

Return of Organization Exempt From Income Tax

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

- ▶ Do not enter social security numbers on this form as it may be made public.
- ▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2016 calendar year, or tax year beginning 07/01, 2016, and ending 06/30, 2017

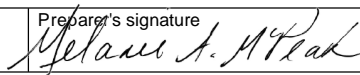
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FREDERICK MEMORIAL HOSPITAL, INC. Doing business as			D Employer identification number 52-0591612	
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite		E Telephone number (240) 566-3000		
	City or town, state or province, country, and ZIP or foreign postal code FREDERICK, MD 21701			G Gross receipts \$ 417,065,061.	
	F Name and address of principal officer: THOMAS A. KLEINHANZL 400 W 7TH STREET FREDERICK, MD 21701			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
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.FMH.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: 1897				M State of legal domicile: MD	
H(c) Group exemption number ▶					

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO CONTRIBUTE TO THE HEALTH AND WELL-BEING OF AREA RESIDENTS BY PROVIDING QUALIY HEALTHCARE IN A CARING, COST EFFICIENT, SAFE AND CONVENIENT MANNER.		
	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	20.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16.
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	2,321.
	6	Total number of volunteers (estimate if necessary)	6	680.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	22,154.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	5,988,839.	3,595,815.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	345,251,128.	360,060,021.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,509,473.	10,082,601.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-677,315.	-609,243.
	12		355,072,125.	373,129,194.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	50,000.	50,000.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	135,290,435.	145,852,064.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	72,000.	54,000.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 663,522.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	195,281,102.	203,265,867.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	330,693,537.	349,221,931.
19	Revenue less expenses. Subtract line 18 from line 12	24,378,588.	23,907,263.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	496,222,959.	552,559,555.
	22	Net assets or fund balances. Subtract line 21 from line 20	271,801,049.	290,277,677.
			224,421,910.	262,281,878.

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 MICHELLE MAHAN Type or print name and title	Date CFO
	Print/Type preparer's name MELANIE A MCPEAK	Preparer's signature 
Paid Preparer Use Only	Check <input type="checkbox"/> if self-employed	PTIN P01346034
	Firm's name ▶ ERNST & YOUNG U.S. LLP	Firm's EIN ▶ 34-6565596
	Firm's address ▶ 201 NORTH FRANKLIN ST, STE 2400 TAMPA, FL 33602	Phone no. 813-225-4800

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

For Paperwork Reduction Act Notice, see the separate instructions.

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

▶ **File a separate application for each return.**
▶ Information about Form 8868 and its instructions is at www.irs.gov/form8868.

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for *Charities and Non-Profits*.

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

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

Type or print	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	FREDERICK MEMORIAL HOSPITAL, INC.	52-0591612
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
400 WEST SEVENTH STREET		
City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
FREDERICK, MD 21701		

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

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

MICHELLE K. MAHAN

• The books are in the care of ▶ 400 WEST SEVENTH STREET FREDERICK MD 21719

Telephone No. ▶ 240 566-3350 Fax No. ▶ 240 566-3969

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

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

1 I request an automatic 6-month extension of time until 05/15, 2018, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year 20__ or
- ▶ tax year beginning 07/01, 2016, and ending 06/30, 2017.

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

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

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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

Cumulative E-File History 2016	
FED	
Locator: 97970M Taxpayer Name: Frederick Memorial Hospital, Inc. Return Type: 990, 990	
Submitted Date	11/9/2017 3:26:45 PM
Acknowledgement Date	11/9/2017 3:58:48 PM
Status	Accepted
Submission ID	59196620173135000002
Print	Close

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

ATTACHMENT 1

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

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

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

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

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

4a (Code:) (Expenses \$ 33,981,281. including grants of \$ 50,000.) (Revenue \$ 61,442,574.)

ATTACHMENT 2

4b (Code:) (Expenses \$ 31,479,243. including grants of \$ 0.) (Revenue \$ 68,426,504.)

ATTACHMENT 3

4c (Code:) (Expenses \$ 27,088,782. including grants of \$ 0.) (Revenue \$ 26,936,369.)

ATTACHMENT 4

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

(Expenses \$ 211,078,388. including grants of \$ 0.) (Revenue \$ 204,521,720.)

4e Total program service expenses ▶ 303,627,694.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>	X	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions).	X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <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 25a.</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), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		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 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	X	
36 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 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (20), 1b (16), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b (X), 11a (X), 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b (X).

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 (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: MICHELLE K. MAHAN 400 W 7TH STREET FREDERICK, MD 21701 240-566-3350

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ANNE HERBERT ROLLINS DIRECTOR ENDED 9/30/16	0. 0.	X					0.	0.	0.	
(2) REV. ROGER W. WILMER, JR. DIRECTOR	2.00 0.	X					0.	0.	0.	
(3) GERALD WINNAN, MD CHAIRMAN	2.00 3.00	X		X			0.	0.	0.	
(4) SHAWN WOLF DIRECTOR	2.00 0.	X					0.	0.	0.	
(5) RAVI YALAMANCHILI DIRECTOR	2.00 0.	X					322,700.	0.	0.	
(6) CORNELIUS FAY DIRECTOR	2.00 0.	X					0.	0.	0.	
(7) TERRENCE MCPHERSON DIRECTOR	2.00 0.	X					0.	0.	0.	
(8) LAURA MELIA DIRECTOR	2.00 0.	X					0.	0.	0.	
(9) THOMAS A. KLEINHANZL PRESIDENT AND CEO	30.00 10.00	X		X			1,089,396.	0.	248,858.	
(10) R. CARL BENNA DIRECTOR	2.00 0.	X					0.	0.	0.	
(11) ALLEN D. MAWDSLEY DIRECTOR	2.00 0.	X					0.	0.	0.	
(12) ELLEN NOLAND DIRECTOR - END 7/1/16	0. 0.	X					0.	0.	0.	
(13) ELIZABETH PAKENAS DIRECTOR	2.00 0.	X					0.	0.	0.	
(14) GREGORY P. DORMITZER DIRECTOR	2.00 2.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
15) THEODORE LUCK DIRECTOR	2.00 0.	X					0.	0.	0.	
16) HONORABLE STEPHEN JOHNSON SECRETARY/TREASURER	2.00 0.	X		X			0.	0.	0.	
17) THOMAS MUNRO, MD VC OF STAFF	5.00 0.	X					27,996.	0.	0.	
18) GERRIT SCHIPPER, MD CHIEF OF STAFF	10.00 0.	X					51,996.	0.	0.	
19) JOE COLLINS DIRECTOR	2.00 0.	X					0.	0.	0.	
20) E. JAMES REINSCH DIRECTOR	2.00 0.	X					0.	0.	0.	
21) P. GREGORY RAUSCH, MD CHAIR, FMH DEVELOPMENT COUNCIL	4.00 0.	X					0.	0.	0.	
22) J. FREDERICK MANNING VICE CHARMAN	4.00 2.00	X		X			0.	0.	0.	
23) MICHELLE K. MAHAN SR VP AND CFO	32.00 8.00			X			653,744.	0.	56,519.	
24) JOHN R. VERBUS-UNTIL 8/1/17 SR VP AND COO	20.00 0.			X			425,229.	0.	55,066.	
25) MANUEL A. CASIANO VP MEDICAL STAFF	14.00 26.00				X		466,457.	0.	47,171.	
1b Sub-total							1,412,096.	0.	248,858.	
c Total from continuation sheets to Part VII, Section A							4,791,622.	0.	494,354.	
d Total (add lines 1b and 1c)							6,203,718.	0.	743,212.	

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

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 5		

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 **▶** 49

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
26) CHERYL L. CIOFFI SVP COO AND CNO	36.00 4.00				X			309,425.	0.	58,191.
27) HANNAH R. JACOBS VP FINANCE	33.00 7.00				X			212,343.	0.	13,624.
28) RACHEL I. MANDEL AVP MEDICAL AFFAIRS	40.00 0.				X			228,015.	0.	13,358.
29) CRAIG F. ROSENDALE VP ANCILLARY SERVICES	24.00 16.00				X			217,955.	0.	29,117.
30) DONALD R. SCHILLING VP AMBULATORY SERVICES	6.00 34.00				X			241,039.	0.	21,180.
31) JENNIFER G. TEETER VP CLINICAL INTEGRATION	16.00 24.00				X			231,911.	0.	29,351.
32) JIM R. WILLIAMS SVP POPULATION HEALTH	20.00 20.00				X			266,435.	0.	31,637.
33) HEATHER R KIRBY AVP-CARE MGMT	40.00 0.				X			178,542.	0.	23,251.
34) MARK S. SOBERMAN PHYSICIAN	20.00 20.00					X		473,315.	0.	32,549.
35) DUSTIN M. SIMONSON ONCOLOGY MEDICAL PHYSICIST	40.00 0.					X		190,027.	0.	30,306.
36) JAMES BLAKE TRUMBLE MEDICAL DIRECTOR	40.00 0.					X		236,941.	0.	28,952.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

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

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(37) ANUSHA BELANI EPIDEMIOLOGIST	40.00 0.					X		185,687.	0.	15,983.
(38) EMMANUEL FRU WANKI RN PER DIEM	60.00 0.					X		194,565.	0.	8,099.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

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

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

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

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions) . .	1e					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	3,595,815.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f ▶			3,595,815.			
Program Service Revenue		Business Code					
	2a <u>INPATIENT REVENUE</u>	624110		193,053,022.	193,053,022.		
	b <u>OUTPATIENT REVENUE</u>	621410		163,632,216.	163,632,216.		
	c <u>GROUP PURCHASING PREMIER</u>	525990		251,698.	229,544.	22,154.	
	d <u>ALL OTHER PROGRAM SERVICE REVENUE</u>	900099		3,123,085.	3,123,085.		
	e _____						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶			360,060,021.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ▶			2,060,217.			2,060,217.
	4 Income from investment of tax-exempt bond proceeds . ▶			0.			
	5 Royalties ▶			0.			
		(i) Real	(ii) Personal				
	6a Gross rents	117,540.					
	b Less: rental expenses						
	c Rental income or (loss)	117,540.					
	d Net rental income or (loss) ▶			117,540.			117,540.
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	51,927,636.	30,615.				
	b Less: cost or other basis and sales expenses	43,935,867.					
	c Gain or (loss)	7,991,769.	30,615.				
	d Net gain or (loss) ▶			8,022,384.			8,022,384.
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a			0.			
	b Less: direct expenses b			0.			
c Net income or (loss) from fundraising events. ▶			0.				
9a Gross income from gaming activities. See Part IV, line 19 a			0.				
b Less: direct expenses b			0.				
c Net income or (loss) from gaming activities. ▶			0.				
10a Gross sales of inventory, less returns and allowances a			0.				
b Less: cost of goods sold b			0.				
c Net income or (loss) from sales of inventory. ▶			0.				
Miscellaneous Revenue		Business Code					
11a <u>CAFETERIA REVENUE</u>	722511		1,174,670.	1,174,670.			
b <u>MT. AIRY, LLC. MGMT. FEE</u>	541610		92,476.	92,476.			
c <u>LOSSES INTEREST RATE SWAP</u>	900099		-1,993,929.			-1,993,929.	
d All other revenue							
e Total. Add lines 11a-11d ▶			-726,783.				
12 Total revenue. See instructions. ▶			373,129,194.	361,305,013.	22,154.	8,206,212.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	50,000.	50,000.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	5,238,263.		5,238,263.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	106,568,740.	101,529,917.	4,852,011.	186,812.
7 Other salaries and wages	0.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	10,650,984.	9,671,966.	961,222.	17,796.
9 Other employee benefits	15,390,360.	13,957,238.	1,407,358.	25,764.
10 Payroll taxes	8,003,717.	7,442,079.	548,318.	13,320.
11 Fees for services (non-employees):				
a Management	1,698,142.		1,662,142.	36,000.
b Legal	779,603.	4,738.	774,865.	
c Accounting	373,534.		373,534.	
d Lobbying	19,963.		19,963.	
e Professional fundraising services. See Part IV, line 17	54,000.			54,000.
f Investment management fees	332,256.		332,256.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) ATCH 6	82,862,018.	67,985,924.	14,829,245.	46,849.
12 Advertising and promotion	1,619,389.	10,374.	1,412,536.	196,479.
13 Office expenses	7,463,619.	6,376,946.	1,034,583.	52,090.
14 Information technology	5,640,561.	5,466,978.	171,985.	1,598.
15 Royalties	0.			
16 Occupancy	5,584,427.	4,933,473.	650,954.	
17 Travel	163,062.	110,262.	52,704.	96.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	225,182.	152,267.	72,782.	133.
20 Interest	4,372,633.	4,097,157.	266,731.	8,745.
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	22,686,571.	15,188,016.	7,484,165.	14,390.
23 Insurance	2,290,997.	14,306.	2,276,691.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SUPPLIES & COGS	67,153,910.	66,636,053.	508,407.	9,450.
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	349,221,931.	303,627,694.	44,930,715.	663,522.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	0.	1	0.
	2 Savings and temporary cash investments	30,945,038.	2	23,522,122.
	3 Pledges and grants receivable, net	6,416,992.	3	6,095,227.
	4 Accounts receivable, net	45,933,758.	4	47,226,337.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0.	6	0.
	7 Notes and loans receivable, net	0.	7	0.
	8 Inventories for sale or use	6,054,643.	8	5,748,998.
	9 Prepaid expenses and deferred charges	3,109,905.	9	2,778,143.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 539,238,772.		
	b Less: accumulated depreciation	10b 299,847,385.	208,279,628.	10c 239,391,387.
	11 Investments - publicly traded securities	126,716,003.	11	137,936,563.
	12 Investments - other securities. See Part IV, line 11	0.	12	0.
	13 Investments - program-related. See Part IV, line 11	57,794,224.	13	80,583,787.
	14 Intangible assets	0.	14	0.
	15 Other assets. See Part IV, line 11	10,972,768.	15	9,276,991.
16 Total assets. Add lines 1 through 15 (must equal line 34)	496,222,959.	16	552,559,555.	
Liabilities	17 Accounts payable and accrued expenses	47,691,282.	17	49,129,658.
	18 Grants payable	0.	18	0.
	19 Deferred revenue	0.	19	0.
	20 Tax-exempt bond liabilities	162,305,192.	20	184,204,092.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0.	21	0.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	0.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	61,804,575.	25	56,943,927.
	26 Total liabilities. Add lines 17 through 25	271,801,049.	26	290,277,677.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	211,148,698.	27	253,759,101.
	28 Temporarily restricted net assets	12,297,035.	28	7,546,600.
	29 Permanently restricted net assets	976,177.	29	976,177.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	224,421,910.	33	262,281,878.
	34 Total liabilities and net assets/fund balances	496,222,959.	34	552,559,555.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	373,129,194.
2	Total expenses (must equal Part IX, column (A), line 25)	2	349,221,931.
3	Revenue less expenses. Subtract line 2 from line 1	3	23,907,263.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	224,421,910.
5	Net unrealized gains (losses) on investments	5	2,774,373.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	11,178,332.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	262,281,878.

