0.	0.	0.	0.	0.	0.
4 MITCHELL SCHWARTZ	177,245.	63,500.	10,325.	20,499.	6,998.	278,567.	0.
	0.	0.	0.	0.	0.	0.	0.
5 SHERRY PERKINS	298,419.	53,000.	19,880.	5,039.	2,647.	378,985.	14,437.
	0.	0.	0.	0.	0.	0.	0.
6 JOSEPH D. MOSER, M.D.	364,578.	46,781.	77,421.	3,549.	13,052.	505,381.	66,885.
	0.	0.	0.	0.	0.	0.	0.
7 LISA HILLMAN	248,066.	39,412.	52,560.	3,077.	12,574.	355,689.	46,913.
	0.	0.	0.	0.	0.	0.	0.
8 CAROLYN CORE	278,746.	52,200.	7,912.	12,200.	6,642.	357,700.	0.
	0.	0.	0.	0.	0.	0.	0.
9 DOUGLAS A. ABEL	260,161.	48,000.	18,303.	3,886.	13,052.	343,402.	14,377.
	0.	0.	0.	0.	0.	0.	0.
10 STEPHEN CLARKE	210,432.	32,487.	15,329.	9,882.	10,074.	278,204.	8,525.
	0.	0.	0.	0.	0.	0.	0.
11 WILLIAM L. HUGHES	0.	0.	252,832.	0.	0.	252,832.	0.
	0.	0.	0.	0.	0.	0.	0.
12							
13							
14							
15							
16							

Part III Supplemental Information

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

PART I, LINE 1A: MARTIN DOORDAN AND VICTORIA BAYLESS'S EMPLOYMENT

CONTRACTS PROVIDE FOR THE TRAVEL/SOCIAL CLUB BENEFITS NOTED ABOVE. THEY

ARE INCLUDED AS PART OF THEIR COMPENSATION PACKAGE AS WELL AS REPORTED ON THEIR 2010 FORM W-2.

SIX OFFICERS/KEY EMPLOYEES WERE PROVIDED ADDITIONAL COMPENSATION TO OFFSET THE IMPACT OF EXECUTIVE LIFE INSURANCE PREMIUMS MADE ON THEIR BEHALF. THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION TO THESE INDIVIDUALS.

PART I, LINES 4A-B: WILLIAM L. HUGHES RECEIVED \$252,832 OF SEVERANCE PAY.

PART I, LINE 4B: THE FOLLOWING PARTICIPATED IN THE ORGANIZATION'S 457(F)

PLAN:

VICTORIA BAYLESS	\$31,754
DOUGLAS A. ABEL	\$340
SHERRY PERKINS	\$5,039
CAROLYN CORE	\$8,556
STEVE CLARKE	\$8,090
MITCHELL SCHWARTZ	\$17,137

Part III Supplemental Information

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

OF THE REPORTABLE COMPENSATION DISCLOSED FOR MARTIN L. DOORDAN, CEO, \$2,340,895 REPRESENTS CONTRIBUTIONS TO HIS SUPPLEMENTAL RETIREMENT PLAN OVER THE TERM OF HIS EMPLOYMENT. THESE CONTRIBUTIONS WERE REPORTED AS COMPENSATION ON PRIOR FORM 990S AND ARE ACCORDINGLY NOTED AS SUCH IN COLUMN F OF SCHEDULE J, PART II.

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

Name of the organization: **ANNE ARUNDEL MEDICAL CENTER, INC.**
 Employer identification number: **52-1169362**

Part I Bond Issues SEE PART V FOR COLUMNS (A) AND (F) CONTINUATIONS

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
MARYLAND HEALTH AND HIGHER EDUCATION FACILITY	52-0936091574217NZ4	02/19/04	25729005	FINANCE ACQUISITION/CONST							X
MARYLAND HEALTH AND HIGHER EDUCATION FACILITY	52-09360915742173U7	01/29/09	115182636	FINANCE ACQUISITION/CONST							X
MARYLAND HEALTH AND HIGHER EDUCATION FACILITY	52-09360915742173V5	02/19/09	60000000	FINANCE ACQUISITION/CONST							X
MARYLAND HEALTH AND HIGHER EDUCATION FACILITY	52-09360915742176G5	02/03/10	83903060	FINANCE ACQUISITION/CONST							X

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue	25,729,005		115,182,636		60,000,000		83,903,060	
4 Gross proceeds in reserve funds			15,734,149		3,741,749		1,870,961	
5 Capitalized interest from proceeds							73,583,333	
6 Proceeds in refunding escrows			1,061,301		8,709,196		1,430,642	
7 Issuance costs from proceeds								
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds			24,667,704		90,739,290		45,468,964	
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2005		2010		2011		2011	
14 Were the bonds issued as part of a current refunding issue?		X		X		X		X
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?	X		X		X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X		X		X
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		.00 %		.00 %		.00 %		.00 %
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		.00 %		.00 %		.00 %		.00 %
6 Total of lines 4 and 5		.00 %		.00 %		.00 %		.00 %
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
2 Is the bond issue a variable rate issue?		X		X		X		X
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b Name of provider								
c Term of hedge								
d Was the hedge superintergrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?		X		X		X		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6 Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SCHEDULE K, PART I, BOND ISSUES:
 (A) ISSUER NAME: MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY
 (F) DESCRIPTION OF PURPOSE:
 FINANCE ACQUISITION/CONSTRUCTION/EQUIPMENT; REFUND 93 BONDS, FUND DEBT SVC

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

(A) ISSUER NAME: MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY

(F) DESCRIPTION OF PURPOSE:

FINANCE ACQUISITION/CONSTRUCT./RENOVATION/EQUIP.OF NEW & EXISTING FACILITIE

(A) ISSUER NAME: MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY

(F) DESCRIPTION OF PURPOSE:

FINANCE ACQUISITION/CONSTRUCT./RENOVATION/EQUIP.OF NEW & EXISTING FACILITIE

(A) ISSUER NAME: MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY

(F) DESCRIPTION OF PURPOSE:

FINANCE ACQUISITION/CONSTRUCT. OF NEW TOWER GARAGE EXPANSION

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, 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. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open To Public
Inspection

Name of the organization
ANNE ARUNDEL MEDICAL CENTER, INC.

Employer identification number
52-1169362

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total										

Total ▶ \$ _____

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
MARYLAND INPATIENT CARE SP	BUSINESS	220,000.	INPATIENT M		X

Part V Supplemental Information

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

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

(A) NAME OF PERSON: MARYLAND INPATIENT CARE SPECIALISTS, INC.

(D) DESCRIPTION OF TRANSACTION: INPATIENT MEDICAL CARE FOR ORTHOPEDIC SURGERY PATIENTS - DR. MITCHEL IS A BOARD MEMBER OF THE ANNE ARUNDEL MEDICAL CENTER (AAMC). HE HAS AN OWNERSHIP INTEREST IN MARYLAND INPATIENT CARE SPECIALISTS, INC.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization

ANNE ARUNDEL MEDICAL CENTER, INC.

Employer identification number

52-1169362

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

ACCOMPLISHED BY EXPANDING HEALTH CARE OUTSIDE OF THE HOSPITAL WALLS,
STRENGTHENING COMMUNITY HEALTH THROUGH COMPREHENSIVE HEALTH
MAINTENANCE AND EDUCATION OUTREACH.