Part XII Financial Statements and Reporting

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

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

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

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2016

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2012, (b) 2013, (c) 2014, (d) 2015, (e) 2016, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2012, (b) 2013, (c) 2014, (d) 2015, (e) 2016, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2016; 15 Public support percentage from 2015 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2016; b 33 1/3% support test - 2015; 17a 10%-facts-and-circumstances test - 2016; b 10%-facts-and-circumstances test - 2015; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
 If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2016. 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 - 2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required-explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2016:			
a			
b			
c From 2013.			
d From 2014.			
e From 2015.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2016 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2017. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b Excess from 2013. . . .			
c Excess from 2014. . . .			
d Excess from 2015. . . .			
e Excess from 2016. . . .			

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

Schedule of Contributors

2016

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

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization **FREDERICK MEMORIAL HOSPITAL, INC.**

Employer identification number
52-0591612

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

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

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

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

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

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

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

Name of organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

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

Schedule C (Form 990 or 990-EZ) 2016

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; b If "Yes," enter the amount of any tax incurred under section 4912; c If "Yes," enter the amount of any tax incurred by organization managers under section 4912; d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

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

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

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

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

Part IV Supplemental Information

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

SCHEDULE C, PART II-B, LINE 1I
EXPENSE IS A PORTION OF DUES PAID TO THE AMERICAN HOSPITAL ASSOCIATION,
MARYLAND HOSPITAL ASSOCIATION, NATIONAL HOSPICE AND PALLIATIVE CARE
ORGANIZATION AND VISITING NURSES ASSOCIATIONS OF AMERICA.

Part IV Supplemental Information *(continued)*

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

Employer identification number

FREDERICK MEMORIAL HOSPITAL, INC.

52-0591612

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

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year., 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

Table with 2 columns: Revenue, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items., 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included 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 Revenue included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

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

Schedule D (Form 990) 2016

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

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

Part IV Escrow and Custodial Arrangements.

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	976,177.	976,177.	976,177.	976,177.	976,177.
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	976,177.	976,177.	976,177.	976,177.	976,177.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment 100.0000 %
 - c Temporarily restricted endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

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

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,894,000.		3,894,000.
b Buildings		237,472,000.	93,528,361.	143,943,639.
c Leasehold improvements		25,721,000.	13,698,718.	12,022,282.
d Equipment		229,892,000.	192,620,306.	37,271,694.
e Other		42,259,772.		42,259,772.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				239,391,387.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) INVESTMENT IN SUBSIDIARIES	22,753,884.	FMV
(2) ASSETS LIMITED AS TO USE	10,819,820.	FMV
(3) INTERCOMPANY RECEIVABLES	47,010,083.	FMV
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		80,583,787.

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ADVANCES FROM THIRD PARTIES	7,718,923.
(3) INTEREST RATE SWAP CONTRACT	9,558,690.
(4) PENSION LIABILITY	18,747,383.
(5) MALPRACTICE INSURANCE LIABILITY	2,693,300.
(6) CAPITAL LEASE OBLIGATIONS	2,769,428.
(7) OTHER LIABILITIES	8,456,203.
(8) LINE OF CREDIT BALANCE	7,000,000.
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

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

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

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

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

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

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

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

Part XIII Supplemental Information.

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

INTENDED USE OF ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

ENDOWMENT FUNDS ARE USED FOR HEALTH CARE SERVICES.

Part XIII Supplemental Information *(continued)*

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
- ▶ Attach to Form 990.
- ▶ Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

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

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

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
(1) CENTRAL AMERICA/CARIBBEAN	1.		INVESTMENTS		16,959,273.
(2) CENTRAL AMERICA/CARIBBEAN	1.		PROGRAM SERVICES	SELF INSURANCE	3,007,016.
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	2.				19,966,289.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	2.				19,966,289.

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

Schedule F (Form 990) 2016

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

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

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

3 Enter total number of other organizations or entities. ▶ _____

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

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

Part IV Foreign Forms

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

Part V Supplemental Information

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

PROCEDURES FOR MONITORING USE OF GRANTS

PART I, LINE 2

THE HOSPITAL PROVIDES FUNDING TO A LOCAL COMMUNITY COLLEGE 501(C)(3) IN AN EFFORT TO ENHANCE ITS ALLIED HEALTH PROGRAM. THROUGH THIS PROGRAM A FORMAL EDUCATION FORUM IS ESTABLISHED RESULTING IN FULLY ACCREDITED PROGRAMS THAT MEET THE HOSPITAL'S NEEDS.

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

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization
FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number
52-0591612

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

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a Mail solicitations
 - b Internet and email solicitations
 - c Phone solicitations
 - d In-person solicitations
 - e Solicitation of non-government grants
 - f Solicitation of government grants
 - g Special fundraising events
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? **Yes** **No**
- b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1 PRIDE PHILANTHROPY	DEV CNSL SRVCS		X		54,000.	
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total					54,000.	

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

MD,

Part II Fundraising Events. Complete if the organization answered "Yes" on 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
		(event type)	(event type)	(total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts				
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				

Part III Gaming. Complete if the organization answered "Yes" on 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))
Revenue	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. Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization conducts gaming activities: _____
a Is the organization licensed to conduct 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 conduct 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 conducted 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 ▶ _____

- 15 a 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.** Provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2016

Open to Public Inspection

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

▶ **Attach to Form 990.**

▶ **Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.**

Department of the Treasury
Internal Revenue Service

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free care</i> ? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted care</i> ? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a Did the organization prepare a community benefit report during the tax year?	X	
6b If "Yes," did the organization make it available to the public?	X	

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			6,075,257.		6,075,257.	1.73
b Medicaid (from Worksheet 3, column a)			47,615,383.	44,197,916.	3,417,467.	1.00
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			53,690,640.	44,197,916.	9,492,724.	2.73
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,779,383.	390,008.	3,389,375.	1.00
f Health professions education (from Worksheet 5)			50,000.		50,000.	.01
g Subsidized health services (from Worksheet 6)			16,823,064.	616,334.	16,206,730.	4.63
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			20,652,447.	1,006,342.	19,646,105.	5.64
k Total. Add lines 7d and 7j.			74,343,087.	45,204,258.	29,138,829.	8.37

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

Schedule H (Form 990) 2016

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	128,397,622.		
6 Enter Medicare allowable costs of care relating to payments on line 5	6	105,754,767.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	22,642,855.		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other				

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

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

1 FREDERICK MEMORIAL HOSPITAL
 400 W 7TH STREET
 FREDERICK MD 21701
 WWW.FMH.ORG

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group FREDERICK MEMORIAL HOSPITAL

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

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply):	X	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>16</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	X	
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE PART V, SECTION C</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V, SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group FREDERICK MEMORIAL HOSPITAL

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

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group FREDERICK MEMORIAL HOSPITAL

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group FREDERICK MEMORIAL HOSPITAL

22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

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

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?
If "Yes," explain in Section C.

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?
If "Yes," explain in Section C.

	Yes	No
23		X
24		X

Part V Facility Information (continued)

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

INPUT FROM COMMUNITY REPRESENTATIVES

SCHEDULE H, PART V, SECTION B, LINE 5

HEALTH IMPROVEMENT PLAN WORKGROUPS, AND AREAS THAT ROUTINELY CAPTURE AND REPORT ANNUAL DATA. TOPICS OF INTEREST WERE ALSO IDENTIFIED IN ORDER TO PROVIDE A COMMUNITY-WIDE HEALTH ASSESSMENT AND REDUCE PARTICIPATION FATIGUE IN OUR COMMUNITY, AGENCIES THAT HAD CONDUCTED COMMUNITY NEEDS OR HEALTH ASSESSMENTS WERE SURVEYED BY THE FREDERICK COUNTY HEALTH DEPARTMENT IN JANUARY 2015 TO DETERMINE THE INTEREST IN CONDUCTING A JOINT ASSESSMENT. THE REQUIRED TIMING OF MANY AGENCIES' ASSESSMENTS CREATED A CHALLENGE FOR SUCH A VENTURE. THIS INCLUDED VARIOUS SECTORS OF THE COMMUNITY: UNITED WAY, RELIGIOUS COALITION FOR EMERGENCY HUMAN NEEDS, CITY OF FREDERICK COMMUNITY ACTION AGENCY, MISSION OF MERCY, FREDERICK MEMORIAL HOSPITAL, DEPARTMENT OF AGING, AND LOCAL MANAGEMENT BOARD. WHILE INTEREST WAS EXPRESSED BY MANY AGENCIES, THE FINAL DETERMINATION WAS THAT THE NEXT COMMUNITY ASSESSMENT WOULD BE A COLLABORATION PRIMARILY BETWEEN THE FREDERICK COUNTY HEALTH DEPARTMENT AND FREDERICK MEMORIAL HOSPITAL. THESE AGENCIES AGREED TO CONDUCT THE DATA GATHERING AND ANALYSIS AND TO QUERY THE OTHER ORGANIZATIONS ABOUT POTENTIAL TOPICS AND SURVEY QUESTIONS TO INCLUDE. DATA INCLUDED IN THE COMMUNITY HEALTH ASSESSMENT REFLECT AREAS OF INTEREST IN THE REPORT YEAR, DATA SETS BEING USED BY THE LOCAL DURING THE PUBLIC COMMENT OF THE DRAFT, AND ADDED TO THE DOCUMENT.

SCHEDULE H, PART V, SECTION B, LINE 6B

THE FREDERICK COUNTY HEALTH DEPARTMENT, THE MARYLAND HOSPITAL ASSOCIATION, JOHNS HOPKINS HEALTH CARE, THE AMERICAN CANCER SOCIETY,

Part V Facility Information (continued)

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

HEALTH SERVICES COST REVIEW COMMISSION, FREDERICK CITY GOVERNMENT, UNITED WAY OF FREDERICK COUNTY, COMMUNITY FOUNDATION OF FREDERICK COUNTY, THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, COMMUNITY ACTION COUNCIL, THE RELIGIOUS COALITION OF FREDERICK COUNTY, THE DIVERSITY LEADERSHIP INSTITUTE, INC., THE FAMILY SERVICES FOUNDATION, COMMUNITY LIVING INC. OF FREDERICK COUNTY, CARE NET OF FREDERICK, MISSION OF MERCY AND FREDERICK MEMORIAL HOSPITAL.

SCHEDULE H, PART V, SECTION B, LINE 7A

[HTTP://WWW.FMH.ORG/DOCUMENTS/PDFS/56183-COMMUNITY-HEALTH_REV-829.PDF](http://www.fmh.org/documents/pdfs/56183-community-health_rev-829.pdf)

SCHEDULE H, PART V, SECTION B, LINE 10A

[HTTPS://WWW.FMH.ORG/DOCUMENTS/FMH-COMMUNITY-NEEDS-ASSESSMENT-IMPLEMENTATION-STRATEGY-2016.PDF](https://www.fmh.org/documents/fmh-community-needs-assessment-implementation-strategy-2016.pdf)

SCHEDULE H, PART V, SECTION B, LINE 11

IN 2016 FMH CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN PARTNERSHIP WITH THE FREDERICK COUNTY HEALTH DEPARTMENT TO BETTER UNDERSTAND THE SPECIFIC HEALTH NEEDS OF THE COMMUNITY. IN ADDITION TO THE CHNA, FMH IS REQUIRED, IN ACCORDANCE WITH SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, TO DEVELOP AN IMPLEMENTATION STRATEGY THAT ADDRESSES THE KEY FINDINGS BROUGHT FORWARD IN THE ASSESSMENT. THE THEMES THROUGHOUT THE CHNA PRESENTED THEMSELVES AS THREE STRATEGIC PRIORITIES:

- 1) ACCESS TO CARE
- 2) HEALTH CARE NAVIGATION

Part V Facility Information (continued)

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

3) COMMUNITY OUTREACH AND HEALTH LITERACY.

ALL OF THE CHNA TOPIC AREA AND KEY FINDINGS BELOW FALL INTO ONE IF NOT ALL OF THE STRATEGIC PRIORITIES LISTED.

FREDERICK COUNTY PRIORITY SETTING SUMMIT:

ON SEPTEMBER 13, 2016 THE FREDERICK COUNTY HEALTH DEPARTMENT, WITH SUPPORT FROM FMH, HOSTED MORE THAN 100 HEALTHCARE PROVIDERS, ADMINISTRATORS, NON-PROFIT LEADERS, HEALTH OFFICIALS, GOVERNMENT AGENCY REPRESENTATIVES AND COMMUNITY MEMBERS OF FREDERICK COUNTY TO REVIEW THE FINDINGS OF THE CHNA.

ALTHOUGH WE AGREE THAT ALL HEALTH NEEDS ARE IMPORTANT, THE GOAL OF THE SUMMIT WAS TO PRIORITIZE THE AREAS OF FOCUS FOR THE COMMUNITY AT LARGE. THE GENERAL CONSENSUS FOR COMMUNITY COLLABORATION WAS TO FOCUS ON ADDRESSING THE SOCIAL DETERMINANTS OF HEALTH, WHICH ULTIMATELY IMPACT THE PREVALENCE AND SEVERITY OF MENTAL HEALTH, SUBSTANCE ABUSE, AND CHRONIC DISEASE. THE TOP THREE PRIORITIES WHICH RECEIVED THE MOST VOTES ARE:

- BEHAVIORAL HEALTH,
- ELDERLY SUPPORT,
- ADVERSE CHILDHOOD EXPERIENCES

FMH WILL SUPPORT A SUBSET OF THOSE PRIORITIES AS OUTLINED IN THE IMPLEMENTATION STRATEGY SUMMARY GRID. THE FREDERICK COUNTY HEALTH DEPARTMENT AND OTHER COMMUNITY PARTNERS ARE ACTIVELY WORKING ON THEIR SPECIFIC SUBSETS. FMH WILL CONTINUE TO ACTIVELY SUPPORT AND PARTICIPATE IN THE COUNTY LEVEL WORK GROUPS. THE IMPLEMENTATION STRATEGY IS INTENDED

Part V Facility Information (continued)

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

TO BE A FLUID DOCUMENT THAT CONTINUES TO EVOLVE AS THESE FINDINGS ARE FURTHER INTERPRETED AND UNDERSTOOD.

DENTAL CARE: IMPROVE ACCESS TO ADULT DENTAL CARE, IN THE RIGHT PLACE, RIGHT SETTING, RIGHT TIME.

MENTAL HEALTH: IMPROVE IDENTIFICATION AND TREATMENT OF MENTAL HEALTH.

SUBSTANCE ABUSE/ADDICTION: IMPROVE IDENTIFICATION AND TREATMENT OF SUBSTANCE ABUSE.

CHRONIC DISEASE MANAGEMENT, HEART DISEASE AND STROKE: INCREASE OUTREACH, EDUCATION AND NAVIGATION TO VULNERABLE COMMUNITIES.

CHRONIC DISEASE MANAGEMENT, LUNG DISEASE (COPD/PEDIATRIC ASTHMA): INCREASE OUTREACH EDUCATION AND NAVIGATION TO VULNERABLE COMMUNITIES.

CHRONIC DISEASE MANAGEMENT, DIABETES: INCREASE OUTREACH EDUCATION AND NAVIGATION TO VULNERABLE COMMUNITIES.

THE COMMUNITY BENEFITS COMMITTEE

THE COMMUNITY BENEFITS COMMITTEE IS COMPRISED OF KEY LEADERS AND FRONTLINE PROVIDERS THAT REVIEW REQUESTS FOR FMH PARTICIPATION IN COMMUNITY EVENTS, OUTREACH AND SPONSORSHIP. THIS COMMITTEE WILL USE THE 2016 CHNA IMPLEMENTATION STRATEGY TO GUIDE THEM IN DECISION MAKING TO ALLOCATE RESOURCES THAT ALIGN WITH THE IDENTIFIED HEALTH NEEDS OF FREDERICK COUNTY.

THESE INITIATIVES INCLUDE PARTICIPATION IN LOCAL HEALTH FAIRS AND EVENTS WHERE WE PROVIDE SCREENINGS, EDUCATION AND NAVIGATION TO RESOURCES IN THE

Part V Facility Information (continued)

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

COMMUNITY AND FOLLOW UP INFORMATION. FOR EXAMPLE IN 2016 FMH IS ONCE AGAIN A KEY PARTNER WITH THE ASIAN AMERICAN CENTER OF FREDERICK AT ITS ANNUAL HEALTH FAIR. FMH WILL OFFER 500 FLU VACCINE, 300 CHOLESTEROL AND GLUCOSE SCREENINGS AND BONE DENSITY SCREENING. HEALTH CARE NAVIGATION, HEALTH LITERACY, COMMUNITY OUTREACH.

IN ADDITION TO THE IMPLEMENTATION STRATEGY SUMMARY, FURTHER NARRATIVE EXPLANATION OF RESPONSE TO COMMUNITY NEEDS IS INCLUDED BELOW. MANY OF THESE PROGRAMS WERE DEVELOPED TO ADDRESS HEALTH DISPARITIES AND TO HELP US REACH VULNERABLE POPULATIONS.

BRIDGES LAY HEALTH EDUCATOR PROGRAM

FMH ESTABLISHED BRIDGES AND THE LAY HEALTH EDUCATOR (LHE} PROGRAM IN RESPONSE TO FEEDBACK OBTAINED DURING THE 2012 COMMUNITY HEALTH NEEDS ASSESSMENT INDICATING THAT MORE FMH SPONSORED PROGRAMS AND SEMINARS NEEDED TO BE CONDUCTED IN THE COMMUNITY. THE ASSESSMENT SHOWED THAT THE MULTICULTURAL COMMUNITY WANTED AND NEEDED TO BE ENGAGED TO IMPROVE HEALTH AND THE OVERALL QUALITY OF LIFE. THIS FOCUSED NEW EFFORTS TO CONNECT NETWORKS AND BUILD PARTNERSHIPS TO CLOSE THE GAP ON HEALTH DISPARITIES, DECREASE THE INCIDENCE OF CHRONIC DISEASE AND PREVENTABLE ILLNESS, AND BUILD A HEALTHIER FREDERICK.

THE LHE PROGRAM IS DESIGNED TO PREPARE VOLUNTEERS FROM MULTICULTURAL COMMUNITIES TO START OR ENERGIZE HEALTH PROGRAMS IN THE PLACES THAT THEY LIVE, WORK, WORSHIP AND GATHER. INSTRUCTORS ARE DRAWN FROM THE HOSPITAL'S

Part V Facility Information (continued)

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

PHYSICIANS, OTHER PROFESSIONAL STAFF, NURSING EDUCATORS, ADVOCACY GROUPS
AND COMMUNITY PHYSICIANS.

TO DATE, BRIDGES HAS PREPARED 42 PEOPLE FROM 24 DIFFERENT FAITH BASED AND
COMMUNITY SERVICE ORGANIZATIONS WHO REPRESENT MORE THAN 12 COUNTRIES AND
LANGUAGES. SOME OF THE FAITH AND CULTURALLY BASED ORGANIZATIONS SERVE
ISOLATED AND VULNERABLE SENIOR POPULATIONS, WHILE OTHERS HAVE HEALTH
MINISTRY MEMBERS WHO PERFORM OUTREACH TO LOCAL LOW INCOME COMMUNITIES.

ONE SIGNIFICANT OUTCOME IS THAT PEOPLE ARE REACHING ACROSS RACIAL,
RELIGIOUS, AND ETHNIC LINES TO BUILD NEW BRIDGES TOWARD BETTER HEALTH.
PERHAPS MORE SIGNIFICANTLY, THEY ARE NOW BEING INTEGRATED INTO OTHER
HOSPITAL PROGRAMS THAT BENEFIT FROM CONSUMER INVOLVEMENT SO THAT THEIR
DIVERSE PERSPECTIVES CAN BE CALLED UPON IN BUILDING THE FUTURE OF
HEALTHCARE.

HEALTH CARE NAVIGATION & LITERACY, COMMUNITY OUTREACH

COMMUNITY BEHAVIORAL HEALTH CASE MANAGEMENT:

THE COMMUNITY BEHAVIORAL HEALTH CASE MANAGER PROVIDES INTENSIVE COMMUNITY
BASED SERVICES TO INDIVIDUALS WHO HAVE RECENTLY BEEN HOSPITALIZED DUE TO
A MENTAL HEALTH OR SUBSTANCE USE RELATED CRISIS.

FMH ALSO CONTRACTS SERVICES FROM POTOMAC CASE MANAGEMENT INC. TO PROVIDE
SIMILAR SERVICES TO THE COMMUNITY AS THE VOLUME OF THE NEED EXCEEDS OUR
AVAILABLE RESOURCES. BOTH THE COMMUNITY BEHAVIORAL HEALTH CASE MANAGER

Part V Facility Information (continued)

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

AND POTOMAC CASE MANAGEMENT WORK TO ENGAGE INDIVIDUALS IN THE COMMUNITY TO COORDINATE SERVICES AND REMOVE BARRIERS AS THEY RELATE TO: ACCESS TO FOLLOW-UP CARE AND TREATMENT, MEDICATIONS, TRANSPORTATION, HEALTH INSURANCE, EMPLOYMENT, AND OVERALL HEALTH AND WELLNESS.

ACCESS TO CARE, HEALTH CARE NAVIGATION, HEALTH LITERACY

COMMUNITY HEALTH WORKER PROGRAM:

THE COMMUNITY HEALTH WORKER IS A FRONT LINE PUBLIC HEALTH WORKER. THEIR UNDERSTANDING OF UNIQUE COMMUNITIES AS IT RELATES TO CULTURE, LANGUAGE, SOCIO-ECONOMIC STATUS, AND OVERALL CHALLENGES THE COMMUNITY FACES AROUND SOCIAL DETERMINATES RESULT IN HIGHER LEVELS OF TRUST AND ENGAGEMENT. THE COMMUNITY HEALTH WORKER SERVES AS A LIAISON BETWEEN INDIVIDUALS/COMMUNITIES AND THE HEALTH AND SOCIAL SERVICES SYSTEMS. THEY ARE NAVIGATORS, ADVOCATES, EDUCATORS, RESOURCE GATHERS, AND PROMOTERS OF IMPROVED SELF-MANAGEMENT AND INDEPENDENCE.

THE COMMUNITY HEALTH WORKER PROGRAM AT FMH WILL FOCUS ON UNINSURED OR UNDERSERVED INDIVIDUALS AS WELL AS THOSE WITH CHRONIC CONDITIONS, INCLUDING HEART FAILURE, COPD, DIABETES, AND ASTHMA, WHILE ALSO WORKING TO STRENGTHEN THE HEALTH AND WELLNESS OF VULNERABLE COMMUNITIES ACROSS FREDERICK COUNTY.

ACCESS TO CARE, HEALTH CARE NAVIGATION, HEALTH LITERACY, CHRONIC DISEASE CARE CLINIC AND CARE TRANSITIONS PROGRAM:

THE CARE CLINIC AND CARE TRANSITIONS PROGRAM PROVIDE COMPREHENSIVE,

Part V Facility Information (continued)

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

MULTIDISCIPLINARY SERVICES TO INDIVIDUALS WITH CHRONIC CONDITIONS AND WITH LIMITED OR NO ACCESS TO NECESSARY HEALTHCARE SERVICES.

SERVICES PROVIDED INCLUDE: HEALTH LITERACY EDUCATION, MEDICATION MANAGEMENT, SELF-MANAGEMENT TECHNIQUES/SKILLS, CARE COORDINATION AND NAVIGATION AS WELL AS ADVOCACY AND NAVIGATION TO REMOVE FINANCIAL BARRIERS TO CARE AND SOCIAL DETERMINANTS OF HEALTH.

THE CARE CLINIC IS A STABLE CLINIC SETTING WITHIN THE HOSPITAL, WHILE THE CARE TRANSITIONS TEAM PROVIDES THE SAME COMPREHENSIVE SERVICE IN A MOBILE ENVIRONMENT, IN HOMES, COMMUNITY CENTERS, OR IN PHYSICIAN PRACTICES. THE DESIGN OF THE PROGRAM WAS CREATED WITH FLEXIBILITY IN MIND, ALLOWING THE TEAM TO ENGAGE INDIVIDUALS IN THE MOST APPROPRIATE SETTING.