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

MANY OPTIONS AS THEY MAKE INFORMED CHOICES DURING LABOR AND DELIVERY.
OUR GOAL IS FOR EACH MOTHER AND HER FAMILY TO FEEL RESPECTED AND TO
EXPERIENCE THE BIRTHING PROCESS AND POSTPARTUM EXPERIENCE THEY DESIRE.
ANNE ARUNDEL MEDICAL CENTER DELIVERS MORE THAN 5,000 BABIES EACH YEAR,
THE SECOND HIGHEST NUMBER OF DELIVERIES IN THE STATE OF MARYLAND.

ANNE ARUNDEL MEDICAL CENTER'S NEONATAL INTENSIVE CARE UNIT (NICU) IS
DESIGNATED AS A LEVEL IIIB NICU, AND IS ABLE TO CARE FOR THE MOST
CRITICALLY ILL NEWBORNS, ALLOWING BABIES BORN EARLY OR WITH
COMPLICATIONS TO STAY WITH THEIR MOTHERS AT AAMC. HOSPITALS THAT DO NOT
HAVE THIS LEVEL OF NICU CARE OFTEN MUST TRANSFER BABIES TO OTHER HEALTH
CARE FACILITIES, MEANING THAT MOTHERS AND BABIES CANNOT REMAIN
TOGETHER.

THE AAMC NICU, ALSO KNOWN AS "TEDDY'S PLACE", IS A STATE-OF-THE-ART
26-BED UNIT, EQUIPPED WITH LIFE-SAVING TECHNOLOGY AND STAFFED BY FULL-
AND PART-TIME NEONATOLOGISTS, NEONATAL NURSE PRACTITIONERS, AND NURSES
WITH SPECIALIZED NICU TRAINING. ON AVERAGE, MORE THAN 20 BABIES A DAY
ARE CARED FOR IN OUR NICU, AND APPROXIMATELY 12-15 PERCENT OF ALL
BABIES DELIVERED AT AAMC WILL SPEND SOME TIME IN THE NICU.

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AT AAMC, THE CENTER FOR MATERNAL-FETAL MEDICINE OFFERS WOMEN THE HIGHEST LEVEL OF OBSTETRIC CARE, WITH THREE HIGHLY TRAINED PHYSICIANS ABLE TO PERFORM AND OVERSEE A WIDE RANGE OF COMPLICATIONS. THE AAMC CENTER FOR MATERNAL-FETAL MEDICINE OFFERS CARE TO WOMEN WHO COME FROM AS FAR AWAY AS MARYLAND'S CHARLES AND ST. MARY'S COUNTIES, AS WELL AS DELAWARE. TYPICAL PATIENTS INCLUDE WOMEN WHO ARE CARRYING TWINS OR TRIPLETS, WOMEN REQUIRING DIABETES EDUCATION OR SPECIALIZED TESTING, SUCH AS AMNIOCENTESIS, OR WOMEN WHO WILL BE 35 OR OLDER AT THE TIME OF DELIVERY.

THE AAMC WOMEN'S CENTER FOR PELVIC HEALTH PROVIDES COMPREHENSIVE AND INNOVATIVE PELVIC HEALTH CARE FOR WOMEN OF ALL AGES SUFFERING FROM PROBLEMS AND DISORDERS OF THE PELVIC REGION. OUR EXPERIENCED SPECIALISTS EMPLOY A COMPASSIONATE AND PROFESSIONAL APPROACH TO DIAGNOSE AND TREAT ALL COMPONENTS OF PELVIC PROBLEMS, WITH THE GOAL OF ENSURING WELLNESS AND MAINTAINING DIGNITY. THE AAMC WOMEN'S CENTER FOR PELVIC HEALTH ADDRESSES ISSUES INCLUDING: URINARY INCONTINENCE, PELVIC SUPPORT PROBLEMS, FECAL INCONTINENCE, CHILDBIRTH AND PREGNANCY RELATED PELVIC FLOOR DISORDERS, INCONTINENCE CLEARLY LINKED TO PROLAPSE OR PELVIC FLOOR DYSFUNCTION, AND PELVIC ORGAN PROLAPSE (CYSTOCELE, RECTOCELE, UTERINE, VAGINAL VAULT, PERINEAL).

STROKE

ANNE ARUNDEL MEDICAL CENTER HAS EARNED CERTIFICATION AS A PRIMARY STROKE CENTER FROM THE JOINT COMMISSION, AND WAS THE FIRST HOSPITAL IN THE REGION (AND ONE OF THE FIRST EIGHT IN THE STATE) TO HAVE EARNED THIS HIGHLY SPECIALIZED DESIGNATION. BECAUSE SUCCESSFUL TREATMENT OF STROKE PATIENTS IS SO TIME-CRITICAL, THE PRESENCE OF A CERTIFIED STROKE

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CENTER IN ANNE ARUNDEL COUNTY IS SIGNIFICANT FOR THE RESIDENTS OF THE REGION BECAUSE THEY NO LONGER HAVE TO WASTE PRECIOUS TIME AND TRAVEL 30 OR MORE MILES TO GET LIFE-SAVING TREATMENT.

THE JOINT COMMISSION CERTIFICATION MEANS AAMC HAS DEMONSTRATED THAT ITS STROKE PROGRAM FOLLOWS NATIONAL STANDARDS AND GUIDELINES THAT CAN SIGNIFICANTLY IMPROVE OUTCOMES FOR STROKE PATIENTS. IN MARYLAND, SOMEONE IS HOSPITALIZED FOR A STROKE EVERY 30 MINUTES AND SOMEONE DIES EVERY THREE HOURS, ACCORDING TO THE MARYLAND INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS (MIEMSS).

AAMC OFFERS TREATMENT WITH TPA - TISSUE PLASMINOGEN ACTIVATOR, A CLOT-BUSTING MEDICATION APPROVED FOR USE IN CERTAIN PATIENTS HAVING A STROKE. TPA MUST BE GIVEN WITHIN A FEW HOURS AFTER SYMPTOMS BEGIN. THE PROCEDURE IS DONE THROUGH AN INTRAVENOUS (IV) LINE BY SPECIALLY TRAINED HOSPITAL PERSONNEL.

AAMC TREATS OVER 500 STROKE PATIENTS A YEAR.

HEART AND VASCULAR INSTITUTE

THE AAMC HEART AND VASCULAR INSTITUTE IS A COMPREHENSIVE PROGRAM OFFERING EXCEPTIONAL EMERGENCY, INTERVENTIONAL AND SURGICAL CARE TO OUR COMMUNITY. THE HEART AND VASCULAR INSTITUTE FEATURES A DEDICATED HEART AND VASCULAR UNIT, VASCULAR SCREENING, SURGERY AND TREATMENT, CARDIAC-CATHERIZATION, INTERVENTIONAL MEDICINE, EMERGENCY ANGIOPLASTY, CARDIOPULMONARY REHABILITATION AND INTERVENTIONAL RADIOLOGY. A REGIONAL RESOURCE TO OUR COMMUNITY, THE AAMC HEART AND VASCULAR INSTITUTE IS NATIONALLY RECOGNIZED AS A STANDARD FOR CARE AND TREATMENT OF HEART

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ATTACK PATIENTS AND RECIPIENT OF THE 2011 GOLD PERFORMANCE ACHIEVEMENT AWARD FROM THE AMERICAN COLLEGE OF CARDIOLOGY. AAMC IS ALSO A PARTICIPANT IN THE C-PORT E PROGRAM, OFFERING ELECTIVE ANGIOPLASTY SERVICES TO OUR COMMUNITY.