LUNG CANCER AMONG AFRICAN AMERICAN MALES IN FREDERICK COUNTY: RESEARCH HAS SHOWN THAT AFRICAN AMERICANS ARE MORE LIKELY TO DIE FROM LUNG CANCER THAN PEOPLE OF ANY OTHER RACE OR ETHNICITY, ALTHOUGH THEY ARE NOT MORE LIKELY TO SMOKE. AFRICAN AMERICANS ARE DISPROPORTIONATELY AFFECTED BY LUNG CANCER. THE PERCENTAGE OF AFRICAN-AMERICAN MEN DIAGNOSED WITH LUNG CANCER EACH YEAR IS AT LEAST 30% HIGHER THAN AMONG WHITE MEN, EVEN THOUGH THEY HAVE SIMILAR RATES OF SMOKING AS WHITE MEN.

IN FREDERICK COUNTY, THE INCIDENCE OF LUNG CANCER IN AFRICAN AMERICANS IS 66.7% PER 100,000. THE DEATH RATE FROM LUNG CANCER IS 52.8% COMPARED TO THE MARYLAND RATE OF 49.0%. CANCER MORTALITY FOR AFRICAN AMERICANS IN FREDERICK COUNTY INCREASED 60% FROM 2008 TO 2011, AND WAS UP 19% FROM

Part V Facility Information (continued)

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

2010 TO 2011.

FMH IS GOING TO FOCUS ON THIS VULNERABLE POPULATION BY EDUCATING AFRICAN AMERICAN MALES ABOUT LUNG CANCER AND THE LUNG CANCER SCREENING PROGRAM THAT IS OFFERED AT THE FREDERICK REGIONAL HEALTH SYSTEM (FRHS). EDUCATION WILL BE PROVIDED THROUGH COMMUNITY OUTREACH PROGRAMS THAT ARE OFFERED THROUGH LOCAL CHURCHES AND CIVIC GROUPS. THIS EDUCATION WILL BE PROVIDED BY THE THORACIC NURSE NAVIGATOR.

THE METHOD OF EVALUATION WILL BE THE NUMBER OF REFERRALS INTO THE LUNG CANCER SCREENING PROGRAM. THIS WILL BE MONITORED BY THE THORACIC NURSE NAVIGATOR. IN ADDITION TO LUNG CANCER, FURTHER ANALYSIS AND INTERPRETATION OF HEALTH DISPARITIES WILL TAKE PLACE FOR FUTURE PROGRAMMING AND OUTREACH.

ACCESS TO CARE, HEALTH CARE NAVIGATION
MONOCACY HEALTH PARTNERS DENTAL CLINIC (PART OF THE FREDERICK REGIONAL HEALTH SYSTEM):

IN EFFORTS TO REDUCE UNNECESSARY HEALTH CARE EXPENDITURE AND OVER UTILIZATION OF HIGH COST HOSPITAL/EMERGENCY DEPARTMENT (ED) RESOURCES, IT IS NECESSARY TO EXPLORE INNOVATIVE AND COLLABORATIVE APPROACHES TO ACHIEVE THE RIGHT CARE, IN THE RIGHT PLACE, AT THE RIGHT TIME FOR OUR COMMUNITY. PATIENTS SEEKING ACCESS FOR URGENT DENTAL CARE HAS BEEN IDENTIFIED AS ONE OF THE PRIMARY DIAGNOSES THAT COULD BE DIVERTED TO LESS EXPENSIVE, MORE APPROPRIATE CARE SETTINGS. DESPITE THE LOCAL EFFORTS

Part V Facility Information (continued)

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

TOWARDS IMPROVING ACCESS TO ADULT DENTAL CARE, ED UTILIZATION AT FMH FOR DENTAL DIAGNOSIS HAS INCREASED OVER THE PAST THREE YEARS.

MONOCACY HEALTH PARTNERS (MHP) AND UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY (UMD) OPENED A DENTAL CLINIC DIRECTLY ACROSS THE STREET FROM THE FMH ED. FMH PROVIDES THE FACILITY, OFFICE STAFF AND OPERATIONAL EXPENSES.

UMD USES THE DENTAL CLINIC AS A ROTATIONAL PRACTICUM SITE FOR ITS STUDENTS. UMD ALSO PROVIDES FACULTY OVERSIGHT OF THE STUDENTS. LOCAL DENTISTS AND ORAL SURGEONS HAVE BEEN RECRUITED TO UMD FACULTY TO SUPPORT OVERSIGHT OF THE CLINIC.

THE INTENT IS TO APPROACH THE PROJECT IN TWO PHASES. IT OPENED WITH THREE OPERATORIES, FUNCTIONING FIVE DAYS PER WEEK, WITH PRIMARY FOCUS ON URGENT CARE. THE SECOND PHASE WILL EXPAND TO SIX OPERATORIES THAT WILL ALLOW RESTORATIVE AND PREVENTIVE CARE IN ADDITION TO URGENT CARE. THE PHASING OF THIS PROJECT WILL DEPEND ON FUNDING AND COMMUNITY SUPPORT. PARTNERS IN THIS EFFORT INCLUDE SEVERAL COMMUNITY NON-PROFIT ORGANIZATIONS, SUCH AS THE FREDERICK COMMUNITY ACTION AGENCY AND THE RELIGIOUS COALITION. OVER TIME, THE DENTAL CLINIC IS EXPECTED TO REDUCE THE NUMBER OF ER VISITS VISITS IDENTIFIED WITH A DENTAL DIAGNOSIS. PATIENT AND COMMUNITY DATA WILL BE TRACKED IN EFFORTS TO CONTINUE TO MEET THE NEEDS OF OUR COMMUNITY.

Part V Facility Information (continued)

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

SCHEDULE H, PART V, SECTION B, LINE 13H

STATE REGULATIONS.

SCHEDULE H, PART V, SECTION B, LINE 16A

[HTTP://WWW.FMH.ORG/DOCUMENTS/FINANCIAL-ASSISTANCE-POLICY-FN100.PDF](http://WWW.FMH.ORG/DOCUMENTS/FINANCIAL-ASSISTANCE-POLICY-FN100.PDF)

SCHEDULE H, PART V, SECTION B, LINE 16B

[HTTP://WWW.FMH.ORG/DOCUMENTS/FA_327A.PDF](http://WWW.FMH.ORG/DOCUMENTS/FA_327A.PDF)

SCHEDULE H, PART V, SECTION B, LINE 16C

[HTTP://WWW.FMH.ORG/ABOUT/BILLING/FINANCIAL-ASSISTANCE.ASPX](http://WWW.FMH.ORG/ABOUT/BILLING/FINANCIAL-ASSISTANCE.ASPX)

DESCRIPTION OF FINANCIAL ASSISTANCE POLICY

FMH REVIEWS THE FINANCIAL ASSISTANCE POLICY (FAP) AND THE COMMUNICATION METHODOLOGY WE EMPLOY ON A REGULAR BASIS TO MAKE SURE OUR PATIENTS HAVE EASY ACCESS TO THIS INFORMATION IN A VARIETY OF FORMATS AND THAT IT IS CULTURALLY AND LINGUISTICALLY SENSITIVE.

WE REVIEW THE FAP TO MAKE SURE THE READING COMPREHENSION LEVEL IS APPROPRIATE FOR OUR AUDIENCE AND WE PROVIDE ENGLISH AND SPANISH VERSIONS TO MEET THE NEEDS OF OUR CBSA. WE HAVE SERVICES AVAILABLE TO PROVIDE ANY OTHER LANGUAGES WHEN NEEDED.

THE FAP IS SHOWN ON OUR WEBSITE

([HTTP://WWW.FMH.ORG/ABOUT/BILLING/FINANCIAL-ASSISTANCE.ASPX](http://WWW.FMH.ORG/ABOUT/BILLING/FINANCIAL-ASSISTANCE.ASPX)) AND IS

Part V Facility Information (continued)

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

OFFERED TO PATIENTS AS PART OF THE INTAKE PROCESS AT TIME OF REGISTRATION IN THE HOSPITAL AND IN THE EMERGENCY DEPARTMENT. OUR BILLING STATEMENTS REFERENCE OUR FINANCIAL ASSISTANCE POLICY AND INCLUDE THE URL FOR THE ONLINE VERSION. THE BILLING STATEMENTS ARE BEING UPDATED DURING FY17 TO INCLUDE DETAILED EXPLANATION OF THE FAP.

FMH PROVIDES ASSISTANCE TO OUR PATIENTS WHO NEED TO APPLY FOR GOVERNMENT BENEFITS WHEN APPROPRIATE. MOST COMMON EXAMPLES ARE "SELF-PAY" INPATIENTS WHO ADMIT THROUGH THE EMERGENCY DEPARTMENT AND PATIENTS WHO COME TO OUR PRENATAL CLINIC. WE HAVE A DEPARTMENT OF SOCIAL SERVICES REPRESENTATIVE ONSITE AT OUR PRENATAL CLINIC TO WORK DIRECTLY WITH THE PATIENTS.

ALL PATIENTS RECEIVE THE PATIENT INFORMATION SHEET, AVAILABLE IN ENGLISH AND SPANISH, WHICH INCLUDES INFORMATION ABOUT FINANCIAL ASSISTANCE.

SCHEDULE H, PART V, SECTION B, LINE 20E

PATIENTS WITH BALANCES GREATER THAN \$10,000 RECEIVE A SPECIAL LETTER STATING THEY MAY QUALIFY FOR CHARITY AND REQUESTS THAT THEY CONTACT THE HOSPITAL.

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? 14

Name and address	Type of Facility (describe)
1 FMH KLINE HOSPICE HOUSE 7000 KIMMEL ROAD MT AIRY MD 21771	INPATIENT HOSPICE PATIENT FACILITY
2 MT AIRY HEALTH SERVICES 1502 SOUTH MAIN STREET MT AIRY MD 21771	OUTPATIENT HEALTH FACILITY
3 PARKVIEW MEDICAL GROUP MT AIRY 1502 SOUTH MAIN STREET MT AIRY MD 21771	PHYSICIAN PRACTICE
4 PARKVIEW MEDICAL GROUP MYERSVILLE 3000-D VENTRIE COURT MYERSVILLE MD 21773	PHYSICIAN PRACTICE
5 PARKVIEW MEDICAL GROUP FREDERICK 1564 OPPOSSUMTOWN PIKE FREDERICK MD 21702	PHYSICIAN PRACTICE
6 FMH REGIONAL CANCER CARE THERAPY CTR 501 WEST SEVENTH STREET FREDERICK MD 21701	OUTPATIENT CANCER TREATMENT CENTER
7 FMH ROSEHILL 1562 OPPOSSUMTOWN PIKE FREDERICK MD 21701	OUTPATIENT HEALTH FACILITY
8 UNION BRIDGE FAMILY PRACTICE 104 NORTH MAIN STREET UNION BRIDGE MD 21701	PHYSICIAN PRACTICE
9 FMH HOME HEALTH SERVICES 605 EAST CHURCH STREET FREDERICK MD 21701	HOME HEALTH NURSING ORGANIZATION
10 HOSPICE OF FREDERICK COUNTY 516 TRAIL AVENUE FREDERICK MD 21701	HOSPICE CARE ORGANIZATION

Schedule H (Form 990) 2016

Part V Facility Information *(continued)*

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

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

Name and address	Type of Facility (describe)
1 FMH ROSE HILL REHAB SERVICES 1562 OPPOSSUMTOWN PIKE FREDERICK MD 21702	PHYSICAL REHABILITATION CLINIC
2 FMH CRESTWOOD 7211 BANK COURT FREDERICK MD 21703	OUTPATIENT HEALTH FACILITY
3 FMH URBANA 3430 WORTHINGTON BLVD FREDERICK MD 21703	OUTPATIENT HEALTH FACILITY
4 FMH IMMEDIATE CARE 850 OAK STREET FREDERICK MD 21702	WALK-IN CLINIC
5 	
6 	
7 	
8 	
9 	
10 	

Part VI Supplemental Information

Provide the following information.

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

SUPPLEMENTAL INFORMATION

SCHEDULE H, PART I

FOR THE LAST 30 YEARS, MARYLAND HOSPITALS HAVE MET THEIR COMMUNITY BENEFIT OBLIGATIONS IN A UNIQUE MANNER THAT BUILDS THE COSTS OF UNCOMPENSATED CARE (CHARITY CARE AND PATIENT BAD DEBT) AND GRADUATE MEDICAL EDUCATION INTO THE RATES THAT HOSPITALS ARE REIMBURSED BY ALL PAYORS. THE SYSTEM IS BASED IN FEDERAL AND STATE LAW AND BENEFITS ALL MARYLAND RESIDENTS, INCLUDING THOSE IN NEED OF FINANCIAL ASSISTANCE TO PAY THEIR HOSPITAL BILLS.

MARYLAND IS THE ONLY STATE IN WHICH ALL PAYORS (GOVERNMENTALLY-INSURED, COMMERCIALY-INSURED, OR SELF-PAY) ARE CHARGED THE SAME PRICE FOR SERVICES AT ANY GIVEN HOSPITAL.

UNDER THIS SYSTEM, MARYLAND HOSPITALS ARE REGULATED BY A STATE AGENCY, KNOWN AS THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC), THAT IS REQUIRED TO:

-PUBLICLY DISCLOSE INFORMATION ON THE COST AND FINANCIAL POSITION OF

Part VI Supplemental Information

Provide the following information.

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

HOSPITALS;

-REVIEW AND APPROVE HOSPITAL RATES;

-COLLECT INFORMATION DETAILING TRANSACTIONS BETWEEN HOSPITALS AND FIRMS

WITH WHICH THEIR TRUSTEES HAVE A FINANCIAL INTEREST; AND,

-MAINTAIN THE SOLVENCY OF EFFICIENT AND EFFECTIVE HOSPITALS.

SINCE 2000, THE RATE SETTING COMMISSION HAS HAD ITS OWN FRAMEWORK FOR REPORTING HOSPITALS' COMMUNITY BENEFITS AND ISSUING A REPORT ANNUALLY REGARDING HOSPITALS' COMMUNITY BENEFIT TOTALS. THAT REPORT IS AVAILABLE ON [HTTP://WWW.HSCRC.STATE.MD.US/](http://www.hscrc.state.md.us/) BECAUSE OF THIS UNIQUE STRUCTURE MARYLAND HOSPITALS' COMMUNITY BENEFITS NUMBERS WILL NOT COMPARE WITH THE REST OF THE NATION'S HOSPITALS. HOWEVER, MARYLAND HOSPITALS MEET OR EXCEED THE COMMUNITY BENEFIT STANDARD ESTABLISHED BY THE IRS IN 1969. ADDITIONAL DETAIL ILLUSTRATING THIS CAN BE FOUND WITHIN THIS SCHEDULE H REPORT.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE

SCHEDULE H, PART I, LINE 3C

[HTTP://WWW.FMH.ORG/DOCUMENTS/FINANCIAL-ASSISTANCE-POLICY-FN100.PDF](http://www.fmh.org/documents/financial-assistance-policy-fn100.pdf)

IF THE PATIENT/GUARANTOR'S MONETARY ASSETS ARE ABOVE \$20,000, LESS THAN 100% FINANCIAL ASSISTANCE MAY BE PROVIDED. THE FINANCIAL ASSISTANCE COMMITTEE WILL REVIEW THESE CASES AND DETERMINE THE FINANCIAL ASSISTANCE AMOUNT.

TEXT OF BAD DEBT EXPENSE FOOTNOTE

SCHEDULE H, PART III, LINE 4

BAD DEBT VALUATION WAS CALCULATED USING THE COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2. WE ESTIMATE APPROXIMATELY 7.5% OF BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER OUR FINANCIAL ASSISTANCE POLICY. WE CONTINUE OUR EFFORTS TO QUALIFY PATIENTS FOR FREE OR REDUCED CARE.

MEDICARE COSTING METHODOLOGY

SCHEDULE H, PART III, LINE 8

Part VI Supplemental Information

Provide the following information.

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

MEDICARE PS&R REPORTS USED AS SOURCE OF COSTS AND PAYMENTS.

APPLICATION OF COLLECTION PRACTICES TO THOSE QUALIFYING FOR FINANCIAL ASSISTANCE

SCHEDULE H, PART III, LINE 9B

PATIENTS WHO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE ARE SPECIFICALLY EXCLUDED FROM THE COLLECTION PROCESS.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

THE 2013 FREDERICK COUNTY HEALTH ASSESSMENT IS A DATA DRIVEN APPROACH TO DETERMINING THE HEALTH STATUS OF FREDERICK COMMUNITY RESIDENTS BY CAPTURING AND COMPARING STATISTICAL INFORMATION FROM THREE INDEPENDENT COMMUNITY-BASED HEALTH FOCUSED AND HUMAN NEEDS DRIVEN ORGANIZATION:

- THE FREDERICK COMMUNITY FOUNDATION'S HUMAN NEEDS ASSESSMENT CONDUCTED IN AUGUST OF 2011,

Part VI Supplemental Information

Provide the following information.

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

- THE LOCAL HEALTH IMPROVEMENT PLAN (L-HIP) PRIORITIES SUMMIT CONDUCTED
IN OCTOBER OF 2011, AND

- FREDERICK MEMORIAL HOSPITAL'S UTILIZATION DATA FOR THE EMERGENCY ROOM,
INPATIENT ADMISSIONS AND OUTPATIENT SERVICE PROVISION.

THE FMH DATA SERVED AS AN EVIDENCE-BASED CONFIRMATION OF THE OTHER TWO
STUDIES' FINDINGS. THE COMPARATIVE ASSESSMENT FINDINGS WERE ADDITIONALLY
VERIFIED USING THE CURRENT DATA FROM THE STATE HEALTH IMPROVEMENT PLAN.
IN ADDITION, THE ASSESSMENT USES THE MOST CURRENT STATISTICAL INFORMATION
AVAILABLE FROM A VARIETY OF RESOURCES INCLUDING THE MARYLAND HEALTH
SERVICES COST REVIEW COMMISSION, THE MARYLAND BEHAVIORAL RISK FACTOR
SURVEILLANCE SYSTEM, THE MARYLAND DEPARTMENT OF HEALTH AND MENTAL
HYGIENE, THE US CENSUS AND OTHER STATE AND FEDERAL AGENCIES. THE 2013
COMMUNITY HEALTH ASSESSMENT PROVIDES THE INFORMATION THAT THE FREDERICK
COUNTY HEALTH DEPARTMENT, FREDERICK REGIONAL HEALTH SYSTEM, THE FREDERICK
COUNTY HEALTH CARE COALITION AND PARTNER GRASS-ROOTS AGENCIES AND
ORGANIZATIONS NEED TO IDENTIFY ISSUES OF GREATEST CONCERN. DECISIONS TO
COMMIT RESOURCES TO THOSE AREAS IDENTIFIED IN THIS COMPARATIVE STUDY WILL

Part VI Supplemental Information

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ENSURE THAT OUR COLLECTIVE EFFORTS HAVE THE GREATEST IMPACT ON OUR
COMMUNITY'S HEALTH STATUS. PROJECT GOALS THE 2013 FREDERICK COUNTY
HEALTH ASSESSMENT WILL SERVE AS A RESOURCE AND TOOL FOR REACHING THREE
GOALS:

- TO IMPROVE THE HEALTH STATUS OF FREDERICK COUNTY RESIDENTS, ELEVATE
THEIR OVERALL QUALITY OF LIFE, AND INCREASE THEIR LIFE SPANS. QUALITY OF
LIFE ISSUES REMAIN AN IMPORTANT COMPONENT OF THE PLAN AS ALL AGREE THAT
THE MEASURE OF OUR COMMUNITY'S HEALTH GOES BEYOND ADDRESSING PHYSICAL,
DENTAL, MENTAL AND BEHAVIORAL HEALTH NEEDS.

-TO IDENTIFY THE SOCIO-ECONOMIC FACTORS WHICH HAVE HISTORICALLY HAD A
NEGATIVE IMPACT ON OUR RESIDENTS' HEALTH. BY IDENTIFYING POPULATION
SEGMENTS THAT ARE MOST AT RISK FOR VARIOUS DISEASES AND INJURIES WE WILL,
AS A COMMUNITY, BE BETTER POSITIONED TO ADDRESS HEALTH DISPARITIES.

- TO PROVIDE MORE ACCESSIBLE PREVENTIVE SERVICES TO ASSIST COMMUNITY
PARTNERS IN IMPROVING THE HEALTH STATUS OF FREDERICK COUNTY RESIDENTS,
AND TO HELP US AS A COMMUNITY KEEP THE COSTS OF PROVIDING CARE FOR
LATE-STAGE DISEASE IN CHECK. LATE-STAGE DISEASE IN CHECK.

Part VI Supplemental Information

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PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, LINE 3

FREDERICK MEMORIAL HOSPITAL POSTS ITS CHARITY CARE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION IN ADMISSION AREAS, THE FMH EMERGENCY DEPARTMENT, AND IN ALL OF OUR SATELLITE FACILITIES IN AREAS WHERE ELIGIBLE PATIENTS ARE LIKELY TO PRESENT. FMH PROVIDES A SUMMARY OF THE CHARITY CARE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO ALL PATIENTS AT THE TIME OF ADMISSION TO THE HOSPITAL. FMH ADMISSIONS PERSONNEL DISCUSS THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS SUCH AS MEDICAID OR STATE PROGRAMS WITH PATIENTS AND/OR THEIR FAMILY MEMBERS, AND THEY ASSIST PATIENTS WITH QUALIFICATION FOR THE PROGRAMS. FREDERICK MEMORIAL HOSPITAL INCREASED ITS EFFORTS TO PROVIDE FINANCIAL ASSISTANCE TO ITS PATIENTS THROUGH A VARIETY OF INITIATIVES. FMH INCREASED ITS FINANCIAL ASSISTANCE FOR CATASTROPHIC SITUATIONS. IN OUR PROGRAM, PATIENTS MAY RECEIVE FINANCIAL ASSISTANCE IF THEIR BILL IS 25% OR MORE OF THEIR ANNUAL INCOME. A FINANCIAL COUNSELOR MEETS WITH PATIENTS WHO HAVE NO INSURANCE THE DAY AFTER ADMISSION TO EXPLAIN OUR FINANCIAL ASSISTANCE PROGRAM AND THE STATE'S MEDICAL ASSISTANCE PROGRAM. EVERY INPATIENT OR

Part VI Supplemental Information

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OUTPATIENT WHO ACCUMULATES \$10,000 OR MORE IN CHARGES WILL RECEIVE A SECOND VISIT FROM A FINANCIAL COUNSELOR ALONG WITH A FINANCIAL ASSISTANCE APPLICATION. ALSO, WE MAIL THESE PATIENTS ANOTHER FINANCIAL ASSISTANCE APPLICATION WITH A COVER LETTER STATING THAT DUE TO THE BALANCE OF THEIR BILL, THEY MAY QUALIFY FOR FINANCIAL ASSISTANCE.

COMMUNITY INFORMATION

SCHEDULE H, PART VI, LINE 4

IN THE YEAR ENDED JUNE 30, 2017, FREDERICK MEMORIAL HOSPITAL ADMITTED 18,000 PATIENTS. THE FMH EMERGENCY DEPARTMENT TREATED 74,511 PATIENTS. THE HOSPITAL IS THE ONLY HOSPITAL LOCATED IN ITS PRIMARY SERVICE AREA AND THE ONLY HOSPITAL WITHIN A 25-MILE RADIUS OF THE CITY OF FREDERICK. APPROX. 7.1% OF ALL COUNTY RESIDENTS REPORT NO HEALTH INSURANCE AND 26.5% OF PATIENTS SEEN ARE MEDICAID RECIPIENTS. FMH DEFINES ITS PRIMARY SERVICE AREA AS FREDERICK COUNTY, MARYLAND AND IS THE ONLY HOSPITAL LOCATED IN ITS PRIMARY SERVICE AREA AND THE ONLY HOSPITAL WITHIN A 25-MILE RADIUS OF THE CITY OF FREDERICK.

Part VI Supplemental Information

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THE POPULATION OF FREDERICK COUNTY, MARYLAND IS 243,675 WITH 50.7% FEMALES, 75.7% WHITE AND 12.9% OF THE POPULATION OVER THE AGE OF 65. AVERAGE HOUSEHOLD INCOME IS \$84,570 AND 91.3% OF THE POPULATION ARE HIGH SCHOOL GRADUATES. 6.1% OF POPULATION IS BELOW THE POVERTY LEVEL AND UNEMPLOYMENT IS 4.4%.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, LINE 5

OUR WORK WITH THE FREDERICK COUNTY HEALTH CARE COALITION INCLUDES THE FOLLOWING INITIATIVES:

- DENTAL HEALTH HOME
- ENSURING EVERY ADULT RESIDENT OF THE COUNTY AS AN AFFORDABLE DENTAL HOME.
- HEALTHY WORKPLACE
- RECOGNIZE WORK PLACES COMMITTED TO IMPROVING EMPLOYEE HEALTH AND WELL BEING BASED UPON EVIDENCE
- BASED WORKSITE WELLNESS GUIDELINES DERIVED FROM THE CDC WORKSITE HEALTH

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SCORECARD.

- HEALTH DISPARITIES EDUCATION AND AWARENESS
- IDENTIFY TOOLS AND RESOURCES TO HELP ADDRESS DISPARITIES AND SET OBJECTIVE OUTCOME INDICATORS WITHIN THE OTHER COALITION WORKGROUPS.
- LOW INCOME ELDERLY ADVOCACY
- NO ELDERLY PERSON IN FREDERICK COUNTY WILL HAVE AN UNMET HEALTH NEED DUE TO LACK OF FUNDING INCLUDING ACCESS TO: HEALTH CARE, TRANSPORTATION, HOUSING, ASSISTED LIVING AND NURSING HOME CARE.
- REDUCTION OF DEATHS DUE TO OVERDOSE AND SUICIDE
- REDUCE OVERDOSE DEATH RATES BY 20% BY 2016. PROVIDE A SEAMLESS SYSTEM OF PREVENTION, INTERVENTION, TREATMENT AND RECOVERY SERVICES REGARDLESS OF ABILITY TO PAY. DECREASE COUNTY SUICIDE RATES BY 9.1% BY 2016.

OUR WORK WITH THE FREDERICK COUNTY LOCAL HEALTH DISPARITIES COMMITTEE (LHDC) (FREDERICK COUNTY LOCAL HEALTH IMPROVEMENT PLAN (LHIP) 2014-2016 WORK GROUP):

PROMOTES AWARENESS ABOUT HEALTH DISPARITIES IN FREDERICK COUNTY AND

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MOBILIZE PARTNERSHIPS FOR DISPARITY REDUCTION.