SURGICAL SERVICES

AAMC SURGEONS PERFORM A VARIETY OF INPATIENT AND OUTPATIENT SURGICAL PROCEDURES FROM THE ROUTINE TO THE TECHNOLOGICALLY ADVANCED, SUCH AS ROBOTICS. IN ADDITION TO GENERAL SURGERIES, THEY SPECIALIZE IN BREAST, COLON AND RECTAL, ORTHOPEDIC, PEDIATRIC, RETINAL, THORACIC, VASCULAR, UROLOGY, GYNECOLOGY, UROGYNECOLOGY, OPHTHALMOLOGY, AND EAR, NOSE AND THROAT SURGERY, AS WELL AS NEUROSURGERY AND PLASTIC RECONSTRUCTIVE SURGERY. BOARD-CERTIFIED ANESTHESIOLOGISTS PLAN AND SUPERVISE ANESTHESIA CARE FOR ALL PATIENTS. IN ADDITION, 24-HOUR PHYSICIAN CARE THROUGH THE HOSPITALIST AND INTENSIVIST PROGRAMS MEANS A DOCTOR IS ALWAYS NEARBY TO MAKE SURE RECOVERY FOR INPATIENTS IS PROGRESSING SMOOTHLY.

AT THE AAMC JOINT CENTER, OUR SURGEONS HOLD SUPERIOR CREDENTIALS AND MANY OF OUR SURGEONS SPECIALIZE IN KNEE AND HIP REPLACEMENT. OUR VOLUME OF SURGERY ALSO CONTRIBUTES TO OUR MEDICAL EXPERTISE. AAMC PERFORMS NEARLY 1,300 JOINT REPLACEMENTS PER YEAR, WHICH MAKES US CONSISTENTLY ONE OF THE HIGHEST VOLUME JOINT REPLACEMENT CENTERS IN THE STATE. OVER THE PAST THREE YEARS, AAMC PERFORMED MORE JOINT REPLACEMENTS THAN ANY OTHER HOSPITAL IN THE STATE.

JOINT CAMP

ANOTHER UNIQUE PART OF THE AAMC JOINT CENTER IS OUR "JOINT CAMP". AN

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Schedule O (Form 990 or 990-EZ) (2010)

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IMPORTANT PART OF THE PROGRAM, THE JOINT CAMP GETS ITS NAME IN PART FROM THE SENSE OF SHARED EXPERIENCES, CAMARADERIE AND COMPANIONSHIP MANY PATIENTS FEEL TOWARD ONE ANOTHER. THE PHILOSOPHY OF JOINT CAMP IS THAT YOU AND YOUR FAMILY ARE NOT BYSTANDERS, BUT RATHER ACTIVE PARTICIPANTS WITH A COMMON GOAL. A TRAINED COORDINATOR HELPS GUIDE AND ASSIST YOU EVERY STEP OF THE WAY.

OUTPATIENT

THE AAMC GEATON AND JOANN DECESARIS CANCER INSTITUTE AT ANNE ARUNDEL MEDICAL CENTER ENCOMPASSES A LARGE ARRAY OF SERVICES RANGING FROM PREVENTION, SCREENING, DIAGNOSIS AND TREATMENT THROUGH SURVIVORSHIP. MANY DIFFERENT TYPES OF PROFESSIONALS CONTRIBUTE TO THE CARE OF PATIENTS IN OUR PROGRAMS. IT IS OUR GOAL TO PROVIDE THE BEST EXPERIENCE POSSIBLE, NO MATTER WHERE OR HOW A PERSON ENCOUNTERS OUR CANCER CENTER SERVICES.

THE DECESARIS CANCER INSTITUTE WAS AWARDED THE COMMISSION ON CANCER (COC) OUTSTANDING ACHIEVEMENT AWARD FOR 2008 FOLLOWING AN INTENSIVE ON-SITE SURVEY COMPLETED IN NOVEMBER 2008. IN 2011, THE COC GRANTED A THREE-YEAR ACCREDITATION WITH COMMENDATION TO THE DECESARIS CANCER INSTITUTE, RECOGNIZING ITS CANCER COMMITTEE LEADERSHIP, CANCER DATA MANAGEMENT, CLINICAL SERVICES, RESEARCH, COMMUNITY OUTREACH, AND QUALITY IMPROVEMENT.

IT IS ONE OF ONLY FOUR CANCER PROGRAMS IN MARYLAND (AND ONE OF ONLY 95 PROGRAMS NATIONWIDE) TO RECEIVE THE PRESTIGIOUS AWARD FROM THE COC, AN ORGANIZATION ESTABLISHED BY THE AMERICAN COLLEGE OF SURGEONS. THE

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AWARD WAS ESTABLISHED IN 1994 TO RECOGNIZE CANCER PROGRAMS
 DEMONSTRATING EXCELLENCE IN PROVIDING QUALITY CARE TO CANCER PATIENTS.
 A FACILITY RECEIVES THE AWARD ONLY IF DEMONSTRATING A "COMMENDATION"
 LEVEL OF COMPLIANCE WITH SEVEN COC-ESTABLISHED STANDARDS OF CARE. AAMC
 DEMONSTRATED COMMENDATION-LEVEL COMPLIANCE IN SIX AREAS; CANCER
 COMMITTEE LEADERSHIP, CANCER DATA MANAGEMENT, CLINICAL SERVICES,
 RESEARCH, COMMUNITY OUTREACH, AND QUALITY IMPROVEMENT.

THE AAMC BREAST CENTER IS NATIONALLY RECOGNIZED FOR ITS OUTSTANDING
 CARE, RESEARCH AND COMPREHENSIVE PROGRAMS. IT OFFERS KIND, SENSITIVE,
 AND TAILORED BREAST DISEASE TREATMENT AND CARE FOR WOMEN. WITH OUR
 HIGHLY EXPERIENCED BREAST SPECIALISTS AND SPECIALTY TRAINED STAFF PLUS
 STATE-OF-THE-ART FACILITIES, WE ARE A BREAST CENTER DEDICATED TO GIVING
 YOU NEW HOPE AND GOOD HEALTH.

IN THE SUMMER OF 2009, AAMC MADE A COMMITMENT TO FURTHER SERVE BREAST
 PATIENTS IN THE REGION BY OPENING A NEW, EXPANDED BREAST CENTER UNDER
 THE UMBRELLA OF THE DECESARIS CANCER INSTITUTE, AND ADDING A THIRD
 FELLOWSHIP-TRAINED BREAST SURGEON TO THE CARE TEAM. (CONT. PAGE 73)

FORM 990, PART VI, SECTION A, LINE 6: THE SOLE STOCKHOLDER OF THE
 ORGANIZATION IS THE ANNE ARUNDEL HEALTH SYSTEM, INC. ("AAHS"), A SECTION
 501(C)(3) ENTITY THAT SERVES AS THE PARENT CORPORATION OF THE INTEGRATED
 HEALTH SYSTEM.

FORM 990, PART VI, SECTION A, LINE 7A: THE SOLE STOCKHOLDER OF THE
 ORGANIZATION IS THE ANNE ARUNDEL HEALTH SYSTEM, INC. ("AAHS"), A SECTION
 501(C)(3) ENTITY THAT SERVES AS THE PARENT CORPORATION OF THE INTEGRATED

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HEALTH SYSTEM. AAHS HAS THE EXPRESS POWER AND RESPONSIBILITY TO ELECT AND REMOVE THE BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 7B: THE SOLE STOCKHOLDER OF THE ORGANIZATION IS THE ANNE ARUNDEL HEALTH SYSTEM, INC. ("AAHS"), A SECTION 501(C)(3) ENTITY THAT SERVES AS THE PARENT CORPORATION OF THE INTEGRATED HEALTH SYSTEM. AAHS HAS THE EXPRESS POWER AND RESPONSIBILITY TO APPROVE DECISIONS OF THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 11: THE BOARD HAS ASSIGNED RESPONSIBILITY FOR THE DETAILED REVIEW OF THE FORM 990 TO THE FINANCE AND AUDIT COMMITTEE OF ANNE ARUNDEL HEALTH SYSTEM, INC. (PARENT). THE FINANCE AND AUDIT COMMITTEE REVIEWS THE FORM 990 AND PROVIDES SUMMARY INFORMATION TO THE FULL BOARD. THE FORM 990 IS MADE AVAILABLE TO THE FULL BOARD FOR REVIEW PRIOR TO ITS FILING.

FORM 990, PART VI, SECTION B, LINE 12C: THE ORGANIZATION REQUIRES THAT EACH MEMBER OF THE BOARD REVIEW THE ORGANIZATION'S CONFLICT OF INTEREST POLICY ON AN ANNUAL BASIS AND RETURN AN ACKNOWLEDGEMENT OF RECEIPT AND DISCLOSURE OF ANY POTENTIAL CONFLICTS OF INTEREST. THE BOARD, MANAGEMENT AND THE ACCOUNTS PAYABLE FUNCTION MONITOR TRANSACTIONS FOR POTENTIAL EXCESS BENEFIT TRANSACTIONS/PRIVATE INUREMENT.

FORM 990, PART VI, SECTION B, LINE 15: ANNE ARUNDEL MEDICAL CENTER'S EXECUTIVE COMPENSATION COMMITTEE DETERMINES THE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S COMPENSATION FOLLOWING THE IRC SECTION 4958 REBUTTABLE PRESUMPTION TEST. ALL OTHER COMPENSATION IS DETERMINED THROUGH CONSULTATION WITH AN INDEPENDENT OUTSIDE COMPENSATION CONSULTING FIRM.

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FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE RETAINED IN THE FINANCE OFFICE AND ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST. FORM 990 IS AVAILABLE BY REQUEST TO THE FINANCIAL SERVICES OFFICE OR CAN BE OBTAINED ONLINE AT WWW.GUIDESTAR.ORG.

FORM 990, PAGE 7, PART VII, SECTION A:

THE FOLLOWING INDIVIDUALS LISTED BELOW ARE OFFICERS AND/OR EMPLOYEES OF RELATED ANNE ARUNDEL HEALTH SYSTEM ENTITIES WHO WORK A COMBINED TOTAL OF FORTY PLUS HOURS FOR THE ANNE ARUNDEL HEALTH SYSTEM:

MARTIN DOORDAN

VICTORIA BAYLESS

ROBERT REILLY

CAROLYN CORE

MITCHELL SCHWARTZ, M.D.

LISA HILLMAN

SHERRY PERKINS

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS:	27,766,440.
CHANGE IN BENEFICIAL INTEREST IN AAMC FOUNDATION, INC.	3,482,729.
ADDITIONAL PAID IN CAPITAL - COTTAGE INSURANCE COMPANY, LTD	5,000,000.
TRANSFER FROM AAMC FOUNDATION, INC. TO AAMC, INC.	5,082,900.
CHANGE IN ACCRUED PENSION LIABILITY	8,532,344.
REALIZED AND UNREALIZED LOSS FOR CONTRACTS UNDER SFAS 133	3,656,381.

Name of the organization ANNE ARUNDEL MEDICAL CENTER, INC.	Employer identification number 52-1169362
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CHANGE IN INVESTMENT IN SUBSIDIARIES ON THE EQUITY METHOD	4,340,073.
UNREALIZED LOSS FROM INVESTMENT IN PREMIER PURCHASING LP	-197,729.
TOTAL TO FORM 990, PART XI, LINE 5	57,663,138.

FORM 990, PAGE 12, PART XII, LINE 2C:

THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

FORM 990, PAGE 2, PART III, LINE 4A - CONTINUED:

THE CANCER INSTITUTE OFFERS A WIDE RANGE OF SUPPORT GROUPS TO PATIENTS AS A SOURCE OF COMFORT, ENCOURAGEMENT AND INFORMATION, AND AS A WAY TO CONNECT WITH OTHERS WHO KNOW WHAT THE PATIENTS ARE GOING THROUGH AS A PATIENT, FAMILY MEMBER OR CAREGIVER. SOME OF OUR SUPPORT GROUPS INCLUDE: GENERAL CANCER SUPPORT GROUP; MONTHLY LUNG CANCER SUPPORT GROUP; MOVING FORWARD, A MONTHLY MEETING FOR WOMEN DIAGNOSED WITH BREAST CANCER WITHIN THE LAST TWO YEARS; SISTER TO SISTER, PROVIDING SPECIALIZED SUPPORT FOR AFRICAN-AMERICAN WOMEN; AND SURVIVORS OFFERING SUPPORT, WHERE BREAST CANCER SURVIVORS ARE TRAINED TO PROVIDE ONE ON ONE MENTORING TO NEWLY DIAGNOSED PATIENTS THROUGH THEIR FIRST YEAR OF TREATMENT.

EMERGENCY SERVICES

THE AAMC EMERGENCY ROOM IS ONE OF THE BUSIEST IN THE AREA, SERVING MORE THAN 76,000 PATIENTS EACH YEAR. AAMC'S EMERGENCY DEPARTMENT EMPLOYS TRAINED PHYSICIANS, PHYSICIAN ASSISTANTS, AND NURSE PRACTITIONERS WHO ARE ON DUTY 24 HOURS A DAY, SEVEN DAYS A WEEK, AND SPECIALISTS ARE ON CALL FOR CONSULTATION.

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AAMC'S EMERGENCY DEPARTMENT INCLUDES:

- EMERGENCY TRAINED NURSES AND MEDICAL TECHNICIANS WHO PROVIDE CARE AND MONITOR PATIENT CONDITIONS THROUGHOUT THE EPISODE OF CARE. ALL PATIENTS ARE TRIAGED AND ASSIGNED A PRIORITY BASED ON THE ASSESSED MEDICAL NEED. THOSE PATIENTS WITH MORE SERIOUS CONDITIONS ARE GENERALLY TREATED IN THE MAIN ED AREA WHILE PATIENTS WITH LESS SEVERE OR MINOR CONDITIONS ARE TREATED IN THE RAPID CLINICAL EVALUATION AND INTERMEDIATE CARE AREAS. THE DEPARTMENT HAS THIRTY-THREE MAIN SIDE BEDS AND TEN INTERMEDIATE CARE BEDS. ADDITIONALLY, THERE IS A TEN BED AREA FOR HOLDING PATIENTS WAITING FOR ADMISSION. A PRIVATE SIX BED AREA IS AVAILABLE FOR PATIENTS WITH MENTAL HEALTH PROBLEMS.

- SUTURING AND SPLINTING AND CASTING SERVICES AVAILABLE FOR MINOR TRAUMA. HIGH-LEVEL TRAUMA PATIENTS ARE STABILIZED AND TRANSFERRED TO NEARBY TRAUMA CENTERS. THE HOSPITAL IS CHEST PAIN CERTIFIED AND HAS A VERY ROBUST CARDIAC PROGRAM INCLUDING RAPID STABILIZATION AND TRANSFER TO THE CATH LAB WHEN INDICATED. ALSO STROKE CERTIFIED AND EQUIPPED TO MANAGE PATIENTS ARRIVING WITH ACUTE STROKE SYMPTOMS.