HEALTH DISPARITIES ADVERSELY AFFECT GROUPS OF PEOPLE WHO HAVE EXPERIENCED

GREATER OBSTACLES TO HEALTH BASED ON:

- RACIAL OR ETHNIC GROUP
- RELIGION
- SOCIOECONOMIC STATUS
- GENDER
- AGE
- MENTAL HEALTH
- GEOGRAPHIC LOCATION
- COGNITIVE, SENSORY, OR PHYSICAL DISABILITY
- SEXUAL ORIENTATION OR GENDER IDENTITY
- OR OTHER CHARACTERISTICS HISTORICALLY LINKED TO DISCRIMINATION OR EXCLUSION.

THERE ARE SIGNIFICANT HEALTH DISPARITIES IN SOME HEALTH OUTCOMES IN

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FREDERICK COUNTY:

- SOME AFFECT MEN, SOME AFFECT BLACKS MORE
- HEALTH DISPARITIES IMPACT US AND PEOPLE WE LOVE HEALTH DISPARITIES ARE COMPLICATED
- IT TAKES US ALL TO REDUCE AND ELIMINATE HEALTH DISPARITIES!

FMH SUBSIDIZES INTENSIVISTS, BEHAVIORAL HEALTH AND NICU PROVIDERS. THERE WOULD NOT BE ENOUGH PROVIDERS FOR THESE SERVICES WITHIN THE FREDERICK COMMUNITY WITHOUT OUR CONTRACTUAL ARRANGEMENTS. FMH ALSO CONTRACTUALLY SUBSIDIZE ANESTHESIA, EMERGENCY ROOM PHYSICIANS (BOTH ADULT AND PEDS), INTERVENTIONAL CARDIOLOGISTS, AND OBSERVATION SERVICES. IN ALL OF THOSE AREAS, WE WOULDN'T HAVE ENOUGH PROVIDERS WITHOUT SUBSIDIES TO CARE FOR COUNTY PATIENTS.

FMH SUBSIDIZES HOSPITALISTS TO MEET THE NEEDS OF OUR PATIENTS. THERE ARE NOT ENOUGH PRIMARY CARE PROVIDERS IN FREDERICK TO ACCOMMODATE ALL INPATIENT NEEDS. ALSO, MOST COMMUNITY PCP PHYSICIANS DO NOT MAINTAIN THEIR HOSPITAL PRIVILEGES AND THEREFORE CANNOT CARE FOR THEIR PATIENTS

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WHILE IN THE HOSPITAL.

FMH CONTRACTS WITH THE FOLLOWING SPECIALTIES TO PROVIDE COVERAGE ON A

24/7 BASIS:

- ANESTHESIOLOGY
- CARDIOLOGY
- ENT
- GASTROENTEROLOGY
- GENERAL DENTISTRY
- HEMATOLOGY/ONCOLOGY
- INTERVENTIONAL CARDIOLOGISTS
- NEPHROLOGY
- NEUROLOGY
- OBSTETRICS
- OPHTHALMOLOGY
- ORAL/MAXILLO/FACIAL
- ORTHOPEDICS

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- PEDIATRICS

- PLASTIC SURGERY

- PULMONARY MEDICINE

- UROLOGY

- VASCULAR SURGERY

- NEURO SURGEON

-INCREASE LIFE EXPECTANCY

- FOLLOW UP EDUCATIONAL PHONE CALLS MADE BY NURSE NAVIGATORS TO INCREASE

PARTICIPATION IN THE HIGH RISK BREAST CANCER SCREENING AND PREVENTION

PROGRAM

-REDUCE INFANT MORTALITY

- INCREASED NUMBER OF PRENATAL CLINIC VISITS FOR NON-INSURED/UNDERINSURED

COMMUNITY RESIDENTS

-REDUCE THE % OF ADULTS WHO ARE CURRENT SMOKERS

- PEDIATRIC ASTHMA OBSERVATION AND INPATIENTS RECEIVE EDUCATION ON

TRIGGER AVOIDANCE, WHICH INCLUDES INFORMATION ON SMOKING CESSATION FOR

THE PARENT IF NEEDED

-REDUCE THE % OF YOUTH USING ANY KIND OF TOBACCO PRODUCT

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- PEDIATRIC ASTHMA OBSERVATION AND INPATIENTS RECEIVE EDUCATION ON TRIGGER AVOIDANCE, WHICH INCLUDES INFORMATION ON SMOKING CESSATION IF NEEDED

-REDUCE THE % OF CHILDREN WHO ARE CONSIDERED OBESE

- APRIL 2016 CHILDREN'S FESTIVAL PARTICIPATION - PROVIDED EDUCATION ON PEDIATRIC HEALTH EATING INCREASE THE % VACCINATED ANNUALLY FOR SEASONAL INFLUENZA

- SCREEN ALL OBSERVATION AND INPATIENTS AND ENCOURAGE AND GIVE FLU VACCINATION

-INCREASE THE % OF CHILDREN WITH RECOMMENDED VACCINATIONS

- SCREEN ALL PEDIATRIC PATIENTS FOR VACCINATION COMPLIANCE AND PROVIDED EDUCATION AND POTENTIAL VACCINATION WHEN NEEDED

- PROVIDE EDUCATION A CHILDREN'S FESTIVAL (APRIL 2016)

-REDUCE HOSPITAL ED VISITS FROM ASTHMA

- PEDIATRIC ASTHMA JOINT COMMISSION CERTIFIED DESIGNATION CENTER OF EXCELLENCE FOR OUR WORK WITH PEDS ASTHMA (ENSURING WE ARE FOLLOWING BEST-PRACTICES, PROVIDING EDUCATION)

- WE ARE IN THE PROCESS OF UTILIZING COMMUNITY HEALTH WORKERS TO PROVIDE

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IN HOME FOLLOW UP FOR OUR ASTHMA PATIENTS TO REDUCE ED VISITS AND
HOSPITALIZATIONS REDUCE HOSPITAL ED VISITS RELATED TO MENTAL HEALTH
CONDITIONS

- IMPLEMENTED PILOT PROGRAM FOR INTEGRATED BEHAVIORAL HEALTH SPECIALIST
(TO HELP MEET GROWING MH NEEDS IN COMMUNITY; DIVERT UNNECESSARY ED
VISITS)

- PARTNERSHIP WITH FCMHA WALK-IN CLINIC (TO HELP MEET GROWING MH NEEDS IN
COMMUNITY; DIVERT UNNECESSARY ED VISITS) REDUCE HOSPITAL ED VISITS
RELATED TO ADDICTIONS

- PEER RECOVERY SPECIALIST (REDUCING ED VISITS R/T SUBSTANCE ABUSE)
- INSTITUTED PROTOCOLS TO ADMINISTER LONG-ACTING INJECTABLE TO PROMOTE
WELLNESS

AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, LINE 6

FREDERICK MEMORIAL HOSPITAL, INC. ("FMH") IS A PRIVATE, NON-STOCK,
NOT-FOR-PROFIT 501 (C) (3) MARYLAND CORPORATION ORGANIZED IN 1897. AS OF
JULY 1, 2011, FREDERICK REGIONAL HEALTH SYSTEM BECAME THE PARENT

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CORPORATION UNDER WHICH THE ENTITIES DESCRIBED BELOW EXIST AND OPERATE.

FREDERICK REGIONAL HEALTH SYSTEM IS GOVERNED BY A SIXTEEN MEMBER BOARD OF DIRECTORS. THE BOARD MEETS MONTHLY, WITH ELECTION OF OFFICERS AND MEMBERS OCCURRING AT THE SEPTEMBER MEETING. MUCH OF THE BOARD'S WORK IS ACCOMPLISHED THROUGH STANDING COMMITTEES, INCLUDING THE EXECUTIVE, FINANCE, GOVERNANCE, EXECUTIVE COMPENSATION, JOINT CONFERENCE (WITH MEDICAL STAFF), PLANNING, AND HOSPITAL PERFORMANCE REVIEW COMMITTEES.

FREDERICK MEMORIAL HOSPITAL IS A 298-BED ACUTE CARE HOSPITAL LOCATED IN FREDERICK, MARYLAND, APPROXIMATELY 50 MILES WEST OF BALTIMORE AND 45 MILES NORTHWEST OF WASHINGTON D. C. THE HOSPITAL OPENED IN 1902 AND IS CURRENTLY THE ONLY ACUTE CARE HOSPITAL IN FREDERICK COUNTY AND THE ONLY ACUTE CARE HOSPITAL WITHIN A 25-MILE RADIUS OF THE CITY OF FREDERICK.

THE MAIN CAMPUS OF THE HOSPITAL IS LOCATED ON AN APPROXIMATELY 15.85-ACRE SITE IN FREDERICK, MARYLAND. THE TOTAL SQUARE FOOTAGE OF THE HOSPITAL IS APPROXIMATELY 596,000 SQUARE FEET. FMH'S HOSPITAL-BASED AND OFF-SITE

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- 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.

OUTPATIENT SERVICES ACCOUNT FOR OVER 350,000 VISITS ANNUALLY INCLUDING HOME HEALTH SERVICES, WHICH MAKES APPROXIMATELY 35,000 VISITS PER YEAR. IN ADDITION, HOSPITAL-BASED HOSPICE SERVICES HANDLE APPROXIMATELY 15,000 VISITS PER YEAR.

FREDERICK REGIONAL HEALTH SYSTEM IS THE PARENT CORPORATION FOR MONOCACY HEALTH PARTNERS, A PHYSICIAN LED ENTERPRISE COMPOSED OF THE FOLLOWING HEALTH SYSTEM OWNED PRACTICES FREDERICK REGIONAL HEALTH SYSTEM PROVIDES A FULL RANGE OF ACUTE CARE SERVICES INCLUDING: MEDICINE, SURGERY, OBSTETRICS, GYNECOLOGY, PEDIATRICS, INTENSIVE CARE, CORONARY CARE, INTERVENTIONAL CARDIOLOGY, PRIMARY STROKE PROGRAM, WOUND CARE, JOINT REPLACEMENT PROGRAM, CYBERKNIFE RADIOSURGERY CENTER, PSYCHIATRIC CARE, MEDICAL FITNESS, WELLNESS PROGRAM/CENTER AND EMERGENCY SERVICES. IN ADDITION, THE HEALTH SYSTEM PROVIDES A COMPREHENSIVE RANGE OF OUTPATIENT SERVICES, INCLUDING: EMERGENCY MEDICINE, OUTPATIENT SURGERY, HOME HEALTH, RADIATION THERAPY, MRI, PET AND CT SCANNING, MEDICAL ONCOLOGY, AND COMPREHENSIVE WOMEN'S SERVICES. THROUGH THE SATELLITE LOCATIONS AND OUTPATIENT CENTERS, THE HEALTH SYSTEM PROVIDES: URGENT CARE, LABORATORY,

Part VI Supplemental Information

Provide the following information.

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

DIAGNOSTIC RADIOLOGY, AMBULATORY SURGERY, VASCULAR IMAGING,
REHABILITATION SERVICES, PAIN AND PALLIATIVE CARE.

STATE FILING OF COMMUNITY BENEFIT REPORT

SCHEDULE H, PART VI, LINE 7

MARYLAND

**SCHEDULE I
(Form 990)**

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

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

Part I General Information on Grants and Assistance

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

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

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 noncash assistance	(h) Purpose of grant or assistance
(1) FREDERICK COMMUNITY COLLEGE 7932 OPOSSUMTOWN PIKE FREDERICK, MD 21702	52-0743590	501(C)(3)	50,000.				SUPPORT OF ALLIED HEALTH PROGRAM
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

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

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

Schedule I (Form 990) (2016)

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b); and any other additional information.