- X-RAY SERVICES AVAILABLE WITHIN THE ED TO EXPEDITE DIAGNOSIS AND TREATMENT INCLUDE TWO RADIOLOGY ROOMS AND A STATE OF THE ART CT SCANNER. NEW TECHNOLOGY ALLOWS X-RAYS BE TRANSMITTED ELECTRONICALLY ENABLING THE ED DOCTORS, SPECIALISTS, AND PRIMARY CARE PHYSICIANS TO VIEW X-RAYS AND OTHER DIAGNOSTIC TESTS ON A COMPUTER WITHIN MINUTES OF BEING TAKEN.

- HOSPITALISTS AND INTENSIVISTS (DOCTORS SPECIALLY TRAINED IN CRITICAL CARE AND INPATIENT CARE) ADMIT PATIENTS TO THE ACUTE CARE PAVILION ONCE THE DETERMINATION IS MADE THAT FURTHER MEDICAL AND NURSING ARE NEEDED.

- MENTAL HEALTH ASSESSMENT AND PLACEMENT SERVICES ARE PROVIDED BY

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LICENSED MENTAL HEALTH CLINICIANS.

- DOMESTIC VIOLENCE ASSESSMENT AND SUPPORT SERVICES ARE PROVIDED BY TRAINED COUNSELORS.

PATIENT ADVOCATES AND VOLUNTEERS ARE AVAILABLE TO ASSIST FAMILIES WITH PERSONAL NEEDS AND COMFORT CARE.

COMMUNITY HEALTH EDUCATION AND SUPPORT

COMMUNITY HEALTH EDUCATION SERVICES ENCOURAGE HEALTHY LIFESTYLES AND DISEASE PREVENTION. IN MOST CASES, AAMC PROVIDED THESE SERVICES AT MINIMAL OR NO COST. THE FOLLOWING SERVICES WERE OFFERED IN FY11:

INDIVIDUAL NUTRITION COUNSELING WITH REGISTERED DIETITIANS WAS PROVIDED AT A NOMINAL COST. IN FY11, AAMC DIETICIANS SPENT MORE THAN 567 HOURS IN INDIVIDUAL DIETARY CONSULTATIONS. APPROXIMATELY 500 ADDITIONAL HOURS BY THE NUTRITIONAL STAFF WERE SPENT PROVIDING EDUCATIONAL SEMINARS AND/OR TALKS TO THE COMMUNITY VIA HEALTH FAIRS AND/OR SPECIAL REQUESTS BY SENIOR/CORPORATE ORGANIZATIONS.

NUTRITION EDUCATION WAS OFFERED IN SIX GROCERY STORES THROUGHOUT THE COUNTY, FUNDED BY A GRANT FROM THE ANNE ARUNDEL COUNTY HEALTH DEPARTMENT. APPROXIMATELY 1,615 CONSUMERS WERE GREETED AND MORE THAN 20,000 PIECES OF EDUCATIONAL MATERIAL WERE DISTRIBUTED DURING THESE SESSIONS. APPROXIMATELY 75 MASSAGE, HEALING TOUCH, AND REIKI SESSIONS WERE GIVEN AT A MODERATE COST TO THE COMMUNITY.

AAMC PHYSICIANS, PHARMACISTS, REGISTERED NURSES, DIETITIANS AND OTHER PROFESSIONALS VOLUNTEER THEIR TIME AND EXPERTISE TO PROVIDE UP-TO-DATE

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INFORMATION ON DISEASE PREVENTION AND OTHER HEALTH-RELATED ISSUES

THROUGH FREE SEMINARS AND PROGRAMS. THESE PROGRAMS, DESIGNED TO MEET THE HEALTH NEEDS OF THE COMMUNITY AND COORDINATED BY THE DEPARTMENTS OF PUBLIC RELATIONS AND COMMUNITY HEALTH AND WELLNESS, ARE OFFERED TO LOCAL CLUBS, SCHOOLS, CORPORATIONS, CIVIC ORGANIZATIONS AND THE GENERAL PUBLIC. CLASS TOPICS ARE BASED ON COMMUNITY HEALTH ASSESSMENTS, RESULTS OF CUSTOMER INTEREST SURVEYS, FOCUS GROUPS, AND FEEDBACK PROVIDED ON PROGRAM EVALUATIONS. TOPICS INCLUDE PROSTATE CANCER, CARDIAC RISK, VASCULAR DISEASE, BACK CARE, BREAST CANCER, ARTHRITIS, PAIN MANAGEMENT, REFLUX DISEASE, DIABETES AND MENOPAUSE. MORE THAN 30,000 PEOPLE PARTICIPATED IN AAMC CLASSES AND SPECIAL EDUCATION EVENTS DURING FY09. MOST CLASSES WERE OFFERED AT A BREAK-EVEN COST OR A LOSS TO THE MEDICAL CENTER.

FORM 990, PAGE 3, PART IV, LINE 10

FUNDS ARE HELD IN AN ENDOWMENT AND ARE REPORTED ON THE FORM 990 FOR THE ANNE ARUNDEL MEDICAL CENTER FOUNDATION. THE FOUNDATION PROVIDES THESE FUNDS TO THE AFFILIATED ANNE ARUNDEL ENTITIES, INCLUDING ANNE ARUNDEL MEDICAL CENTER, IN ORDER TO FURTHER THE EXEMPT PURPOSE OF THE HEALTH SYSTEM.

FORM 990, PAGE 9, PART VIII, LINE 11

PAYROLL AND BENEFITS FOR ALL OFFICERS, DIRECTORS AND EMPLOYEES OF THE CONSOLIDATED GROUP KNOWN AS ANNE ARUNDEL HEALTH SYSTEM, INC. IS ADMINISTERED THROUGH ANNE ARUNDEL MEDICAL CENTER, INC. (AAMC) AAMC SUBSEQUENTLY BILLS EACH ENTITY FOR THE AMOUNT OF WAGE AND BENEFIT EXPENSE INCURRED BY THEM. THIS IS REPORTED ON THE FORM 990 AS

"MANAGEMENT SERVICES" ON PAGE 9.

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Related Organizations and Unrelated Partnerships
▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

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

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

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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
ANNE ARUNDEL GENERAL TREATMENT SERVICES, INC. - 52-1722088, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	ALCOHOL & DRUG ABUSE TREATMENT SERVICES	MARYLAND	501(C)(3)	3	ANNE ARUNDEL MEDICAL CENTER, INC.		X
ANNE ARUNDEL HEALTH CARE SERVICES, INC. - 52-1467734, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	OUTPATIENT DIAGNOSTICS AND IMAGING SERVICES	MARYLAND	501(C)(3)	3	ANNE ARUNDEL MEDICAL CENTER, INC.		X
ANNE ARUNDEL HEALTH SYSTEMS, INC. - 52-1622253, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	SUPPORT HEALTH CARE RELATED ENTITIES	MARYLAND	501(C)(3)	9	N/A		X
ANNE ARUNDEL MEDICAL CENTER FOUNDATION, INC., - 52-1331298, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	SUPPORTING ORGANIZATION OF AAHS, INC AND SUBSIDIARIES	MARYLAND	501(C)(3)	11	ANNE ARUNDEL HEALTH SYSTEM, INC.		X

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

Schedule R (Form 990) 2010

Part II Continuation of Identification of Related Tax-Exempt Organizations

(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 organization?	
						Yes	No
ANNE ARUNDEL REAL ESTATE HOLDING COMPANY, INC. - 52-1622251, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	REAL ESTATE HOLDING COMPANY	MARYLAND	501(C)(2)		ANNE ARUNDEL HEALTH SYSTEM, INC.		X
ANNE ARUNDEL HEALTH SYSTEM RESEARCH INSTITUTE, INC. - 26-3038406, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	MEDICAL RESEARCH	MARYLAND	501(C)(3)	4	ANNE ARUNDEL HEALTH SYSTEM, INC.		X
PHYSICIAN ENTERPRISE, LLC - 27-0263214 2001 MEDICAL PARKWAY ANNAPOLIS, MD 21401	EMPLOYS PHYSICIANS	MARYLAND	501(C)(3)	3	ANNE ARUNDEL HEALTH SYSTEM, INC.		X

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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	
MEDICAL OFFICE, LLC - 20-2290229 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	MEDICAL REAL ESTATE LEASING	MD	N/A	N/A	N/A	N/A			N/A			N/A
ANNAPOLIS EXCHANGE, LOT IV, LLC - 52-2020156, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	COMMERCIAL REAL ESTATE LEASING	MD	N/A	N/A	N/A	N/A			N/A			N/A
ANNAPOLIS EXCHANGE, LOT V, LLC - 52-2020157, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	MEDICAL REAL ESTATE LEASING	MD	N/A	N/A	N/A	N/A			N/A			N/A
KENT ISLAND MEDICAL ARTS, LLC - 26-0623450, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	MEDICAL REAL ESTATE LEASING	MD	N/A	N/A	N/A	N/A			N/A			N/A

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to 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
ANNE ARUNDEL HEALTH CARE ENTERPRISES, INC. - 52-1646304, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	MEDICAL SERVICES	MD	N/A	C CORP	N/A	N/A	N/A
PAVILION PARK, INC. - 52-1890034 2001 MEDICAL PARKWAY ANNAPOLIS, MD 21401	REAL ESTATE LEASING	MD	N/A	C CORP	N/A	N/A	N/A
COTTAGE INSURANCE COMPANY, LTD. - 98-0461499 P.O. BOX 1109 GRAND CAYMAN, CAYMAN ISLANDS CJ KY1-110	CAPTIVE INSURER - PROFESSIONAL LIABILITY INSURANCE	CAYMAN ISLANDS		C CORP	4,987,902.	39,156,377.	100%

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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	
BLUE BUILDING, LLC - 26-3525250, 2001 MEDICAL PARKWAY, ANNAPOLIS, MD 21401	MEDICAL REAL ESTATE LEASING	MD	N/A	N/A	N/A	N/A		N/A	N/A		N/A	N/A

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

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	X	
b	Gift, grant, or capital contribution to other organization(s)	X	
c	Gift, grant, or capital contribution from other organization(s)	X	
d	Loans or loan guarantees to or for other organization(s)	X	
e	Loans or loan guarantees by other organization(s)		X
f	Sale of assets to other organization(s)		X
g	Purchase of assets from other organization(s)		X
h	Exchange of assets		X
i	Lease of facilities, equipment, or other assets to other organization(s)	X	
j	Lease of facilities, equipment, or other assets from other organization(s)	X	
k	Performance of services or membership or fundraising solicitations for other organization(s)		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	X	
m	Sharing of facilities, equipment, mailing lists, or other assets		X
n	Sharing of paid employees		X
o	Reimbursement paid to other organization for expenses	X	
p	Reimbursement paid by other organization for expenses	X	
q	Other transfer of cash or property to other organization(s)		
r	Other transfer of cash or property from other organization(s)		

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ANNE ARUNDEL HEALTH CARE ENTERPRISES, INC.	I	85,600.FMV	
(2) PAVILION PARK, INC.	I	160,356.FMV	
(3) BLUE BUILDING, LLC	A	859,500.FMV	
(4) KENT ISLAND MEDICAL ARTS, LLC	J	137,103.FMV	
(5) PAVILION PARK, INC.	J	780,509.FMV	
(6) BLUE BUILDING, LLC	J	2,796,405.FMV	

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) ANNE ARUNDEL HEALTH CARE ENTERPRISES, INC.	O	124,569.FMV	
(8) ANNE ARUNDEL HEALTH CARE ENTERPRISES, INC.	P	112,000.FMV	
(9) ANNE ARUNDEL HEALTH CARE SERVICES, INC.	P	6,249,010.FMV	
(10) ANNE ARUNDEL GENERAL TREATMENT SERVICES, INC.	P	3,689,916.FMV	
(11) PAVILION PARK, INC.	P	295,076.FMV	
(12) ANNE ARUNDEL REAL ESTATE HOLDING COMPANY, INC.	R	13,999,325.FMV	
(13) ANNE ARUNDEL HEALTH CARE ENTERPRISES, INC.	R	249,449.FMV	
(14) COTTAGE INSURANCE COMPANY, LTD.	Q	4,916,000.FMV	
(15) PHYSICIAN ENTERPRISE, LLC	B	6,956,891.FMV	
(16) ANNE ARUNDEL MEDICAL CENTER FOUNDATION, INC.	C	987,126.FMV	
(17) ANNE ARUNDEL HEALTH SYSTEM RESEARCH INSTITUTE, INC.	I	87,328.FMV	
(18) PHYSICIAN ENTERPRISE, LLC	O	214,500.FMV	
(19) ANNE ARUNDEL MEDICAL CENTER FOUNDATION, INC.	P	879,131.FMV	
(20) ANNE ARUNDEL HEALTH SYSTEM RESEARCH INSTITUTE, INC.	P	1,287,783.FMV	
(21) ANNE ARUNDEL HEALTH SYSTEM RESEARCH INSTITUTE, INC.	L	681,000.FMV	
(22)			
(23)			
(24)			

Part VI. Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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) Are all partners section 501(c)(3) organizations?		(e) Share of end-of- year assets	(f) Dispropor- tionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Lined area for supplemental information.

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2010

Department of the Treasury
Internal Revenue Service

For calendar year 2010 or other tax year beginning **JUL 1, 2010**, and ending **JUN 30, 2011**

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) ANNE ARUNDEL MEDICAL CENTER, INC.</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 2001 MEDICAL PARKWAY</p> <p>City or town, state, and ZIP code ANNAPOLIS, MD 21401</p>	<p>D Employer identification number (Employees' trust, see instructions.) 52-1169362</p> <p>E Unrelated business activity codes (See instructions.) 621500 541900</p>
<p>C Book value of all assets at end of year 902345989.</p>	<p>F Group exemption number (See instructions.)</p> <p>G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>	

H Describe the organization's primary unrelated business activity. **▶ LABORATORY SERVICES**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation. **▶ SEE STATEMENT 3**