PROCEDURES FOR MONITORING THE USE OF GRANTS

FORM 990, SCHEDULE I, PART I, LINE 2

THE HOSPITAL PROVIDES FUNDING TO A LOCAL COMMUNITY COLLEGE (501(C)(3) IN AN EFFORT TO ENHANCE ITS ALLIED HEALTH PROGRAM. THROUGH THIS PROGRAM A FORMAL EDUCATION FORUM IS ESTABLISHED RESULTING IN FULLY ACCREDITED PROGRAMS THAT MEET THE HOSPITAL'S NEEDS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Compensation Information

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

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

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Employer identification number

52-0591612

Part I Questions Regarding Compensation

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

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input 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 on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2016

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 RAVI YALAMANCHILI DIRECTOR	(i)	322,700.	0.	0.	0.	0.	322,700.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 MANUEL A. CASIANO VP MEDICAL STAFF	(i)	383,723.	79,170.	3,564.	33,314.	13,857.	513,628.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 CHERYL L. CIOFFI SVP COO AND CNO	(i)	233,739.	51,513.	24,173.	39,860.	18,331.	367,616.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 HANNAH R. JACOBS VP FINANCE	(i)	187,930.	23,603.	810.	11,273.	2,351.	225,967.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 THOMAS A. KLEINHANZL PRESIDENT AND CEO	(i)	834,039.	242,384.	12,973.	230,527.	18,331.	1,338,254.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 MICHELLE K. MAHAN SR VP AND CFO	(i)	548,382.	101,798.	3,564.	38,188.	18,331.	710,263.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 RACHEL I. MANDEL AVP MEDICAL AFFAIRS	(i)	202,545.	24,954.	516.	11,007.	2,351.	241,373.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 CRAIG F. ROSENDALE VP ANCILLARY SERVICES	(i)	184,907.	26,190.	6,858.	13,509.	15,608.	247,072.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 DONALD R. SCHILLING VP AMBULATORY SERVICES	(i)	196,996.	24,628.	19,415.	5,474.	15,706.	262,219.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 MARK S. SOBERMAN PHYSICIAN	(i)	419,621.	52,662.	1,032.	14,575.	17,974.	505,864.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 JENNIFER G. TEETER VP CLINICAL INTEGRATION	(i)	192,762.	24,702.	14,447.	13,801.	15,550.	261,262.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 JOHN R. VERBUS-UNTIL 8/ SR VP AND COO	(i)	340,381.	81,284.	3,564.	40,743.	14,323.	480,295.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 JIM R. WILLIAMS SVP POPULATION HEALTH	(i)	229,380.	29,058.	7,997.	15,946.	15,691.	298,072.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 DUSTIN M. SIMONSON ONCOLOGY MEDICAL PHYSICIST	(i)	185,934.	203.	3,890.	12,398.	17,908.	220,333.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 JAMES BLAKE TRUMBLE MEDICAL DIRECTOR	(i)	236,761.	0.	180.	13,120.	15,832.	265,893.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 HEATHER R KIRBY AVP-CARE MGMT	(i)	147,255.	19,569.	11,718.	5,102.	18,149.	201,793.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 ANUSHA BELANI EPIDEMIOLOGIST	(i)	120,259.	20,883.	44,545.	9,485.	6,498.	201,670.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 EMMANUEL FRU WANKI RN PER DIEM	(i)	194,463.	102.	0.	6,216.	1,883.	202,664.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

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

SCHEDULE J, PART I, LINE 3

THE EXECUTIVE COMPENSATION PROGRAM IS DESIGNED TO CARRY OUT THE HEALTH SYSTEM MISSION, TO ACHIEVE THE CHARITABLE PURPOSE, TO ATTRACT, RETAIN, MOTIVATE AND REWARD EXECUTIVE MANAGEMENT, AND TO MAINTAIN A COMPETITIVE POSITION WITH PEER ORGANIZATIONS IN THE REGION. OVERSIGHT OF THE EXECUTIVE COMPENSATION PROGRAM IS PROVIDED BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD, COMPOSED OF THE BOARD CHAIRMAN, VICE CHAIRMAN, IMMEDIATE PRECEDING CHAIRMAN, CHAIRMAN OF THE FINANCE COMMITTEE AND THE CHAIRMAN OF THE GOVERNANCE COMMITTEE. IN ADDITION TO THE BOARD'S COMPENSATION COMMITTEE, WE UTILIZED AN EXTERNAL INDEPENDENT CONSULTANT AND MARKET SURVEYS FOR ALL EXECUTIVE MANAGEMENT COMPENSATION. THE PRESIDENT AND CEO HAS A WRITTEN EMPLOYMENT CONTRACT.

SCHEDULE J, PART I, LINE 4B

FREDERICK MEMORIAL HOSPITAL HAS ONE 457(F) NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR CERTAIN MEMBERS OF SENIOR MANAGEMENT. UNDER THE PLAN, THEY MAY CONTRIBUTE AMOUNTS FROM THEIR COMPENSATION TO THE PLAN AND MAY RECEIVE A DISCRETIONARY EMPLOYER CONTRIBUTION. EMPLOYEES ARE FULLY VESTED IN ALL EMPLOYEE CONTRIBUTIONS TO THE PLAN. VESTING IN EMPLOYER

Part III Supplemental Information

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

CONTRIBUTIONS OCCURS IN ACCORDANCE WITH THE UNDERLYING PLAN DOCUMENTS.

ALL ASSETS OF THE PLAN ARE HELD IN A SEPARATE TRUST.

TOTAL HOSPITAL CONTRIBUTIONS TO THIS PLAN WERE AS FOLLOWS:

THOMAS A. KLEINHANZL \$214,627

MICHELLE K. MAHAN \$23,613

CHERYL L. CIOFFI \$23,960

MANUEL A. CASIANO \$18,739

**SCHEDULE K
(Form 990)**

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2016

**Open to Public
Inspection**

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

▶ **Attach to Form 990.**

▶ **Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.**

Department of the Treasury
Internal Revenue Service

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MARYLAND HEALTH & HIGHER EDU FACILITIES AUTH 2012A	52-0936091	574218LY7	12/05/2012	96,240,000.	SEE PART VI		X		X		X
B MARYLAND HEALTH & HIGHER EDU FACILITIES AUTH 2017A	52-0936091		06/15/2017	29,000,000.	SEE PART VI		X		X		X
C MARYLAND HEALTH & HIGHER EDU FACILITIES AUTH 2017B	52-0936091		06/15/2017	60,645,000.	SEE PART VI		X		X		X
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired	68,293,488.							
2 Amount of bonds legally defeased								
3 Total proceeds of issue	108,345,805.		29,001,157.		60,645,000.			
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds	1,648,756.							
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds	1,203,561.				400,000.			
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	37,200,000.		22,992,342.					
11 Other spent proceeds					60,245,000.			
12 Other unspent proceeds			6,008,815.					
13 Year of substantial completion	2014		2017		2017			
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X			X	X			
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		
16 Has the final allocation of proceeds been made?		X		X	X			
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	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		
2 Are there any lease arrangements that may result in private business use of bond-financed property?	X			X	X			

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

Part III Private Business Use (Continued)

FREDERICK MEMORIAL HOSPITAL

	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			
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			
c Are there any research agreements that may result in private business use of bond-financed property?	X		X		X			
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	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 ▶	.6300 %		.1900 %		.2600 %			
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6 Total of lines 4 and 56300 %		.1900 %		.2600 %			
7 Does the bond issue meet the private security or payment test?		X		X		X		
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X			

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X			X		
b Exception to rebate?					X			
c No rebate due?								
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed.								
3 Is the bond issue a variable rate issue?		X	X		X			
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X		X			
b Name of provider			UBS AG		USB AG			
c Term of hedge.			3.804		3.804			
d Was the hedge superintegrated?				X		X		
e Was the hedge terminated?				X		X		

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

DESCRIPTION OF PURPOSE

SCHEDULE K, PART I, COLUMN F

MARYLAND HEALTH & HIGHER EDU FACILITIES AUTH 2012A: FINANCE 2012 PROJECT
AND CURRENT REFUND 2002 BONDS WHICH FUNDED THE 2002 PROJECT.

MARYLAND HEALTH & HIGHER EDU FACILITIES AUTH 2017A: COMPLETION OF 2017
PROJECT CONSISTING OF CONSTRUCTION OF CANCER BUILDING, RENOVATIONS TO
BUSINESS CTR AND STERILE PROCESSING DEPARTMENT.

MARYLAND HEALTH & HIGHER EDU FACILITIES AUTH 2017B: PAY FINANCING COSTS
AND FOR THE REFUNDING OF SERIES 2012B BONDS.

SCHEDULE K, PART II, LINE 3

DIFFERENCE BETWEEN ISSUE PRICE AND TOTAL PROCEEDS MARYLAND HEALTH &
HIGHER ED AUTHORITY 2012A: ORIGINAL ISSUE PREMIUM OF \$3,989,854 AND
PREVIOUSLY TRUSTEED HELD FUNDS OF \$8,115,951.

SCHEDULE K, PART III, LINE 9

THE ORGANIZATION HAS WRITTEN POLICIES AND PROCEDURES IN PLACE TO ENSURE
TAX EXEMPT BOND POST ISSUANCE COMPLIANCE.

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

Department of the Treasury
Internal Revenue Service

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Employer identification number

52-0591612

DESCRIPTION OF OTHER PROGRAM SERVICES

FORM 990, PART III, LINE 4D

OTHER PROGRAM SERVICES INCLUDE BEHAVIORAL HEALTH, CARDIOLOGY, SLEEP,
HOSPICE & HOME CARE, IMAGING, WOMEN & CHILDREN AND WOUND CARE.

MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, LINE 6

THE SOLE MEMBER OF THE ORGANIZATION IS FREDERICK REGIONAL HEALTH SYSTEM.

POWER TO ELECT OR APPOINT MEMBERS

FORM 990, PART VI, LINE 7A

THE SOLE MEMBER, FREDERICK REGIONAL HEALTH SYSTEM, HAS THE POWER TO
APPOINT THE PRESIDENT/CEO AND THE DIRECTORS OF FREDERICK MEMORIAL
HOSPITAL.

DECISIONS RESERVED TO MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, LINE 7B

THE MEMBER, FREDERICK REGIONAL HEALTH SYSTEM, MUST APPROVE THE INCURRENCE
OF DEBT IF SUCH DEBT EXCEEDS A CERTAIN AMOUNT TO BE DESIGNATED BY THE
MEMBER, CAPITAL EXPENDITURES EXCEEDING A CERTAIN AMOUNT TO BE DESIGNATED
BY THE MEMBER, THE DECISION TO DISSOLVE OR LIQUIDATE, THE CREATION OF A
SUBSIDIARY, AND AMENDMENTS TO THE BYLAWS.

PROCESS USED TO REVIEW THE FORM 990

FORM 990, PART VI, LINE 11B

Name of the organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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THE 990 IS PREPARED IN CONJUNCTION WITH OUTSIDE TAX ACCOUNTANTS AND REVIEWED BY UPPER MANAGEMENT PRIOR TO PROVIDING A COPY TO THE BOARD. A COPY OF FORM 990 IS PROVIDED TO ALL MEMBERS OF THE BOARD PRIOR TO FILING.

MONITORING AND ENFORCEMENT OF COMPLIANCE WITH CONFLICT OF INTEREST POLICY

FORM 990, PART VI, LINE 12C

THE FREDERICK MEMORIAL HOSPITAL, INC. BOARD OF DIRECTORS IS COMMITTED TO MEETING ITS FIDUCIARY RESPONSIBILITIES AND MAINTAINING ITS DUTY OF LOYALTY TO THE HOSPITAL AND THE COMMUNITY IT SERVES. TO THIS END, THE BOARD WILL EXERCISE VIGILANCE IN IDENTIFYING ANY CONFLICTS OF INTEREST. THE BOARD WILL ALSO MAINTAIN TRANSPARENCY AND OBJECTIVITY IN MAKING DECISIONS ABOUT CONFLICTS OF INTEREST SO THAT THE ORGANIZATION'S MISSION IS ALWAYS THE FIRST PRIORITY. THE CHAIRPERSON (OR VICE CHAIRPERSON IF THE CHAIR IS INVOLVED) WILL NOTIFY ALL DIRECTORS OF A REPORTED CONFLICT OF INTEREST AND DECIDE WHETHER TO TAKE THE MATTER TO THE FULL BOARD TO DECIDE WHETHER A CONFLICT EXISTS AND, IF SO, WHAT ACTION TO TAKE, OR WILL REFER THE MATTER TO THE GOVERNANCE COMMITTEE FOR AN IN-DEPTH EXAMINATION, SUMMARY, AND RECOMMENDATION PRIOR TO A FULL BOARD DISCUSSION AND DECISION. IF TIME IS OF THE ESSENCE, THE CHAIRPERSON OR VICE CHAIRPERSON WILL TAKE THE MATTER TO THE EXECUTIVE COMMITTEE FOR DISCUSSION AND A DECISION, AND WILL THEN NOTIFY THE FULL BOARD. WHERE A CONFLICT OF INTEREST HAS BEEN IDENTIFIED, THE BOARD MEMBER SHALL NOT VOTE OR BE PRESENT FOR THE DISCUSSION OR THE VOTE REGARDING THE TRANSACTION AT THE FULL BOARD, EXECUTIVE COMMITTEE, OR GOVERNANCE COMMITTEE MEETINGS, EXCEPT TO ANSWER QUESTIONS THAT MAY BE ASKED OF HIM OR HER. TO PREVENT

Name of the organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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ACTUAL OR PERCEIVED INFLUENCE ON THE BOARD'S DECISION, THE CONFLICTED MEMBER IS PROHIBITED, AFTER INITIAL DISCLOSURE, FROM DISCUSSING THE CONFLICT OF INTEREST EITHER FORMALLY OR INFORMALLY WITH FELLOW DIRECTORS OR WITH MEMBERS OF THE MANAGEMENT. THERE WILL BE AN ANNUAL REVIEW OF ALL BOARD MEMBERS AND OFFICERS TRANSACTIONS PREPARED BY THE ADMINISTRATION AND REVIEWED BY THE GOVERNANCE COMMITTEE AND THE FULL BOARD OF DIRECTORS. AT THAT TIME, ALL DIRECTORS WILL BE REMINDED OF THE IRS INTERMEDIATE SANCTIONS REGULATION THAT ESTABLISHES EXCISE TAXES AS A SANCTION AGAINST ADMINISTRATORS AND DIRECTORS OF TAX-EXEMPT ORGANIZATIONS WHO PARTICIPATE IN 'EXCESS BENEFIT TRANSACTIONS' (E.G., UNREASONABLY HIGH EMPLOYMENT COMPENSATION OR BUSINESS DEALS).

PROCESS FOR DETERMINING COMPENSATION
FORM 990, PART VI, LINE 15

THE EXECUTIVE COMPENSATION PROGRAM IS DESIGNED TO CARRY OUT THE HEALTH SYSTEM MISSION, TO ACHIEVE THE CHARITABLE PURPOSE, TO ATTRACT, RETAIN, MOTIVATE AND REWARD EXECUTIVE MANAGEMENT, AND TO MAINTAIN A COMPETITIVE POSITION WITH PEER ORGANIZATIONS IN THE REGION. OVERSIGHT OF THE EXECUTIVE COMPENSATION PROGRAM IS PROVIDED BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD, COMPOSED OF THE BOARD CHAIRMAN, VICE CHAIRMAN, IMMEDIATE PRECEDING CHAIRMAN, CHAIRMAN OF THE FINANCE COMMITTEE AND THE CHAIRMAN OF THE GOVERNANCE COMMITTEE. IN ADDITION TO THE BOARD'S COMPENSATION COMMITTEE, WE UTILIZED AN EXTERNAL INDEPENDENT CONSULTANT AND MARKET SURVEYS FOR ALL EXECUTIVE MANAGEMENT COMPENSATION. THE PRESIDENT AND CEO HAVE A WRITTEN EMPLOYMENT CONTRACT.

Name of the organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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PROCESS FOR MAKING DOCUMENTS AVAILABLE TO THE PUBLIC

FORM 990, PART VI, LINE 19

GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST. FREDERICK MEMORIAL HOSPITAL, INC. CONSOLIDATED ANNUAL AUDITED FINANCIAL STATEMENTS ARE AVAILABLE AT WWW.FMH.ORG.

OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 9

UNREALIZED GAIN ON INTEREST RATE SWAP	4,499,279
LOSS ON EXTINGUISHMENT OF DEBT	(121,945)
EQUITY INVESTMENT LOSSES	(2,242,790)
MINIMUM PENSION ADJUSTMENT	9,503,260
TIMING OF CONTRIBUTIONS RECEIVED	(459,472)

TOTAL	11,178,332

ATTACHMENT 1FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

THE MISSION OF FREDERICK MEMORIAL HOSPITAL, INC. IS TO CONTRIBUTE TO, THE HEALTH AND WELL-BEING OF AREA RESIDENTS BY PROVIDING QUALITY, HEALTH CARE IN A CARING, COST EFFICIENT, SAFE AND CONVENIENT MANNER, THROUGH A COORDINATED PROGRAM OF PREVENTION, DIAGNOSIS AND TREATMENT, REHABILITATION, AND SUPPORT.

ATTACHMENT 2

Name of the organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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ATTACHMENT 2 (CONT'D)

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

INPATIENT SERVICES

IN FY2017, FREDERICK MEMORIAL HOSPITAL'S INPATIENT MEDICAL-SURGICAL DEPARTMENTS PROVIDED QUALITY, PATIENT-CENTERED CARE, REGARDLESS OF ABILITY TO PAY, TO APPROXIMATELY 24,019 INPATIENTS AND OBSERVATION PATIENTS. MAJOR MEDICAL AND SURGICAL SERVICES INCLUDE CARDIOLOGY, CONGESTIVE HEART FAILURE, POST-CARDIAC CATHETERIZATION, CENTER FOR CHEST PAIN, HEMODIALYSIS, PERITONEAL DIALYSIS, NEUROLOGY, NEUROSURGERY, PULMONOLOGY, ONCOLOGY, ORTHOPEDICS, GENERAL MEDICINE AND SURGICAL CARE. INPATIENT CARE IS SUPPORTED BY A TEAM OF BOARD-CERTIFIED PHYSICIAN HOSPITALISTS. IN ADDITION, FMH IS DESIGNATED AS A PRIMARY STROKE CENTER BY THE MARYLAND INSTITUTE OF EMERGENCY MEDICAL SERVICE SYSTEMS (MIEMSS) AND IS RECOGNIZED WITH THE STROKE CENTER GOLD PERFORMANCE AWARD BY THE AMERICAN HEART ASSOCIATION. OUR BARIATRIC SURGICAL PROGRAM IS ACCREDITED BY THE AMERICAN SOCIETY FOR METABOLIC AND BARIATRIC SURGERY AS A BARIATRIC SURGERY CENTER OF EXCELLENCE. IN ADDITION TO THE PROGRAM SERVICES EXPENSE LISTED HERE, FMH INCURRED \$44.9 MILLION OF GENERAL AND ADMINISTRATIVE EXPENSES IN MEETING THE HEALTH NEEDS OF OUR PRIMARY SERVICE AREA.

ATTACHMENT 3

FORM 990, PART III - PROGRAM SERVICE, LINE 4B

PERIOPERATIVE SERVICES

FREDERICK MEMORIAL HOSPITAL'S PERIOPERATIVE SERVICES PROVIDED HIGH

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

ATTACHMENT 3 (CONT'D)

QUALITY CARE TO 11,216 SURGICAL AND ENDOSCOPY PATIENTS IN FISCAL YEAR 2017. PROCEDURES WERE PERFORMED IN OUR STATE OF THE ART FACILITY WHICH INCLUDES A DEDICATED IMAGING ROOM FOR VASCULAR AND OTHER PROCEDURES. WE HAVE PARTICIPATED IN THE SCIP QUALITY IMPROVEMENT PROJECT FOR CONTINUAL IMPROVEMENTS IN CARE FOLLOWING EVIDENCE BASED MEDICINE. WE TRACKED OUR PATIENT SATISFACTION THROUGH PRESS GANEY TO BENCHMARK OUR RESULTS TO THE NATIONAL DATA BASE. IN ADDITION TO THE PROGRAM SERVICES EXPENSE LISTED HERE, FMH INCURRED \$44.9 MILLION OF GENERAL AND ADMINISTRATIVE EXPENSES IN MEETING THE HEALTH NEEDS OF OUR PRIMARY SERVICE AREA.

ATTACHMENT 4FORM 990, PART III - PROGRAM SERVICE, LINE 4C

ONCOLOGY

FMH'S ONCOLOGY PROGRAM PROVIDES INTEGRATED, MULTIDISCIPLINARY, PATIENT CENTERED CANCER CARE FOR PATIENTS WITH MALIGNANCIES, REGARDLESS OF ABILITY TO PAY. SERVICES INCLUDE MEDICAL ONCOLOGY CONSULTATIONS, CHEMOTHERAPY, RADIATION ONCOLOGY CONSULTATIONS AND TREATMENT AND SURGICAL ONCOLOGY CONSULTATIONS AND TREATMENT. WE OFFER COORDINATED MULTIDISCIPLINARY CLINICS FOR PATIENTS WITH CANCERS OF THE LUNG, BREAST AND PROSTATE. INTEGRATED PALLIATIVE CARE AND HOSPICE SERVICES, BOTH INPATIENT AND OUTPATIENT ARE AVAILABLE FOR PATIENTS WITH ADVANCED MALIGNANCIES. SUPPORT SERVICES INCLUDE NUTRITION, PATIENT NAVIGATION AND SOCIAL WORK, AS WELL AS OTHER FORMS OF PSYCHOSOCIAL SUPPORT. FOR THOSE WITH

Name of the organization FREDERICK MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591612
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ATTACHMENT 4 (CONT'D)

ADDITIONAL FINANCIAL NEED, FINANCIAL COUNSELORS AND A PATIENT ASSISTANCE FUND IS AVAILABLE. THE PROGRAM TREATS APPROXIMATELY 800 NEWLY DIAGNOSED CANCERS PER YEAR AND ALSO HAS A COMMUNITY OUTREACH PROGRAM THAT INCLUDES EDUCATION AND SCREENING. THE PROGRAM IS ACCREDITED BY THE AMERICAN COLLEGE OF SURGEONS COMMISSION ON CANCER. IN ADDITION TO THE PROGRAM SERVICES EXPENSE LISTED HERE, FMH INCURRED \$44.9 MILLION OF GENERAL AND ADMINISTRATIVE EXPENSES IN MEETING THE HEALTH NEEDS OF OUR PRIMARY SERVICE AREA.

ATTACHMENT 5990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
TX:TEAM REHAB INC 4625 E STOP 11 ROAD INDIANAPOLIS, IN 46237	REHAB SERVICES	7,723,418.
SOUND PHYSICIANS PO BOX 742936 LOS ANGELES, CA 90074	PHYSICIAN SERVICES	3,160,133.
ALLIANCE RADIOSURGERY, LLC PO BOX 6600 NEWPORT BEACH, CA 92568	ONCOLOGY SERVICES	2,884,501.
QUEST DIAGNOSTICS PO BOX 740709 ATLANTA, GA 30374	LABORATORY SERVICES	1,302,333.
CRITICAL CARE ASSOCIATES, LLC 10711 RED RUN BLVD., SUITE 101 OWINGS MILL, MD 21117	PHYSICIAN SERVICES	1,165,997.

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

52-0591612

ATTACHMENT 6FORM 990, PART IX - OTHER FEES

<u>DESCRIPTION</u>	(A) <u>TOTAL FEES</u>	(B) <u>PROGRAM SERVICE EXP.</u>	(C) <u>MANAGEMENT AND GENERAL</u>	(D) <u>FUNDRAISING EXPENSES</u>
CONTRACT SVCS	65,134,567.	51,081,081.	14,008,970.	44,516.
PRO FEES	12,481,245.	12,481,245.		
OTHER	5,246,206.	4,423,598.	820,275.	2,333.
TOTALS	<u>82,862,018.</u>	<u>67,985,924.</u>	<u>14,829,245.</u>	<u>46,849.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

▶ **Attach to Form 990.**

▶ **Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.**

Name of the organization

FREDERICK MEMORIAL HOSPITAL, INC.

Employer identification number

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) HOSPICE OF FREDERICK COUNTY, INC 400 WEST SEVENTH STREET FREDERICK, MD 21701 52-1164513	HOSPICE CARE	MD	501(C)(3)	10	FRHS, INC	X	
(2) FREDERICK REGIONAL HEALTH SYSTEM, INC 400 WEST SEVENTH STREET FREDERICK, MD 21701 45-4133096	HEALTH SYSTEM	MD	501(C)(3)	12B	N/A		X
(3) MONOCACY HEALTH PARTNERS 400 WEST SEVENTH STREET FREDERICK, MD 21701 45-3007639	PHYSICIAN ORG	MD	501(C)(3)	10	FRHS, INC	X	
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2016

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) FREDERICK HEALTH SERVICES CORPORATION 52-1851661 400 WEST SEVENTH STREET FREDERICK, MD 21701	MANAGEMENT CO	MD	FRHS	C CORP	0.	0.			X
(2) FREDERICK SURGICAL SERVICES CORPORATION 52-1642334 400 WEST SEVENTH STREET FREDERICK, MD 21701	HOLDING COMPANY	MD	FHSC	C CORP	0.	0.			X
(3) MONOCACY INSURANCE LTD 98-1011570 PO BOX 1159 GRAND CAYMAN, CJ KY1-1102	INSURANCE	CJ	FRHS	C CORP	0.	0.			X
(4)									
(5)									
(6)									
(7)									

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MONOCACY HEALTH PARTNERS, INC	S	9,880,000.	CASH
(2) MONOCACY HEALTH PARTNERS, INC	O	288,030.	DIRECT COSTING
(3) MONOCACY HEALTH PARTNERS, INC	J	783,296.	FMV
(4) MONOCACY HEALTH PARTNERS, INC	Q	21,928,175.	DIRECT COSTING
(5) FREDERICK HEALTH SERVICES CORP	A	164,456.	FMV
(6) FREDERICK HEALTH SERVICES CORP	K	403,411.	FMV

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

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

	Yes	No
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	1a	
b Gift, grant, or capital contribution to related organization(s)	1b	
c Gift, grant, or capital contribution from related organization(s)	1c	
d Loans or loan guarantees to or for related organization(s)	1d	
e Loans or loan guarantees by related organization(s)	1e	
f Dividends from related organization(s)	1f	
g Sale of assets to related organization(s)	1g	
h Purchase of assets from related organization(s)	1h	
i Exchange of assets with related organization(s)	1i	
j Lease of facilities, equipment, or other assets to related organization(s)	1j	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	
o Sharing of paid employees with related organization(s)	1o	
p Reimbursement paid to related organization(s) for expenses	1p	
q Reimbursement paid by related organization(s) for expenses	1q	
r Other transfer of cash or property to related organization(s)	1r	
s Other transfer of cash or property from related organization(s)	1s	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) FREDERICK HEALTH SERVICES CORP	O	83,800.	FMV
(2) FREDERICK HEALTH SERVICES CORP	P	130,860.	DIRECT COSTING
(3) FREDERICK REGIONAL HEALTH SYSTEM, INC	Q	741,854.	DIRECT COSTING
(4) HOSPICE OF FREDERICK COUNTY, INC	O	892,432.	DIRECT COSTING
(5) FREDERICK HEALTH SERVICES CORP	Q	10,145.	DIRECT COSTING
(6) FREDERICK HEALTH SERVICES CORP	J	7,498.	DIRECT COSTING

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

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

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

Part VII **Supplemental Information**

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