J The books are in care of **▶ SANDRA HUFFER** Telephone number **▶ (443) 481-6554**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 9,386,561.			
b Less returns and allowances c Balance ▶	1c 9,386,561.		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3 9,386,561.		9,386,561.
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5 2,048.	STMT 1	2,048.
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8 429,750.	187,744.	242,006.
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule.)	12		
13 Total. Combine lines 3 through 12	13 9,818,359.	187,744.	9,630,615.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)			14
15 Salaries and wages			15 2,986,977.
16 Repairs and maintenance			16
17 Bad debts			17
18 Interest (attach schedule)			18
19 Taxes and licenses			19
20 Charitable contributions (See instructions for limitation rules.)			20
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23 Depletion			23
24 Contributions to deferred compensation plans			24
25 Employee benefit programs			25 235,710.
26 Excess exempt expenses (Schedule I)			26
27 Excess readership costs (Schedule J)			27
28 Other deductions (attach schedule) SEE STATEMENT 2			28 7,288,425.
29 Total deductions. Add lines 14 through 28			29 10,511,112.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30 -880,497.
31 Net operating loss deduction (limited to the amount on line 30)			31 0.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32 -880,497.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions.)			33 1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34 -880,497.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34	35c	0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a	
b Other credits (see instructions)	40b	
c General business credit. Attach Form 3800	40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e Total credits. Add lines 40a through 40d	40e	
41 Subtract line 40e from line 39	41	0.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42	
43 Total tax. Add lines 41 and 42	43	0.
44a Payments: A 2009 overpayment credited to 2010	44a	
b 2010 estimated tax payments	44b	
c Tax deposited with Form 8868	44c	
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d	
e Backup withholding (see instructions)	44e	
f Credit for small employer health insurance premiums (Attach Form 8941)	44f	
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	44g	
45 Total payments. Add lines 44a through 44g	45	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	0.
49 Enter the amount of line 48 you want: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here CAYMAN ISLANDS	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.	X	X
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs	4a				X
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer _____ Date _____ **CFO** Title _____
 May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only
 Print/Type preparer's name: **LORI S. BURGHAUSER** Preparer's signature: **LORI S. BURGHAUSE** Date: **05/09/12** Check if self-employed PTIN: **P00370694**
 Firm's name: **SC&H TAX & ADVISORY SERVICES, LLC** Firm's EIN: **20-5991824**
 Firm's address: **910 RIDGEBROOK ROAD SPARKS, MD 21152** Phone no.: **(410) 403-1500**

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)			
(2)			
(3)			
(4)			
2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)	
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)		
(1)			
(2)			
(3)			
(4)			
Total	0.	Total	0.
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0.		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.	

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8				0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1) BLUE BUILDING, LLC	26-3523230				
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1) -35,954.	-35,954.	429,750.	429,750.	STATEMENT 4 187,744.	
(2)					
(3)					
(4)					
Totals			429,750.	187,744.	

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total			0.

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 1

DESCRIPTION	AMOUNT
PREMIER PURCHASING PARTNERS, LP	2,048.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	2,048.

FORM 990-T OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
CONTRACTUAL ALLOWANCES	4,433,286.
SUPPLIES	1,900,693.
PURCHASED SERVICES	954,446.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	7,288,425.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 3

CORPORATION'S NAME	IDENTIFYING NO
ANNE ARUNDEL HEALTH SYSTEM	52-1622253

FORM 990-T SCHEDULE F - DEDUCTIONS OF CONTROLLED ORGANIZATIONS STATEMENT 4
DIRECTLY CONNECTED WITH COLUMN 10 INCOME

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		187,744.	
- SUBTOTAL -	1		187,744.
TOTAL OF FORM 990-T, SCHEDULE F, COLUMN 11			187,744.

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

OMB No. 1545-0704

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning _____, and ending _____,

Attachment Sequence No. **121**

Name of person filing this return ANNE ARUNDEL MEDICAL CENTER, INC. <small>Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)</small> 2001 MEDICAL PARKWAY <small>City or town, state, and ZIP code</small> ANNAPOLIS, MD 21401 Filer's tax year beginning JUL 1 , 2010, and ending JUN 30 , 2011	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %
---	--

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

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

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

1a Name and address of foreign corporation COTTAGE INSURANCE COMPANY, LTD P.O. BOX 1109 GRAND CAYMAN KY1-1102 CAYMAN ISLANDS	b Employer identification number, if any 98-0461499 c Country under whose laws incorporated CAYMAN ISLANDS			
d Date of incorporation 06/06/05	e Principal place of business CAYMAN ISLANDS	f Principal business activity code number 525990	g Principal business activity FINANCIAL	h Functional currency U.S., DOLLAR

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

a Name, address, and identifying number of branch office or agent (if any) in the United States (Empty)	b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"><i>(i)</i> Taxable income or (loss)</td> <td style="width:50%;"><i>(ii)</i> U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> U.S. income tax paid (after all credits)		
<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> U.S. income tax paid (after all credits)				
c Name and address of foreign corporation's statutory or resident agent in country of incorporation KANE (CAYMAN) LIMITED P.O. BOX 1109 GRAND CAYMAN KY1-1102 CAYMAN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different (Empty)				

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	<i>(i)</i> Beginning of annual accounting period	<i>(ii)</i> End of annual accounting period
COMMON	120,000	120,000

Schedule B U.S. Shareholders of Foreign Corporation

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
ANNE ARUNDEL MEDICAL CTR 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401 52-1169362	COMMON	120,000	120,000	100.00%

Schedule C Income Statement

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

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	4,916,000.
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	4,916,000.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	4,916,000.
	4 Dividends	4	
	5 Interest	5	977,515.
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
7 Net gain or (loss) on sale of capital assets	7	2,422,525.	
8 Other income (attach schedule)	8		
9 Total income (add lines 3 through 8)	9	8,316,040.	
Deductions	10 Compensation not deducted elsewhere	10	
	11a Rents	11a	
	b Royalties and license fees	11b	
	12 Interest	12	
	13 Depreciation not deducted elsewhere	13	
	14 Depletion	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15	
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) SEE STATEMENT 5	16	3,328,138.
17 Total deductions (add lines 10 through 16)	17	3,328,138.	
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18	4,987,902.
	19 Extraordinary items and prior period adjustments	19	
	20 Provision for income, war profits, and excess profits taxes	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21	4,987,902.

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

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

Schedule F Balance Sheet

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

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	2,557,583.	2,670,451.
2a	Trade notes and accounts receivable		
b	Less allowance for bad debts	()	()
3	Inventories		
4	Other current assets (attach schedule) SEE STATEMENT 6	7,697,610.	8,653,326.
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule) SEE STATEMENT 7	21,228,278.	27,832,600.
8a	Buildings and other depreciable assets		
b	Less accumulated depreciation	()	()
9a	Depletable assets		
b	Less accumulated depletion	()	()
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	()	()
12	Other assets (attach schedule)		
13	Total assets	31,483,471.	39,156,377.
Liabilities and Shareholders' Equity			
14	Accounts payable	63,999.	71,312.
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule) SEE STATEMENT 8	18,694,020.	26,371,711.
18	Capital stock:		
a	Preferred stock		
b	Common stock	120,000.	120,000.
19	Paid-in or capital surplus (attach reconciliation)	2,143,021.	2,143,021.
20	Retained earnings	10,462,431.	10,450,333.
21	Less cost of treasury stock	()	()
22	Total liabilities and shareholders' equity	31,483,471.	39,156,377.

Schedule G Other Information

- | | | |
|--|--------------------------|-------------------------------------|
| | Yes | No |
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," see the instructions for required attachment. | | |
| 2 During the tax year, did the foreign corporation own an interest in any trust? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," you are generally required to attach Form 8858 for each entity (see instructions). | | |
| 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Schedule H Current Earnings and Profits

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

1 Current year net income or (loss) per foreign books of account	1	4,987,902.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	Net Additions	Net Subtractions
a Capital gains or losses		1,453,725.
b Depreciation and amortization		
c Depletion		
d Investment or incentive allowance		
e Charges to statutory reserves		
f Inventory adjustments		
g Taxes		
h Other (attach schedule)	2,569,695.	4,916,000.
3 Total net additions	2,569,695.	
4 Total net subtractions		6,369,725.
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	1,187,872.
b DASTM gain or (loss) for foreign corporations that use DASTM	5b	
c Combine lines 5a and 5b	5c	1,187,872.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations)	5d	1,187,872.
Enter exchange rate used for line 5d ▶ 1.000000		

Schedule I Summary of Shareholder's Income From Foreign Corporation

1 Subpart F income (line 38b, Worksheet A in the instructions)	1	1,187,872.
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5 Factoring income	5	
6 Total of lines 1 through 5. Enter here and on your income tax return	6	1,187,872.
7 Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8 Exchange gain or (loss) on a distribution of previously taxed income	8	

- | | | |
|--|--------------------------|-------------------------------------|
| | Yes | No |
| • Was any income of the foreign corporation blocked? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Did any such income become unblocked during the tax year (see section 964(b))? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5

Shareholder's income from foreign corporation

1	Subpart F income	1	<u>1,187,872.</u>
2	Earnings invested in U.S. property	2	_____
3	Previously excluded subpart F income withdrawn from qualified investments	3	_____
4	Previously excluded export trade income withdrawn from investment in export trade assets	4	_____
5	Factoring income	5	_____
6	Total of lines 1 through 5	6	<u>1,187,872.</u>
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	_____
8	Exchange gain or (loss) on a distribution of previously taxed income	8	_____

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0704

▶ Attach to Form 5471.

Name of person filing Form 5471

Identifying number

ANNE ARUNDEL MEDICAL CENTER, INC.

52-1169362

Name of foreign corporation

COTTAGE INSURANCE COMPANY, LTD

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)
1 Balance at beginning of year	-1,467,817.	
2a Current year E&P	1,187,872.	
b Current year deficit in E&P		
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	-279,945.	
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year	1,187,872.	
5a Actual distributions or reclassifications of previously taxed E&P		
b Actual distributions of nonpreviously taxed E&P		
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)		
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-1,467,817.	
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-1,467,817.	

	(c) Previously Taxed E&P (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
	(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1				-1,467,817.
2a				
b				
3				
4			1,187,872.	
5a			983,000.	
b				
6a			204,872.	
b				
7			204,872.	-1,262,945.

**SCHEDULE M
(Form 5471)**

(Rev. December 2010)

Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

▶ Attach to Form 5471.

Name of person filing Form 5471

Identifying number

ANNE ARUNDEL MEDICAL CENTER, INC.

52-1169362

Name of foreign corporation

COTTAGE INSURANCE COMPANY, LTD

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **U.S. , DOLLAR**

1.000000

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance	1,092,521.				
12 Add lines 1 through 11	1,092,521.				
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc.)					
16 Platform contribution transaction payments paid					
17 Cost sharing transaction payments paid					
18 Compensation paid for technical, managerial, engineering, construction, or like services					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23					
25 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
26 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

FORM 5471	OTHER DEDUCTIONS	STATEMENT	5
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DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNDERWRITING EXPENSES			3,102,797.
PROFESSIONAL FEES			127,690.
MANAGEMENT FEES			44,500.
TRAVEL AND MEETING EXPENSES			24,629.
INVESTMENT MANAGEMENT FEES			13,746.
GOVERNMENT FEES			13,443.
MISCELLANEOUS EXPENSES			1,333.
TOTAL TO 5471, SCHEDULE C, LINE 16			3,328,138.

FORM 5471	OTHER CURRENT ASSETS	STATEMENT	6
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DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INTEREST RECEIVABLE	34,722.	34,884.
OUTSTANDING CLAIMS RESERVES RECOVERABLE	7,485,000.	8,576,000.
PREPAID EXPENSES	5,732.	5,728.
ESCROW ACCOUNT	172,156.	36,714.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 4		8,653,326.

FORM 5471	OTHER INVESTMENTS	STATEMENT	7
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DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
EQUITY MUTUAL FUNDS	6,372,355.	7,815,379.
FIXED INCOME MUTUAL FUNDS	14,855,923.	15,580,357.
EXCHANGE TRADED FUNDS	0.	4,436,864.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 7		27,832,600.

FORM 5471	OTHER LIABILITIES	STATEMENT	8
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DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
PROVISION FOR ADVERSE CLAIMS DEVELOPMENT	15,653,078.	18,621,742.
PROVISION FOR REPORTED CLAIMS	3,040,942.	2,749,969.
DIVIDENDS PAYABLE	0.	5,000,000.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 17	18,694,020.	26,371,711.

FORM 5471	OTHER NET ADJUSTMENTS	STATEMENT	9
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DESCRIPTION	NET ADDITIONS	NET SUBTRACTIONS
RELATED PARTY PREMIUMS		4,916,000.
RELATED PARTY CLAIMS PAID	2,569,691.	
MOVEMENT IN PREPAID EXPENSES	4.	
TOTAL TO 5471, PAGE 4, SCHEDULE H, LINE 2H	2,569,695.	4,916,000.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II		Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).	
Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization	Employer identification number	
	ANNE ARUNDEL MEDICAL CENTER, INC.	52-1169362	
	Number, street, and room or suite no. If a P.O. box, see instructions. 2001 MEDICAL PARKWAY	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

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

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

SANDRA HUFFER

- The books are in the care of **▶ 2001 MEDICAL PARKWAY - ANNAPOLIS, MD 21401**
Telephone No. **▶ (443) 481-6554** FAX No. **▶**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **▶**. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until **MAY 15, 2012**.
- For calendar year **▶**, or other tax year beginning **JUL 1, 2010**, and ending **JUN 30, 2011**.
- If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period
- State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

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

Signature and Verification

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

Signature **▶** *Sandra Huffer* Title **▶** CPA Date **▶** 1/25/12

Form **8879-EO**

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2010, or fiscal year beginning JUL 1, 2010, and ending JUN 30, 2011

2010

Department of the Treasury
Internal Revenue Service

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

Name of exempt organization

Employer identification number

ANNE ARUNDEL MEDICAL CENTER, INC.

52-1169362

Name and title of officer

**ROBERT REILLY
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 1 line in Part I.

1a Form 990 check here	▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	445330786
2a Form 990-EZ check here	▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here	▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here	▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here	▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	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 2010 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 **SC&H TAX & ADVISORY SERVICES, LLC** to enter my PIN **69362**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2010 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 2010 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 _____ Date _____

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.

52410221031
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 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 *Lou S. Bueghausen* Date 05/09/12

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

Return by a U.S. Transferor of Property to a Foreign Corporation

OMB No. 1545-0026

Attachment
 Sequence No. **128**

▶ Attach to your income tax return for the year of the transfer or distribution.

Part I U.S. Transferor Information (see instructions)

Name of transferor ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
--	--

1 If the transferor was a corporation, complete questions 1a through 1d.

- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(5) been made? Yes No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation) COTTAGE INSURANCE COMPANY	4 Identifying number, if any 98-0461499
---	--

5 Address (including country)
P.O. BOX 1109
GRAND CAYMAN, KY1-1102 CAYMAN ISLANDS

6 Country code of country of incorporation or organization
CJ

7 Foreign law characterization (see instructions)
CORPORATION

- 8** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	12/31/2010		4,916,000.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 100 % (b) After 100 %

10 Type of nonrecognition transaction (see instructions) IRC SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

- a Gain recognition under section 904(f)(3)
b Gain recognition under section 904(f)(5)(F)
c Recapture under section 1503(d)
d Exchange gain under section 987

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation?

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

- a Tainted property
b Depreciation recapture
c Branch loss recapture
d Any other income recognition provision contained in the above-referenced regulations

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)?

15 a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)?

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred \$

16 Was cash the only property transferred?

17 a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction?

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction: