

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

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 SUBURBAN HOSPITAL, INC.		D Employer identification number 52-0610545
	Doing business as		E Telephone number 443-997-5771
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 8600 OLD GEORGETOWN ROAD	G Gross receipts \$ 354,492,109.	
	City or town, state or province, country, and ZIP or foreign postal code BETHESDA, MD 20814-1497		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) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.SUBURBANHOSPITAL.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: 1942	M State of legal domicile: MD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SUBURBAN HOSPITAL IS A COMMUNITY-BASED HOSPITAL SERVING MONTGOMERY COUNTY AND THE		
	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	21
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17
	5 Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	2248
	6 Total number of volunteers (estimate if necessary)	6	186
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	439,973.
b Net unrelated business taxable income from Form 990-T, line 39	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	3,514,459.	23,143,939.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	289,980,427.	275,201,864.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	22,707,990.	744,097.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	14,987,211.	14,338,083.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	92,511.	67,504.
	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)	134,354,264.	143,872,642.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	163,343,243.	164,863,080.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	297,790,018.	308,803,226.
19 Revenue less expenses. Subtract line 18 from line 12	33,400,069.	4,624,757.	
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)	611,537,964.	610,732,788.
	22 Net assets or fund balances. Subtract line 21 from line 20	210,363,136.	202,819,130.
		401,174,828.	407,913,658.

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 	Date 5/6/21
	MARTIN BASSO, SR VP FINANCE & TREASURER Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶					

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: SUBURBAN HOSPITAL WILL DELIVER SUPERIOR HEALTHCARE ENHANCED BY TECHNOLOGY, WELLNESS EDUCATION, RESEARCH, AND INNOVATIVE PARTNERSHIPS WITH PHYSICIANS, HOSPITALS, THE COMMUNITY, AND THE NATIONAL INSTITUTES OF HEALTH. MISSION: IMPROVING HEALTH WITH SKILL AND COMPASSION.

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

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

4a (Code:) (Expenses \$ 83,800,806. including grants of \$) (Revenue \$ 119,301,501.) SURGICAL PATIENT SERVICES: SUBURBAN HOSPITAL OFFERS COMPREHENSIVE INPATIENT AND OUTPATIENT SURGICAL SERVICES. THESE INCLUDE ORTHOPEDIC SERVICES, INCLUDING SPINE, NEUROSURGERY AND JOINT REPLACEMENT, WITH THE JOINT REPLACEMENT PROGRAM SERVING OVER 1,500 PATIENTS ANNUALLY. WITH THE DAVINCI SURGICAL SYSTEM, UROLOGIC, GYNECOLOGIC AND THORACIC PROCEDURES ARE PERFORMED WITH STATE-OF-THE-ART ROBOTIC TECHNOLOGY. SUBURBAN HOSPITAL IS THE ONLY CERTIFIED TRAUMA CENTER IN MONTGOMERY COUNTY. THE LEVEL II TRAUMA CENTER TREATS 1500 MAJOR TRAUMA CASES ANNUALLY AND HAS AN ORTHOPEDIC TRAUMATOLOGIST ON STAFF. THE FOLLOWING SPECIALISTS ARE ON CALL FOR EMERGENCIES: TRAUMA SURGEONS, NEUROSURGEONS, UROLOGISTS, ENT, OB/GYN, AND CARDIOLOGISTS. DURING 2020, SUBURBAN HOSPITAL ADMITTED 2,687

4b (Code:) (Expenses \$ 46,029,910. including grants of \$) (Revenue \$ 75,495,199.) MEDICAL PATIENT SERVICES: SUBURBAN HOSPITAL PROVIDES ACUTE AND CRITICAL CARE FOR A COMPLETE RANGE OF MEDICAL DIAGNOSES. THE HOSPITAL IS A JOINT COMMISSION CERTIFIED PRIMARY STROKE CENTER FEATURING A DEDICATED NIH STROKE TEAM, WHICH PROVIDES RAPID DIAGNOSIS AND CUTTING-EDGE TREATMENT OF STROKES. SUBURBAN HOSPITAL ALSO OPERATES A CANCER CARE PROGRAM, WHICH IS ACCREDITED WITH COMMENDATION BY THE COMMISSION ON CANCER OF THE AMERICAN COLLEGE OF SURGEONS. THE COMPREHENSIVE PROGRAM SERVICES PATIENTS WITH ALL DIAGNOSES AND OFFERS CUTTING-EDGE TECHNOLOGY AND PERSONALIZED CARE. IN 2020, SUBURBAN HOSPITAL ADMITTED APPROXIMATELY 8,500 MEDICAL PATIENTS. SUBURBAN HOSPITAL'S OBJECTIVES ARE TO MEASURE AND ANALYZE VARIANCES AND

4c (Code:) (Expenses \$ 22,343,327. including grants of \$) (Revenue \$ 31,330,638.) CARDIOVASCULAR PATIENT SERVICES: SUBURBAN HOSPITAL'S SPECIALIZED CENTER FOR CARDIAC CARE, ANCHORED BY THE NIH HEART CENTER, BRINGS THE CLINICAL AND SCIENTIFIC EXCELLENCE OF TWO RENOWNED MEDICAL INSTITUTIONS TO A COMMUNITY-BASED CARDIAC PROGRAM. THROUGH COLLABORATION WITH THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE (NHLBI) OF THE NATIONAL INSTITUTES OF HEALTH AND JOHNS HOPKINS MEDICINE, SUBURBAN HOSPITAL PROVIDES PATIENTS EASY ACCESS TO ADVANCED CARDIOVASCULAR TREATMENTS AVAILABLE IN VERY FEW MEDICAL CENTERS. IN ADDITION TO STATE-OF-THE-ART CARDIAC SURGERY AND ANGIOPLASTY, THE NIH HEART CENTER AT SUBURBAN HOSPITAL COMPLEMENTS A BROAD RANGE OF EXISITING CARDIAC PROGRAMS AT SUBURBAN HOSPITAL - FROM EMERGENCY CARE TO CARDIAC DIAGNOSTICS AND REHABILITATION. DURING 2020

4d Other program services (Describe on Schedule O.) (Expenses \$ 101,165,768. including grants of \$ 67,504.) (Revenue \$ 60,054,510.)

4e Total program service expenses 253,339,811.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 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 donor-restricted endowments or in 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>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
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	

Part IV Checklist of Required Schedules (continued)

	Yes	No
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?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) 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, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <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>		
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?	X	

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		2248
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

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 on Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a	21	
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b	17	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

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

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

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 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on 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 **▶**
MARTIN BASSO SR VP FIN TREAS - 301-896-2333
8600 OLD GEORGETOWN RD, BETHESDA, MD 20814-1497

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

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

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

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

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RONALD PETERSON FORMER CORPORATE VICE CHAIRMAN	0.00 0.00							0.	2,888,940.	0.
(2) KEVIN W. SOWERS, M.S.N., R.N., CORPORATE VICE CHAIRMAN	2.50 57.50	X		X				0.	1,922,816.	256,802.
(3) JACKY SCHULTZ PRESIDENT, TRUSTEE	59.00 1.00	X		X				0.	858,066.	197,068.
(4) MARTIN BASSO SR VP FINANCE & TREASURER	30.00 30.00			X				0.	730,279.	124,895.
(5) PETER B. MANCINO, ESQ. SECRETARY	1.00 59.00			X				0.	412,223.	145,845.
(6) ERIC DOBKIN VP MEDICAL AFFAIRS	60.00 0.00			X				0.	492,632.	41,281.
(7) LEIGHANN SIDONE, R.N. VP NURSING & CNO	59.00 1.00			X				0.	398,882.	80,956.
(8) JOSEPH LINSTROM VP OPERATIONS	59.00 1.00			X				0.	321,057.	93,615.
(9) JUNE M. FALB VP DEVELOPMENT	20.00 40.00			X				0.	263,923.	108,141.
(10) STEVEN COHEN PHYSICIAN ASST.	50.00 0.00					X		244,754.	0.	44,957.
(11) TRAVIS GASKILL PHYSICIAN ASST.	50.00 0.00					X		217,204.	0.	38,577.
(12) CHARLES HOOKS SR DIR INFORMATION SYSTEMS	50.00 0.00					X		218,278.	0.	22,014.
(13) BRADLEY FIELD CHIEF PERFUSIONIST	50.00 0.00					X		219,184.	0.	16,722.
(14) JENNIFER RAYNOR DEPT DIR OF PHARMACY	50.00 0.00					X		202,038.	0.	26,511.
(15) BARTON LEONARD, M.D. TRUSTEE	2.50 2.50	X						0.	0.	0.
(16) JANINE LOSSING TRUSTEE	2.50 57.50	X						0.	0.	0.
(17) MARY ELLEN BELIVEAU TRUSTEE	2.50 0.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MARY MYERS TRUSTEE	2.50 0.00	X					0.	0.	0.	
(19) BRIAN COBB TRUSTEE	2.50 0.00	X					0.	0.	0.	
(20) LINDA COURIE TRUSTEE	2.50 0.00	X					0.	0.	0.	
(21) JONATHAN EFRON, M.D. TRUSTEE	2.50 2.50	X					0.	0.	0.	
(22) MARIA GOMEZ TRUSTEE	2.50 0.00	X					0.	0.	0.	
(23) ELIZABETH FLANAGAN TRUSTEE	2.50 0.00	X					0.	0.	0.	
(24) JON SLABAUGH TRUSTEE	2.50 0.00	X					0.	0.	0.	
(25) MARK FUTROVSKY TRUSTEE	2.50 0.00	X					0.	0.	0.	
(26) HOWARD GLECKMAN TRUSTEE, CHAIRMAN	2.50 0.00	X					0.	0.	0.	
1b Subtotal							1,101,458.	8,288,818.	1197384.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							1,101,458.	8,288,818.	1197384.	

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 **251**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
CLARK CONSTRUCTION GROUP LLC 7500 OLD GEORGETOWN RD, BETHESDA, MD 20814	GENERAL CONTRACTOR	58,315,626.
WHITING TURNER CONTRACTING CO PO BOX 17596, BALTIMORE, MD 21297	GENERAL CONTRACTOR	1,575,327.
SODEXO INC AND AFFILIATES PO BOX 536922, ATLANTA, GA 30353	MANAGEMENT SERVICES	1,464,032.
POTOMAC HOME SUPPORT, 6001 MONTROSE RD, STE 203, ROCKVILLE, MD 20833	MEDICAL SERVICES	1,268,229.
ADT SECURITY CORPORATION PO BOX 382109, PITTSBURGH, PA 15251	SECURITY SERVICES	891,326.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **58**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	915,395.				
	e Government grants (contributions)	1e	21,992,281.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	236,263.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			23,143,939.			
Program Service Revenue	2 a NET PATIENT REVENUE	Business Code	621990	274,761,891.	274,761,891.		
	b LAB		541380	439,973.	439,973.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			275,201,864.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			3,662,223.		3,662,223.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities	38,146,000.			
			(ii) Other				
b Less: cost or other basis and sales expenses	7b	40,906,313.	157,813.				
c Gain or (loss)	7c	-2,760,313.	-157,813.				
d Net gain or (loss)			-2,918,126.	-2,918,126.			
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a OTHER REVENUE	Business Code	900099	12,401,037.	12,401,037.		
	b CAFETERIA INCOME		900099	920,165.	920,165.		
	c PARKING		900099	645,055.	645,055.		
	d All other revenue		900099	371,826.	371,826.		
	e Total. Add lines 11a-11d			14,338,083.			
12 Total revenue. See instructions			313,427,983.	286,181,848.	439,973.	3,662,223.	

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

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 ...	67,504.	67,504.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	118,590,701.	98,062,651.	20,528,050.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,248,689.	3,513,241.	735,448.	
9 Other employee benefits	10,857,644.	8,978,186.	1,879,458.	
10 Payroll taxes	10,175,608.	8,414,210.	1,761,398.	
11 Fees for services (nonemployees):				
a Management				
b Legal	192,289.		192,289.	
c Accounting	5,392.		5,392.	
d Lobbying	75,898.		75,898.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	321,267.	265,656.	55,611.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses	110,039,312.	98,172,144.	11,867,168.	
14 Information technology	1,709,853.	1,413,877.	295,976.	
15 Royalties				
16 Occupancy	4,917,803.	4,066,531.	851,272.	
17 Travel	254,357.		254,357.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	176,503.	145,950.	30,553.	
20 Interest	4,599,524.	4,599,524.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	20,058,590.	16,586,448.	3,472,142.	
23 Insurance	2,985,698.	2,575,910.	409,788.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a CONTRACTED SERVICES	11,778,426.		11,778,426.	
b PROFESSIONAL FEES	6,086,561.	5,092,245.	994,316.	
c OTHER	1,457,340.	1,181,467.	275,873.	
d INT EXP DERIVATIVES	204,267.	204,267.		
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	308,803,226.	253,339,811.	55,463,415.	0.
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)				

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	9,906.	1	87,690.
	2 Savings and temporary cash investments	10,264,361.	2	11,995,559.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	39,986,539.	4	29,981,491.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	11,531,798.	8	11,828,925.
	9 Prepaid expenses and deferred charges	3,252,727.	9	2,132,127.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 492,949,341.		
	b Less: accumulated depreciation	10b 184,255,052.	272,013,840.	10c 308,694,289.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	265,231,798.	12	236,036,022.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	9,246,995.	15	9,976,685.
16 Total assets. Add lines 1 through 15 (must equal line 33)	611,537,964.	16	610,732,788.	
Liabilities	17 Accounts payable and accrued expenses	45,348,743.	17	37,522,335.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	165,014,393.	25	165,296,795.
	26 Total liabilities. Add lines 17 through 25	210,363,136.	26	202,819,130.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	401,174,828.	27	407,913,658.
	28 Net assets with donor restrictions		28	
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	401,174,828.	32	407,913,658.
	33 Total liabilities and net assets/fund balances	611,537,964.	33	610,732,788.

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	313,427,983.
2	Total expenses (must equal Part IX, column (A), line 25)	2	308,803,226.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,624,757.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	401,174,828.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	2,114,073.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	407,913,658.

Part XII Financial Statements and Reporting

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

(Complete only if you checked the box on line 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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. 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 - 2018. 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 (as 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?		
b A family member of a person described in (a) above?		
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>		

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>		
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>		

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>		

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?		
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>		
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>		

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.		
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>		
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>		
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>		
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>		

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		(A) Prior Year	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	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2019

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 2019 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-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, 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 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Schedule B

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

Department of the Treasury Internal Revenue Service

Schedule of Contributors

Attach to Form 990, Form 990-EZ, or Form 990-PF. Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Name of the organization

SUBURBAN HOSPITAL, INC.

Employer identification number

52-0610545

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

[X] 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

[X] 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 SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	 <hr/> <hr/> <hr/>	\$ <u>915,395.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>	 <hr/> <hr/> <hr/>	\$ <u>36,772.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>	 <hr/> <hr/> <hr/>	\$ <u>1,701,959.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>	 <hr/> <hr/> <hr/>	\$ <u>199,849.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>	 <hr/> <hr/> <hr/>	\$ <u>20,082,370.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>6</u>	 <hr/> <hr/> <hr/>	\$ <u>171,180.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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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 info. once.) ▶ \$ _____
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	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(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

2019

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

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 SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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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.
- 2 Political campaign activity expenditures ► \$ _____
- 3 Volunteer hours for political campaign activities

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grassroots 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%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="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?														

Yes 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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		75,898.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			75,898.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE HOSPITAL RETAINS LEGAL COUNSEL TO PERFORM LOBBYING ACTIVITIES ON ITS BEHALF. THE LOBBYING ACTIVITIES RELATE TO PRESERVING AND PROTECTING THE HOSPITAL'S INTERESTS WITH REGARDS TO MATTERS AFFECTING HEALTH CARE AND HEALTH FACILITIES, INCLUDING STATE GRANTS AND UNCOMPENSATED CARE.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2019 Open to Public Inspection

Name of the organization: SUBURBAN HOSPITAL, INC. Employer identification number: 52-0610545

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 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor property and grant fund usage.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, and acquired after 7/25/06), and questions 3-9 regarding monitoring, expenses, and reporting.

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 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions 1a, 1b, and 2 regarding reporting of art and historical treasures.

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 make 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 program
 - 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term 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 | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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		684,714.		684,714.
b Buildings		260,503,734.	88,388,030.	172,115,704.
c Leasehold improvements		89,950.	89,950.	0.
d Equipment		206,038,007.	86,428,072.	119,609,935.
e Other		25,632,936.	9,349,000.	16,283,936.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				308,694,289.

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) LONG TERM INV	236,036,022.	COST
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	236,036,022.	

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1)	
(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	6,853,609.
(3) HEDGE FAIR VALUE ADJUST	88,367.
(4) CAPITAL ACCUMULATION ACCOUNT	411,355.
(5) INTEREST PAYABLE	22,080.
(6) ACCRUED PENSION LONG TERM	2,250,000.
(7) 457B FOR DIRECTORS	21,820.
(8) DUE TO AFFILIATES	148,440,233.
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	165,296,795.

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 FASB 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.

PART X, LINE 2:

FASB'S GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES CLARIFIES THE ACCOUNTING FOR UNCERTAINTY OF INCOME TAX POSITIONS. THIS GUIDANCE DEFINES THE THRESHOLD FOR RECOGNIZING TAX RETURN POSITIONS IN THE FINANCIAL STATEMENTS AS "MORE LIKELY THAN NOT" THAT THE POSITION IS SUSTAINABLE, BASED ON ITS TECHNICAL MERITS. THIS GUIDANCE ALSO PROVIDES GUIDANCE ON THE MEASUREMENT, CLASSIFICATION AND DISCLOSURE OF TAX RETURN POSITIONS IN THE FINANCIAL STATEMENTS. THE HOSPITAL HAS ADOPTED THIS GUIDANCE, AND THERE WAS NO IMPACT ON ITS FINANCIAL STATEMENTS DURING THE YEARS ENDED JUNE 30, 2020 AND 2019.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **SUBURBAN HOSPITAL, INC.** Employer identification number **52-0610545**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
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 checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>500</u> %	<input checked="" type="checkbox"/>	
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"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			5648600.	0.	5648600.	1.83%
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			5648600.		5648600.	1.83%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			20109642.	1103464.	19006178.	6.15%
f Health professions education (from Worksheet 5)			4286928.	0.	4286928.	1.39%
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			960,606.	960,606.		
i Cash and in-kind contributions for community benefit (from Worksheet 8)			177,075.	0.	177,075.	.06%
j Total. Other Benefits			25534251.	2064070.	23470181.	7.60%
k Total. Add lines 7d and 7j			31182851.	2064070.	29118781.	9.43%

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 SUBURBAN HOSPITAL, INC.

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

		Yes	No
Community Health Needs Assessment			
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?	1		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	2		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	3	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility			
b <input checked="" type="checkbox"/> Demographics of the community			
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d <input checked="" type="checkbox"/> How data was obtained			
e <input checked="" type="checkbox"/> The 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>18</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	5	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	6a		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	6b		X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE SUPPLEMENTAL INFORMATION</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 checked="" 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	8	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>			
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a If "Yes," (list url): <u>SEE SUPPLEMENTAL INFORMATION</u>			
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
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)?	12a		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
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 SUBURBAN HOSPITAL, INC.

	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?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>500</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" 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 checked="" type="checkbox"/> Residency		
h <input 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?	X	
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):		
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?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</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, PAGE 8</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 Limited English Proficiency (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 SUBURBAN HOSPITAL, INC.

	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?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
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 (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

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 SUBURBAN HOSPITAL, INC.

		Yes	No
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	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input checked="" type="checkbox"/> 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.	23	X
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.	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, 20a, 20b, 20c, 20d, 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.

SUBURBAN HOSPITAL, INC.:

PART V, SECTION B, LINE 5: SUBURBAN HOSPITAL, INC. (SHI) TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL THROUGH VARIOUS WAYS LISTED BELOW:

A) SHI IS A FOUNDING AND PERMANENT STEERING COMMITTEE MEMBER OF HEALTHY MONTGOMERY, THE MONTGOMERY COUNTY'S FORMAL COMMUNITY HEALTH IMPROVEMENT PROCESS (CHIP). HEALTHY MONTGOMERY AIMS TO IMPROVE ACCESS TO HEALTH AND SOCIAL SERVICES, ACHIEVE HEALTH EQUITY, AND SUPPORT OPTIMAL HEALTH AND WELL-BEING THROUGH A DYNAMIC, ON-GOING PROCESS THAT ALLOWS STAKEHOLDERS TO MONITOR AND ACT ON CONDITIONS AFFECTING THE HEALTH AND WELL-BEING OF MONTGOMERY COUNTY RESIDENTS. HEALTHY MONTGOMERY IS GOVERNED BY A STEERING COMMITTEE (HMSC), COMPOSED OF MEMBERS FROM THE PUBLIC HEALTH SYSTEM, SUCH AS COUNTY GOVERNMENT AND PUBLIC HEALTH OFFICIALS, ADVOCACY GROUPS, ACADEMIC INSTITUTIONS, MINORITY HEALTH PROGRAMS/INITIATIVES, AND MEMBERS OF HEALTH CARE PROVIDER ORGANIZATIONS. HMSC PROVIDES RECOMMENDATIONS AND TECHNICAL EXPERTISE TO HELP ADVANCE PERIODIC COUNTY-WIDE NEEDS ASSESSMENTS, IDENTIFY AND PRIORITIZE HEALTH NEEDS, LEVERAGE POPULATION-BASED DATA AND INFORMATION, AND RESEARCH AND ADOPT BEST-PRACTICE STRATEGIES FOR HEALTH IMPROVEMENT. THROUGH A COMMUNITY AND CONSENSUS-DRIVEN APPROACH, THE MOST RECENT HEALTHY MONTGOMERY COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), COMPLETED IN 2016, IDENTIFIED THE FOLLOWING FIVE KEY HEALTH PRIORITY AREAS FOR MONTGOMERY COUNTY RESIDENTS: OBESITY AND RELATED HEALTH PROBLEMS, HEART HEALTH, DIABETES, MATERNAL AND INFANT HEALTH, MENTAL HEALTH AND SUBSTANCE ABUSE, WITH THE EMERGING ISSUE OF HEROIN AND OPIOID MISUSE. BY WORKING DIRECTLY WITH HEALTHY MONTGOMERY, SHI CAN (1) ALIGN COUNTY-WIDE HEALTH PRIORITIES AND STRATEGIES WITH THOSE

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, 20a, 20b, 20c, 20d, 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.

IDENTIFIED FOR SHI'S COMMUNITY BENEFIT SERVICE AREA (CBSA) COMMUNITY AND

(2) MONITOR PROGRESS AIMED TO ACHIEVE HEALTH EQUITY FOR ALL RESIDENTS.

HMSC ADOPTED A SET OF CORE MEASURES THAT IS DESIGNED TO EVALUATE OUTCOMES

FOR HEALTH AND WELL-BEING. THE HEALTHY MONTGOMERY WEBSITE HOSTS

QUANTITATIVE DATA SETS FROM 2010-2018 FOR EACH OF THE CORE MEASURES.

B) SHI PRIORITIZED THE NEED TO UNDERSTAND THE UNMET HEALTH NEEDS OF OUR

COMMUNITY. THIS PROCESS INCLUDED THE DEVELOPMENT AND DISTRIBUTION OF A

COMMUNITY HEALTH SURVEY TOOL THAT ALLOWED THE COLLECTION OF DIRECT INPUT

FROM COMMUNITY MEMBERS. THE OBJECTIVE OF THE SURVEY WAS TO GATHER

COMMUNITY INPUT AND PERSPECTIVES ON THE FOLLOWING TOPICS: BIGGEST HEALTH

ISSUES OR CONCERNS IN THE COMMUNITY; TRENDS RELATIVE TO DEMOGRAPHICS AND

COMMUNITY HEALTH STATUS; PERCEIVED HEALTH RISKS AND BENEFITS; WELLNESS

SERVICES LACKING IN THE COMMUNITY; BARRIERS AND SERVICES RELATED TO

CHRONIC HEALTH CONDITIONS; AND, RECOMMENDATIONS FOR IMPROVING HEALTH

PREVENTION PROGRAMS IN THE COMMUNITY. SHI AND POTOMAC PHYSICIAN

ASSOCIATES, A COMMUNITY STAKEHOLDER, DISTRIBUTED THE SURVEY JOINTLY. ONE

HUNDRED FIFTY-ONE SURVEYS WERE COLLECTED DURING A THREE-MONTH PERIOD IN

THE SPRING OF 2018. WHILE THE HEALTHY MONTGOMERY CHNA PROVIDES A PICTURE

OF THE HEALTH STATUS OF MONTGOMERY COUNTY RESIDENTS AT-LARGE, THE FINDINGS

FROM THE SURVEY RESULTS SERVED AS AN ADDITIONAL PRIMARY SOURCE OF

INFORMATION FOR BEHAVIORS, NEEDS, AND OPINIONS ABOUT VARIOUS HEALTH AND

COMMUNITY ISSUES DIRECTLY AFFECTING SHI'S CBSA. THE AGE DISTRIBUTION OF

SURVEY RESPONDENTS VARIED, BUT THE MAJORITY (81%) WERE OVER THE AGE OF 50

AND MOSTLY FEMALE (55%). SURVEY PARTICIPANTS REPORTED LIVING PRIMARILY IN

BETHESDA (20817 & 20814), POTOMAC (20854), AND ROCKVILLE (20850, 20851,

20852 & 20853).

C) DATA COLLECTION INCLUDED INPATIENT, READMISSION AND EMERGENCY

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, 20a, 20b, 20c, 20d, 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.

DEPARTMENT DATA FROM SHI AND CORE HEALTH INDICATORS FROM DATA SOURCES SUCH AS US CENSUS, BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BFRS), HEALTHY MONTGOMERY AND COUNTY HEALTH RANKINGS. THESE DATA SETS WERE EXAMINED AND UTILIZED AS SECONDARY DATA FOR THE HOSPITAL'S CHNA.

D) THE SHI 2019 CHNA ENGAGED COMMUNITY EXPERTS THROUGH THE COMMUNITY HEALTH IMPROVEMENT ADVISORY COUNCIL (CHIA), WHICH ADVISES ON THE DIRECTION OF THE NEEDS ASSESSMENT AND PRIORITIZATION. THE COUNCIL MEETS ON TRIANNUAL BASIS THROUGHOUT THE YEAR. CHARTED BY THE HOSPITAL'S BOARD OF TRUSTEES AND CHAIRED BY A TRUSTEE, THE CHIA IS COMPRISED OF A DIVERSE GROUP OF LOCAL BUSINESS, NON-FOR-PROFIT EXECUTIVES AND COMMUNITY ADVOCACY LEADERS WHO REPRESENT THE PERSPECTIVE OF THE COUNTY'S MEDICALLY UNDERSERVED, LOW-INCOME AND RACIALLY/ETHNICALLY DIVERSE POPULATIONS. THE CHIA REPRESENTS DIVERSE SECTORS OF SHI'S SERVICE AREA AND ACTS AS A LIAISON WITH THE COMMUNITY AND THE HOSPITAL TO IDENTIFY HEALTH IMPROVEMENT OPPORTUNITIES AND NEEDS. THE CHIA INCLUDES REPRESENTATIVES FROM THE FOLLOWING: AMERICAN UNIVERSITY, AQUAS INCORPORATED, A WIDER CIRCLE, MONTGOMERY COUNTY GOVERNMENT, BRADLEY HILLS VILLAGE, ALPHA PHI ALPHA FRATERNITY, COMMUNITY HEALTHCARE PROVIDERS, GIRLS ON THE RUN MONTGOMERY COUNTY, HEALTHCARE INITIATIVE FOUNDATION, MONTGOMERY COUNTY POLICE DEPARTMENT, TOTAL WINE AND MORE, AND THE YMCA OF METROPOLITAN WASHINGTON.

E) SHI CONVENED A CHNA AD HOC COMMITTEE IN JANUARY 2019, COMPRISED OF KEY STAKEHOLDERS FROM SUBURBAN HOSPITAL'S CHIA AND OTHER LOCAL STAKEHOLDERS INVESTED IN COMMUNITY HEALTH. REPRESENTATIVES FROM THE FOLLOWING ORGANIZATIONS AND BUSINESSES INCLUDED AMERICAN UNIVERSITY, MONTGOMERY COUNTY GOVERNMENT, CATHOLIC CHARITIES OF ARCHDIOCESE OF WASHINGTON, COLESVILLE UNITED METHODIST CHURCH, FAMILY AND NURSING CARE, GIRLS ON THE RUN MONTGOMERY COUNTY, SUBURBAN HOSPITAL CANCER PROGRAM AND SUBURBAN

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, 20a, 20b, 20c, 20d, 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.

HOSPITAL PATIENT AND FAMILY ADVISORY COUNCIL. THE AD HOC COMMITTEE VOICED INSIGHT INTO THE NEEDS OF THE COMMUNITY AND ANALYZED NEEDS ASSESSMENT DATA GAPS. THE COMMITTEE ALSO PLAYED A CRITICAL ROLE IN THE DEVELOPMENT OF THE PRIORITIZATION PROCESS. IN ADDITION TO THE EXPERTISE CONTRIBUTED BY THE COMMITTEE, SHI INCLUDED QUALITY HEALTH EXPERTS FROM JOHNS HOPKINS HEALTH SYSTEM, DR. ERIC DOBKIN, VICE PRESIDENT OF MEDICAL AFFAIRS AND MS. EILEEN PUMMER, SENIOR DIRECTOR OF QUALITY & COMPLIANCY, IN CONVERSATIONS FOR THEIR FIRST-HAND KNOWLEDGE OF THE MAJOR HEALTH CONCERNS, BARRIERS AND NEEDS FOR SUBURBAN'S PATIENT POPULATION.

F) THROUGHOUT THE YEAR, SHI'S COMMUNITY HEALTH AND WELLNESS (CHW) DIVISION, UTILIZING PUBLIC HEALTH KNOWLEDGE, PRINCIPLES AND EXPERTISE, SPEARHEADS THE HOSPITAL'S COMMUNITY HEALTH NEEDS ASSESSMENT, IMPLEMENTATION AND COMMUNITY BENEFIT PROCESSES. THE CHW DIVISION ACTS AS A PUBLIC HEALTH RESOURCE AND GUIDE, DUE IN PART TO THE EDUCATIONAL BACKGROUND OF THE STAFF, STRONG RELATIONSHIPS BUILT IN THE COMMUNITY, AND FIRSTHAND KNOWLEDGE OF THE MAJOR HEALTH CONCERNS, BARRIERS AND NEEDS. BY WORKING DIRECTLY WITH HEALTHY MONTGOMERY TO COMPLETE THE HOSPITAL'S CHNA, THE DIVISION ALSO ADMINISTERS SUPPLEMENTAL COMMUNITY SURVEYS, ANALYZES THEIR RESULTS, COMPOSES THE CHNA AND IMPLEMENTATION STRATEGY OVER EACH THREE-YEAR CYCLE, AND SUBMITS THE PLAN TO THE IRS. FURTHERMORE, THE DIVISION WORKS COLLABORATIVELY WITH THE MONTGOMERY COUNTY HEALTH AND HUMAN SERVICES DEPARTMENT (DHHS), OTHER MONTGOMERY COUNTY HOSPITALS, COALITIONS, COMMUNITY PARTNERS AND LEADERS TO ENSURE COMMON GOALS ARE ESTABLISHED IN ORDER TO BEST LEVERAGE AND PROVIDE RESOURCES TO OUR COUNTY'S MOST VULNERABLE RESIDENTS.

G) THE MONTGOMERY COUNTY UNITED WAY REGIONAL COUNCIL (MCUWRC) CONSISTS OF VOLUNTEERS FROM BUSINESS, PUBLIC, AND NONPROFIT SECTORS IN THE COUNTY.

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, 20a, 20b, 20c, 20d, 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.

REGIONAL COUNCIL MEMBERS SERVE AS REPRESENTATIVES OF THEIR COMMUNITY BY PROVIDING ADVICE ABOUT UNIQUE SITUATIONS AND NEEDS.

H) WITH THE ASSISTANCE OF MONTGOMERY COUNTY DHHS, KEY CORE MEASURES FOR ALL SIX MONTGOMERY COUNTY HOSPITALS' CBSAS WERE ANALYZED, PROCESSED, AND ADOPTED AS A SOURCE. OF SECONDARY DATA FOR THE COMPLETION OF THE CHNA IN 2019.

SUBURBAN HOSPITAL, INC.:

PART V, SECTION B, LINE 7D: A FULL COPY OF SHI'S CHNA IS AVAILABLE IN PRINT AT THE HOSPITAL AND ON THE HOSPITAL'S WEBSITE. IN ADDITION, COMPONENTS OF SHI'S CHNA ARE ALSO AVAILABLE THROUGH THE HOSPITAL'S ELECTRONIC MAGAZINE AND WELLNESS NEWSLETTER KNOWN AS WELLWORKS. A SUPPLEMENTAL REPORT KNOWN AS THE COMMUNITY HEALTH IMPROVEMENT REPORT (CHI), WHICH HIGHLIGHTS SHI'S CHNA, IMPLEMENTATION STRATEGY AND COMMUNITY BENEFIT IS MADE AVAILABLE TO COMMUNITY STAKEHOLDERS AND LEGISLATORS ANNUALLY. THE CHIA DISSEMINATES THE CHI TO THEIR STAKEHOLDERS AND COMMUNITY.

SUBURBAN HOSPITAL, INC.:

PART V, SECTION B, LINE 11: - THE 2019 IMPLEMENTATION STRATEGY IS THE HOSPITAL'S FORMAL RESPONSE TO THE NEEDS ASSESSMENT. APPROVED AND ADOPTED BY SHI BOARD OF TRUSTEES IN SEPTEMBER 2019, IT OUTLINES THE HOSPITAL'S PLAN TO ADDRESS EACH OF THE SIX PRIORITIZED HEALTH NEEDS, SPECIFICALLY NOTING THE ACTIONS THE HOSPITAL INTENDS TO TAKE AND THE ANTICIPATED IMPACT OF THESE ACTIONS. THE REPORT LISTS THE RESOURCES COMMITTED TO ADDRESS EACH

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, 20a, 20b, 20c, 20d, 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 NEED, AS WELL AS PLANNED COLLABORATION BETWEEN THE HOSPITAL AND OTHER ORGANIZATIONS. WHEN POSSIBLE, EFFORTS ARE TAKEN TO ALIGN INITIATIVES WITH THE SHARED MISSION OF IMPROVING HEALTH IN MONTGOMERY COUNTY. SHI CONTINUES TO BUILD UPON EXISTING PROGRAMS ADDRESSING THESE SIX HEALTH AREAS, WORKING THOUGHTFULLY AND DILIGENTLY WITH COMMUNITY PARTNERS AND LEVERAGING RESOURCES TO ENSURE THAT THE VALUABLE INFORMATION ATTAINED FROM THE CHNA PROCESS CONTINUES TO BE UTILIZED FOR MONITORING AND EVALUATING ESTABLISHED HEALTH TARGETS AND GOALS.

- THE HSMC ESTABLISHED SIX OFFICIAL HEALTH PRIORITIES TO BE TRACKED, MEASURED AND EVALUATED BASED ON HEALTH INEQUITIES, LACK OF ACCESS, AND UNHEALTHY BEHAVIORS. ONE OF THOSE HEALTH PRIORITIES INCLUDES MATERNAL AND INFANT HEALTH. THE SHI SERVICE LINES ARE NOT ALIGNED TO AFFECT ALL OF THE CHANGES REQUIRED TO ADDRESS THIS HEALTH PRIORITY GIVEN THAT THE HOSPITAL DOES NOT HAVE AN OBSTETRICS DESIGNATION NOR DELIVER BABIES. ONE REASON FOR NOT SEEKING THIS DESIGNATION IS TO AVOID A DUPLICATION OF SERVICES; THERE ARE SEVERAL OTHER COMMUNITY HOSPITALS WITHIN 5-10 MILES OF OUR BETHESDA LOCATION WITH REPUTABLE OBSTETRICS PROGRAMS. WHILE SHI MAY NOT BE ABLE TO DIRECTLY ADDRESS THIS HEALTH PRIORITY, THE HOSPITAL DOES INDIRECTLY SUPPORT MATERNAL AND INFANT HEALTH INITIATIVES THROUGH FUNDING AND PROGRAMMING OF SEVERAL OTHER ORGANIZATIONS THAT PROMOTE THE HEALTH AND WELL-BEING OF CHILDREN AND THEIR FAMILIES. NOTABLY, SHI SUPPORTS CO-HOSTED THE SCREENING OF ANGST SCREENING AND PANEL DISCUSSION IN PARTNERSHIP WITH EVERYMIND, THE OTHER MONTGOMERY COUNTY HOSPITALS AND MONTGOMERY COUNTY PUBLIC SCHOOLS. THE GOAL WAS TO BRING AWARENESS TO STUDENTS WHO ARE DEALING WITH THE STRESS AND PRESSURE FROM INTERNAL AND EXTERNAL OUTLETS. IN ADDITION, SUBURBAN HOSPITAL SUPPORTS PARENT ENCOURAGEMENT PROGRAM (PEP) IN THEIR EFFORTS TO BRING PARENTING EDUCATION TO UNDERSERVED PARENTS IN

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, 20a, 20b, 20c, 20d, 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.

MONTGOMERY COUNTY. . IN ADDITION, SHI PROVIDES FINANCIAL SUPPORT TO SAFETY NET CLINICS IN MONTGOMERY COUNTY WHO TREAT SPECIFIC PATIENTS REQUIRING OBSTETRIC OR PEDIATRIC CARE. THE HOSPITAL IS ALSO THE OFFICIAL HEALTH SPONSOR OF GIRLS ON THE RUN MONTGOMERY COUNTY PROVIDING DISCOUNTED CPR AND FIRST AID TRAINING CLASSES TO THE COACHES, PURCHASING SHOES AND HEALTHY SNACKS FOR STUDENTS FROM TITLE I SCHOOLS AND PROVIDING HEALTH TIPS ON GIRLS ON THE RUN MONTGOMERY COUNTY WEBSITE.

- INTEGRATING BOTH THE HOSPITAL'S IMPLEMENTATION AND INTERNAL STRATEGIC GOALS, THE STRATEGIC PLAN IS ALIGNED WITH THE OBJECTIVE OF PROVIDING A GUIDED HEALTHCARE SYSTEM TO OUR MOST VULNERABLE PATIENTS AND COMMUNITIES. DELIBERATELY APPLYING A COLLECTIVE IMPACT APPROACH, THE COMMUNITY HEALTH AND WELLNESS AND CARE COORDINATION DIVISIONS GUIDE AND SUPPORT THE FOLLOWING POPULATION HEALTH OBJECTIVES:

O TRANSITION GUIDE NURSES, WHO ENSURE A SEAMLESS TRANSITION AND BETTER MANAGE PATIENTS' COMPLEX NEEDS FROM HOSPITAL TO HOME.

O A RE-ADMISSIONS REDUCTION STRATEGY THAT SUPPORTS "AGING IN PLACE" VIA A VILLAGE ALLIANCE MODEL WITHIN SHI'S COMMUNITY BENEFIT SERVICE AREA (CBSA) ZIP CODES.

O DATA ANALYTICS TO IDENTIFY VULNERABLE COMMUNITIES IN SUBURBAN CBSA ZIP CODES TO SUPPORT AND INTEGRATE POPULATION HEALTH-SPECIFIC INTERVENTIONS WITH THE GOAL OF REDUCING HEALTH INEQUITIES AS OUTLINED BY COMMUNITY HEALTH IMPROVEMENT REPORT.

O INTEGRATION OF POPULATION HEALTH INTERVENTIONS AIMED AT REDUCING HEALTH INEQUITIES AND PARTNERING WITH SAFETY NET CLINICS IN MONTGOMERY COUNTY TO INCREASE ACCESS OF CARE TO UNDERSERVED POPULATIONS AND PROVIDE A CONTINUUM OF CARE IN CHRONIC DISEASE MANAGEMENT INTERVENTIONS.

O LEVERAGE OF CURRENT STAKEHOLDER RESOURCES TO IDENTIFY AND ADDRESS GAPS

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, 20a, 20b, 20c, 20d, 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.

WITHIN POPULATION-SPECIFIC BEHAVIORAL HEALTH DISPARITIES AND SEEK TO
IMPROVE ACCESS TO URGENT CARE MENTAL HEALTH SERVICES THROUGH HEALTHY
MONTGOMERY AND BY PARTNERING WITH SAFETY NET CLINICS.

- FURTHERMORE, SHI IS A FOUNDING MEMBER OF NEXUSMONTGOMERY, A UNIQUE AND
FORMAL HEALTH TRANSFORMATION COLLABORATIVE OF ALL SIX HOSPITALS IN
MONTGOMERY COUNTY, MARYLAND, FOCUSED ON ACHIEVING QUALITY COMMUNITY HEALTH
IMPROVEMENT VIA ENHANCING PATIENT CARE, IMPROVING POPULATION HEALTH AND
LOWERING TOTAL HEALTH CARE COSTS FOR SENIORS.

SUBURBAN HOSPITAL, INC.

PART V, LINE 16A, FAP WEBSITE:

WWW.HOPKINSMEDICINE.ORG/PATIENT_CARE/PAY_BILL/ASSISTANCE_POLICIES.HTML

SUBURBAN HOSPITAL, INC.

PART V, LINE 16B, FAP APPLICATION WEBSITE:

WWW.HOPKINSMEDICINE.ORG/SUBURBAN_HOSPITAL/PLANNING_YOUR_VISIT/FINANCIAL_INF

SUBURBAN HOSPITAL, INC.

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

WWW.HOPKINSMEDICINE.ORG/SUBURBAN_HOSPITAL/PLANNING_YOUR_VISIT/FINANCIAL_INF

PART V, SECTION B, LINE 7A

[HTTPS://WWW.HOPKINSMEDICINE.ORG/ABOUT/COMMUNITY_HEALTH/SUBURBAN-HOSPITAL/COMMUNITY_COMMITMENT/NEEDS_ASSESSMENT.HTML](https://WWW.HOPKINSMEDICINE.ORG/ABOUT/COMMUNITY_HEALTH/SUBURBAN-HOSPITAL/COMMUNITY_COMMITMENT/NEEDS_ASSESSMENT.HTML)

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, 20a, 20b, 20c, 20d, 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.

PART V, SECTION B, LINE 10A

[HTTPS://WWW.HOPKINSMEDICINE.ORG/ABOUT/COMMUNITY_HEALTH/SUBURBAN-HOSPITAL/COMMUNITY_COMMITMENT/NEEDS_ASSESSMENT.HTML](https://www.hopkinsmedicine.org/about/community_health/suburban-hospital/community_commitment/needs_assessment.html)

PART V, SECTION B, LINE 16A

[HTTPS://WWW.HOPKINSMEDICINE.ORG/PATIENT_CARE/BILLING-INSURANCE/ASSISTANC E-SERVICES/ASSISTANCE_POLICIES.HTML](https://www.hopkinsmedicine.org/patient_care/billing-insurance/assistance-services/assistance_policies.html)

PART V, SECTION B, LINE 16B

[HTTPS://WWW.HOPKINSMEDICINE.ORG/PATIENT_CARE/BILLING-INSURANCE/ASSISTANC E-SERVICES/ASSISTANCE_POLICIES.HTML](https://www.hopkinsmedicine.org/patient_care/billing-insurance/assistance-services/assistance_policies.html)

PART V, SECTION B, LINE 16C

[HTTPS://WWW.HOPKINSMEDICINE.ORG/PATIENT_CARE/BILLING-INSURANCE/ASSISTANC E-SERVICES/ASSISTANCE_POLICIES.HTML](https://www.hopkinsmedicine.org/patient_care/billing-insurance/assistance-services/assistance_policies.html)

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.

PART I, LINE 7:

-A COST-TO-CHARGE RATIO (FROM WORKSHEET 2) IS USED TO CALCULATE THE AMOUNTS ON LINE 7A AND 7B (FINANCIAL ASSISTANCE AT COST AND UNREIMBURSED MEDICAID). THE AMOUNTS FOR LINES 7E-7I WOULD COME FROM OUR HSCRC COMMUNITY BENEFIT REPORT FILED WITH THE STATE OF MARYLAND AND WOULD NOT BE BASED ON A COST-TO CHARGE RATIO.

- LINE 7B - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS

Part VI Supplemental Information (Continuation)

IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE
RATE-SETTING SYSTEM.

- LINE 7F COLUMN (D) MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE
PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION.
THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT
THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL
PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME
HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR
REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT
ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO
HEALTH PROFESSIONS EDUCATION.

PART I, LINE 7G:

SUBURBAN HOSPITAL, INC. DOES NOT HAVE ANY SUBSIDIZED HEALTH SERVICES.

PART II, COMMUNITY BUILDING ACTIVITIES:

- SHI RECOGNIZES THE COMMUNITY'S UNMET OR POTENTIAL HEALTH NEEDS BY
LEVERAGING RESOURCES WITH LONG-STANDING COMMUNITY COALITIONS, PARTNERS,
ADVISORY GROUPS, BOARDS, PANELS, COMMITTEES, AS WELL AS BY SERVING ON
LOCAL COUNTY COMMISSIONS. IN ADDITION, SHI WORKS CLOSELY WITH MCDHHS
PUBLIC HEALTH OFFICIALS AND LEADERS OF ALL SIX MONTGOMERY COUNTY HOSPITALS
TO IDENTIFY POTENTIAL GAPS IN LOCAL SERVICES THAT CAN NEGATIVELY INFLUENCE
ONE'S HEALTH AND WELL-BEING.

- SHI'S COMMUNITY BUILDING ACTIVITIES SUPPORT AND PROMOTE THE HEALTH OF
THE COMMUNITY IT SERVES THROUGH A NUMBER OF HEALTH IMPROVEMENT INITIATIVES
THAT LEVERAGE AND HIGHLIGHT THE EXPERTISE AND INSIGHT OF LOCAL AND TRUSTED
ORGANIZATIONS. THE GOAL IS TO AVOID DUPLICATION AND RESERVE RESOURCES FOR
THOSE WHO NEED THEM THE MOST. A WIDER CIRCLE, AMERICAN RED CROSS,

Part VI Supplemental Information (Continuation)

BETHESDA CHEVY CHASE ROTARY CLUB, BETHESDA CHEVY CHASE CHAMBER OF COMMERCE, BETHESDA CHEVY CHASE YMCA, AMERICAN LUNG ASSOCIATION, MONTGOMERY COUNTY CHAMBER OF COMMERCE, ARCHDIOCESES HEALTHCARE NETWORK/CATHOLIC CHARITIES OF WASHINGTON DC, MONTGOMERY COUNTY CANCER CRUSADE/TOBACCO COALITION, MONTGOMERY COUNTY CHAMBER OF COMMERCE, MONTGOMERY COUNTY SENIOR HEALTH AND WELLNESS ADVISORY COUNCIL, MONTGOMERY COUNTY FOOD COUNCIL, CHARLES E. SMITH LIFE COMMUNITIES, CATHOLIC CHARITIES CENTER, LATINO HEALTH INITIATIVE, MOBILE MEDICAL CARE, INC., MONTGOMERY COUNTY THRIFT SHOP BOARD, NEXUS MONTGOMERY, PROYECTO SALUD CLINIC, SAFE KIDS COALITION, SCOTLAND COMMUNITY PARTNERSHIP, THE UNITED WAY NATIONAL CAPITAL REGION, WASHINGTON METROPOLITAN OASIS AND AGING IN PLACE VILLAGE ALLIANCES ARE ALL VALUABLE ASSETS TO IDENTIFYING THE DIVERSITY OF COMMUNITY NEED AND ENGAGEMENT.

SEVERAL EXAMPLES INCLUDE: COMMUNITY SUPPORT THROUGH THE AMERICAN RED CROSS BLOOD DRIVES, HELD QUARTERLY AT THE HOSPITAL; WORKFORCE DEVELOPMENT THROUGH THE MEDICAL EXPLORING PROGRAM WHICH ENABLES LOCAL HIGH SCHOOL STUDENTS TO LEARN IN MENTORSHIP WITH HOSPITAL STAFF WHILE ENHANCING THEIR KNOWLEDGE OF VARIOUS CAREERS IN MEDICINE AND HEALTHCARE; HOSPITAL SUPPORT AND CONTRIBUTIONS MADE BY SERVING ON LOCAL COMMUNITY HEALTH COALITIONS SUCH AS LATINO HEALTH INITIATIVE AND SAFE KIDS COALITION; PARTICIPATION IN LOCAL ECONOMIC DEVELOPMENT THROUGH THE BETHESDA CHEVY CHASE ROTARY CLUB, THE GREATER BETHESDA CHAMBER OF COMMERCE AND THE MONTGOMERY COUNTY CHAMBER OF COMMERCE; COLLABORATIVE PARTNERSHIPS WITH SAFETY NET CLINICS MOBILEMED, CATHOLIC CHARITIES AND CLINICA PROYECTO SALUD TO INCREASE ACCESS TO CARE FOR VULNERABLE POPULATIONS AT NO COST; HOSPITAL STAFF DEDICATE TIME TO SERVE ON VARIOUS NON-PROFIT BOARDS AND COUNCILS INCLUDING BETHESDA CHEVY CHASE YMCA, ARCHDIOCESES HEALTHCARE NETWORK/CATHOLIC CHARITIES OF WASHINGTON DC, MONTGOMERY COUNTY FOOD COUNCIL, MONTGOMERY

Part VI Supplemental Information (Continuation)

COUNTY SENIOR HEALTH AND WELLNESS ADVISORY COUNCIL AND THE MONTGOMERY COUNTY THRIFT SHOP BOARD; EXPANDING POPULATION SPECIFIC PROGRAMMING BY PARTNERING WITH LOCAL VILLAGES NETWORKS, WASHINGTON METROPOLITAN OASIS, SCOTLAND COMMUNITY PARTNERSHIP AND CHARLES E. SMITH LIFE COMMUNITIES TO IMPROVE HEALTH AND MEET THE NEEDS OF THE UNDERSERVED, VULNERABLE YOUTH AND SENIOR POPULATIONS LIVING IN MONTGOMERY COUNTY.

PART III, LINE 2:

THE PROVISION FOR BAD DEBTS IS BASED UPON A COMBINATION OF THE PAYOR SOURCE, THE AGING OF RECEIVABLES AND MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, TRENDS IN HEALTH INSURANCE COVERAGE, AND OTHER COLLECTION INDICATORS.

PART III, LINE 3:

MARYLAND HOSPITALS ARE RATE REGULATED UNDER THE HSCRC, WHICH INCLUDES BAD DEBT AS PART OF THE REIMBURSEMENT FORMULA FOR EACH HOSPITAL. DUE TO THE RATE REGULATION, SHI CANNOT DETERMINE THE AMOUNT THAT REASONABLE COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY.

PART III, LINE 4:

THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND AFFILIATES AUDITED FINANCIAL STATEMENTS PAGE 15.

PART III, LINE 8:

THE TRIAL BALANCE EXPENSES ARE ADJUSTED TO ALLOWABLE EXPENSE IN ACCORDANCE WITH THE MEDICARE COST REPORTING RULES AND REGULATIONS.

Part VI Supplemental Information (Continuation)

PART III, LINE 9B:

THE HOSPITAL CONFORMS TO THE PRINCIPLES AND STANDARDS OF THE MHA HOSPITAL BILLING AND DEBT COLLECTION PRACTICES PRINCIPLES AS WELL AS THE MHA MINIMUM STANDARDS FOR FINANCIAL ASSISTANCE IN MARYLAND HOSPITALS.

PART VI, LINE 2:

SHI'S COMMUNITY BENEFIT STRATEGIC PLAN IS INTEGRATED INTO THE HOSPITAL'S STRATEGIC TARGETS TO ENSURE A COLLECTIVE APPROACH TO BUILDING QUALITY RELATIONSHIPS WITH COMMUNITY PARTNERS IN ADDRESSING THE HEALTH NEEDS OF THE COMMUNITY SUBURBAN HOSPITAL COMMUNITY BENEFIT PLAN IS AN INTEGRAL COMPONENT OF THE HOSPITAL'S STRATEGIC APPROACH TO ADDRESSING THE COMMUNITY HEALTH NEEDS. USING A COLLABORATIVE APPROACH THAT BUILDS ON LONG-STANDING INTERNAL AND EXTERNAL PARTNERSHIPS, SUBURBAN CAN EFFECTIVELY PLAN FOR AND UTILIZE RESOURCES TO ADDRESS IDENTIFIED HEALTH NEEDS. THIS APPROACH STARTS AT THE TOP; THE ADMINISTRATIVE DIRECTOR OF COMMUNITY AFFAIRS & POPULATION HEALTH IN THE COMMUNITY HEALTH AND WELLNESS (CHW) DIVISION REPORTS DIRECTLY TO THE PRESIDENT OF SUBURBAN HOSPITAL, ENSURING THE TWO STRATEGIES REMAIN LINKED TO LEVERAGE RESOURCES EFFICIENTLY WHILE MEETING OBJECTIVES. OUR COMMITMENT TO THE STRATEGIC PLAN IS ONGOING; QUARTERLY, PROGRESS IS REVIEWED AND REPORTED AS PART OF THE HOSPITAL'S OVERALL OPERATION PERFORMANCE SCORECARD. WITH CONSTANT COMMUNICATION AND CONSIDERATION OF COMMUNITY BENEFIT PLANNING AND STRATEGY, WE ARE ABLE TO EFFECTIVELY ALIGN AND SUPPORT HOSPITAL OPERATIONS AND OVERALL SYSTEM GOALS, EVEN AS THEY CHANGE, AS EVIDENCED BY THE COVID-19 GLOBAL PANDEMIC. WHILE KEEPING PRIORITIZED HEALTH NEEDS AND STRATEGIES IN SIGHT, SUBURBAN HOSPITAL AND CHW FLEXED THEIR STRENGTHS AND LEVERAGED RELATIONSHIPS TO MEET THE POPULATION'S NEEDS AT THE GREATEST DISADVANTAGE. A PRIME EXAMPLE WAS THE DELIVERABLE SHIFTING

Part VI Supplemental Information (Continuation)

OF CHW OPERATIONS TO ADDRESS ONGOING COVID-19 TESTING AND VACCINATION CLINIC OPERATIONS.

PART VI, LINE 3:

SHI'S PATIENT ACCESS DEPARTMENT PROVIDES ALL PATIENTS REGISTERED FOR EMERGENCY, OUTPATIENT, OR INPATIENT CARE A COPY OF OUR FINANCIAL ASSISTANCE INFORMATION SHEET. SIGNS ARE POSTED IN ENGLISH AND SPANISH EXPLAINING THE AVAILABILITY OF FINANCIAL ASSISTANCE AND WHERE TO CALL FOR ASSISTANCE. THE SIGNS ARE LOCATED IN THE EMERGENCY, PEDIATRICS, CATH LAB, AND FINANCIAL COUNSELING DEPARTMENTS, AS WELL AS THE MAIN REGISTRATION DESK. A FINANCIAL ASSISTANCE APPLICATION IS GIVEN TO EVERY SELF-PAY PATIENT WITH INSTRUCTIONS ON HOW TO APPLY AND WHO TO CONTACT FOR ASSISTANCE. THE SAME INFORMATION IS PROVIDED TO ALL OTHER PATIENTS UPON REQUEST. THIS INFORMATION IS ALSO AVAILABLE IN SPANISH. NOTICE OF AVAILABILITY IS ALSO POSTED ON THE HOSPITALSS WEBSITE.

SUBURBAN HOSPITAL'S FINANCIAL COUNSELORS AND SOCIAL WORKERS ARE TRAINED TO ANSWER PATIENTS' QUESTIONS ABOUT FINANCIAL ASSISTANCE AND PROVIDE LINKAGE TO OTHER COMMUNITY ASSISTANCE RESOURCES PRIOR TO DISCHARGE. REGISTRATION AND PATIENT ACCOUNTING STAFF IS TRAINED TO ANSWER QUESTIONS REGARDING FINANCIAL ASSISTANCE AND WHO TO CONTACT TO APPLY. THE PATIENT ACCESS DEPARTMENT ALSO HAS MEDICAID SPECIALISTS ONSITE TO ASSIST PATIENTS IN APPLYING FOR MARYLAND MEDICAL ASSISTANCE. ALL UNINSURED PATIENTS ARE SCREENED FOR MEDICAID UPON ADMISSION AND PROVIDED WITH INFORMATION AND REFERRAL FOR FINANCIAL ASSISTANCE. IN ADDITION, SINCE IMPLEMENTATION OF THE AFFORDABLE CARE ACT, SUBURBAN HOSPITAL NOW HAS STAFF MEMBERS WHO ARE CERTIFIED APPLICATION COUNSELORS AND AVAILABLE TO ASSIST PATIENTS WHO HAVE QUESTIONS ABOUT ELIGIBILITY REQUIREMENTS FOR THE MARYLAND HEALTH INSURANCE EXCHANGE. OUR CERTIFIED APPLICATION COUNSELORS PROVIDE INFORMATION AND

Part VI Supplemental Information (Continuation)

ASSIST PATIENTS WITH INITIATION OF ONLINE HEALTH EXCHANGE PLAN ENROLLMENT
WHEN REQUESTED.

PART VI, LINE 4:

- SHI GEOGRAPHIC SERVICE AREA IS SUBURBAN.

- THE HOSPITAL CONSIDERS ITS COMMUNITY BENEFIT SERVICE AREA (CBSA) AS
SPECIFIC POPULATIONS OR COMMUNITIES OF NEED TO WHICH THE HOSPITAL
ALLOCATES RESOURCES THROUGH ITS COMMUNITY BENEFIT PLAN AND DOES NOT LIMIT
ITS COMMUNITY SERVICES TO THE PRIMARY SERVICE AREA. THE CBSA IS DEFINED BY
THE GEOGRAPHIC AREA CONTAINED WITHIN THE FOLLOWING FOURTEEN ZIP CODES:

20814, 20815, 20816, 20817, 20850, 20851, 20852, 20853, 20854, 20895,
20902, 20904, 20906, AND 20910.

- THE DATA FOR THE IDENTIFIED CBSA CAN BE SUMMARIZED AS FOLLOWS: TOTAL
POPULATION WAS 559,710 OF WHICH 47.8% WERE MALES AND 52.2% WERE FEMALES;
67.3% OF THE POPULATION EARN OVER \$75,000 OR MORE; 2.94% OF RESIDENTS ARE
UNINSURED; 30.2% OF RESIDENTS ARE COVERED BY MEDICAID/MEDICARE AND 29.2%
IDENTIFY AS A RACE OTHER THAN WHITE.

- NUMBER OF OTHER HOSPITALS SERVING THE COMMUNITY OR COMMUNITIES: 6

- FEDERALLY-DESIGNATED MEDICALLY UNDERSERVED AREAS OR POPULATIONS ARE
PRESENT IN THE COMMUNITY .

PART VI, LINE 5:

- THROUGHOUT THE CALENDAR YEAR, HOSPITAL PHYSICIANS, NURSES AND OTHER
ALLIED HEALTH STAFF VOLUNTEER THEIR TIME, EXPERTISE, AND PRESENT
APPROPRIATE HEALTH AND WELLNESS TOPICS TO COMMUNITY GROUPS INCLUDING
SENIOR LIVING COMMUNITIES, LOCAL VILLAGE NETWORKS AND LOCAL YOUTH GROUPS
INCLUDING GIRL SCOUT AND CUB SCOUT TROOPS. BEYOND THE WALLS OF THE
HOSPITAL, PHYSICIANS, NURSES, PHARMACISTS AND ALLIED HEALTH PROFESSIONALS

Part VI Supplemental Information (Continuation)

DEDICATE THEIR TIME, KNOWLEDGE AND EXPERTISE, SERVING AS PRECEPTORS, BY MENTORING LOCAL HIGH SCHOOL, UNDERGRADUATE AND GRADUATE STUDENTS IN AN EFFORT TO EXPAND WORKFORCE DEVELOPMENT.

- SHI HAS COLLABORATED WITH THE BOY SCOUTS OF AMERICA FOR OVER 20 YEARS TO DESIGN A UNIQUE CURRICULUM IN MEDICAL EXPLORING, A ONE-OF-A-KIND EDUCATIONAL INITIATIVE FOR HIGH SCHOOL STUDENTS SEEKING HANDS-ON ACCESS TO EXPLORING CAREERS IN MEDICINE. THROUGHOUT THE ACADEMIC YEAR, STUDENTS HAVE THE OPPORTUNITY TO PARTICIPATE IN UP TO 25 HANDS-ON LEARNING LABS THAT REPLICATE KEY FUNCTIONS OF THE HOSPITAL SYSTEM, LED BY THE REGION'S TOP PHYSICIANS, SURGEONS, AND HEALTHCARE PROFESSIONALS. STUDENTS HAVE THE OPPORTUNITY TO LEARN AND PRACTICE SUTURING TECHNIQUES FROM THE HOSPITAL'S INTENSIVISTS, OBSERVE OPEN HEART SURGERY, EXPLORE CAREERS DENTISTRY, OTOLARYNGOLOGY, NEUROLOGY AND ALLIED HEALTH INCLUDING PHYSICAL THERAPY AND NURSING.

- SINCE 2007, THE MOBILEMED/NIH HEART CLINIC AT SUBURBAN HOSPITAL HAS PROVIDED EXPERT CARE TO MORE THAN 3,700 PATIENTS AND HAS CONDUCTED MULTIPLE OPEN-HEART SURGERIES AT NO COST TO THOSE PATIENTS WHO ARE IN URGENT NEED OF THESE SPECIALTY CARE AND INPATIENT SERVICES. MOBILE MEDICAL CARE, INC., THE NATIONAL HEART, LUNG AND BLOOD INSTITUTE AND SUBURBAN HOSPITAL HAVE OPERATED A SPECIALTY CARDIAC CLINIC ON-SITE TO PROVIDE ACCESS TO CARE AND ALLEVIATE THE GAP IN SPECIALTY PROVIDERS FOR CARDIAC PATIENTS. REFERRED FROM SAFETY NET CLINICS IN THE COUNTY, CLINIC PATIENTS EVALUATED BY A SUBURBAN CARDIOLOGIST AND CLINICAL STAFF FROM THE NIH. IN ADDITION TO COORDINATING THE CARDIOLOGISTS AND NURSES WHO VOLUNTEER AT THE CLINIC, THE HOSPITAL SUPPORTS THE COSTS ASSOCIATED WITH FREE CARDIOVASCULAR SPECIALTY DIAGNOSTIC SCREENINGS AND OPEN-HEART SURGERY FOR PATIENTS WHO REQUIRE ADVANCED CARE. BASED ON THE BEST PRACTICE MODEL OF THE MOBILEMED/NIH HEART CLINIC, SUBURBAN HOSPITAL, MOBILE MEDICAL CARE,

Part VI Supplemental Information (Continuation)

INC. AND THE NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES (NIDDK) ESTABLISHED A FREE ENDOCRINE CLINIC PROVIDING LIFESTYLE AND CHRONIC DISEASE MANAGEMENT FOR PEOPLE WITH ENDOCRINE DISEASES IN JULY 2010. STAFF FROM THE THREE INSTITUTIONS VOLUNTEERED THEIR TIME ONCE A WEEK BY PROVIDING DIAGNOSTIC TESTS, LABORATORY SERVICES AND FREE MEDICAL EXAMINATIONS AND HAVE TREATED APPROXIMATELY 2,400 PATIENTS. IN ADDITION, PATIENTS HAVE THE OPPORTUNITY TO MEET FOR ONE-ON-ONE WITH SUBURBAN HOSPITAL REGISTERED DIETITIANS NUTRITION CONSULTATIONS TO REVIEW INDIVIDUAL NUTRITION PLANS AND EXAMINE DIETARY CHALLENGES AT NO COST.

- SHI'S BOARD OF TRUSTEES APPROVES COMMUNITY FINANCIAL CONTRIBUTIONS TO LOCAL NOT-FOR-PROFIT ORGANIZATIONS ON A YEARLY BASIS. THE CONTRIBUTIONS ARE ALLOCATED TO ORGANIZATIONS THAT ALIGN WITH THE HOSPITAL'S STRATEGIC OBJECTIVES AS WELL AS THE COMMUNITY HEALTH IMPROVEMENT PLAN, THEREBY DIRECTLY LINKING TO THE HOSPITAL'S CHNA AND CBR TO EXTEND HEALTH IMPROVEMENT INITIATIVES IN THE COMMUNITY. FOR EXAMPLE, SHI PROVIDES PROGRAMMING SUPPORT AND FINANCIAL CONTRIBUTIONS TO LOCAL ORGANIZATIONS SUCH AS A WIDER CIRCLE, BETHESDA CHEVY CHASE YMCA, EVERYMIND AND GIRLS ON THE RUN MONTGOMERY COUNTY AS THE MISSIONS AND VALUES OF THOSE ORGANIZATIONS ALIGN WITH THE HEALTH PRIORITIES SET BY THE HOSPITAL'S CHNA. ONE EXAMPLE INCLUDES THE SUPPORT OF THE BETHESDA CHEVY CHASE YMCA FOR THEIR ANNUAL TURKEY CHASE, WHICH FOCUSES ON FREE EDUCATION SERVICES TO PARENTS TO BUILD STRONG FAMILIES IN THE COMMUNITY. THE RACE DRAWS OVER 10,000 INDIVIDUALS ON THANKSGIVING MORNING AND HOSTS OTHER ENGAGING ACTIVITIES FOR CHILDREN THAT CONNECT COMMUNITY ENGAGEMENT AND PERSONAL WELLNESS.

- PLEASE SEE FORM 990, SCHEDULE O FOR A DESCRIPTION OF SIGNIFICANT COVID-19 RESPONSE ACTIVITIES.

Part VI Supplemental Information (Continuation)

- 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 THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) THAT IS REQUIRED TO: PUBLICLY DISCLOSE INFORMATION ON THE COST AND FINANCIAL POSITION OF 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 [HTTPS://HSCRC.STATE.MD.US/PAGES/INIT_CB.ASPX](https://hscrc.state.md.us/pages/init_cb.aspx)

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 (Continuation)

PART VI, LINE 6:

THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION (JHHSC) IS INCORPORATED IN THE STATE OF MARYLAND TO, AMONG OTHER THINGS, FORMULATE POLICY AMONG AND PROVIDE CENTRALIZED MANAGEMENT FOR JHHSC AND AFFILIATES (JHHS). JHHS IS ORGANIZED AND OPERATED FOR THE PURPOSE OF PROMOTING HEALTH BY FUNCTIONING AS A PARENT HOLDING COMPANY OF AFFILIATES WHOSE COMBINED MISSION IS TO PROVIDE PATIENT CARE IN THE TREATMENT AND PREVENTION OF HUMAN ILLNESS WHICH COMPARES FAVORABLY WITH THAT RENDERED BY ANY OTHER INSTITUTION IN THIS COUNTRY OR ABROAD.

JHHSC IS THE SOLE MEMBER OF THE JOHNS HOPKINS HOSPITAL (JHH), AN ACADEMIC MEDICAL CENTER, JOHNS HOPKINS BAYVIEW MEDICAL CENTER, INC. (JHBMC), A COMMUNITY BASED TEACHING HOSPITAL AND LONG-TERM CARE FACILITY, HOWARD COUNTY GENERAL HOSPITAL, INC. (HCGH), A COMMUNITY BASED HOSPITAL, SUBURBAN HOSPITAL, INC. (SHI), A COMMUNITY BASED HOSPITAL, SIBLEY MEMORIAL HOSPITAL (SMH), A D.C. COMMUNITY BASED HOSPITAL, AND JOHNS HOPKINS ALL CHILDRENS HOSPITAL, INC (JHACH), A FL ACADEMIC CHILDRENS HOSPITAL.

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

MD

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2019

**Open to Public
Inspection**

Name of the organization **SUBURBAN HOSPITAL, INC.** Employer identification number **52-0610545**

Part I General Information on Grants and Assistance

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

Part II Grants and Other Assistance to 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
MARYLAND PATIENT SAFETY CENTER, INC. - 6820 DEERPATH ROAD - ELKRIDGE, MD 21075	26-2188491	501(C)(3)	0.	5,000.			LOCAL COMMUNITY ASSISTANCE
THE GREATER BETHESDA CHEVY CHASE CHAMBER OF COMMERCE - 7910 WOODMONT AVE, STE 1204 - BETHESDA, MD 20814	52-0545799	501(C)(6)	0.	15,350.			LOCAL COMMUNITY ASSISTANCE
WOMANS BOARD AMERICA HEART ASSOCIATION - 240 WHITTINGTON PKWY - LOUISVILLE, KY 40222	13-5613787	501(C)(3)	0.	5,000.			LOCAL COMMUNITY ASSISTANCE
GIRLS ON THE RUN OF MONTGOMERY COUNTY - 11821 PARKLAWN DRIVE, STE 125 - ROCKVILLE, MD 20852	20-5531978	501(C)(3)	0.	5,084.			LOCAL COMMUNITY ASSISTANCE

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

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

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

Schedule I (Form 990) (2019)

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
SUBURBAN HOSPITAL, INC.

Employer identification number
52-0610545

Part I Questions Regarding Compensation

	Yes	No
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"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <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	1b	
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?	2	
3 Indicate which, if any, of the following the 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"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <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?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
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?	5a	X
b Any related organization?	5b	X
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?	6a	X
b Any related organization?	6b	X
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	7	X
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	8	X
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

Schedule J (Form 990) 2019

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) RONALD PETERSON FORMER CORPORATE VICE CHAIRMAN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	0.	0.	2,888,940.	0.	0.	2,888,940.	0.
(2) KEVIN W. SOWERS, M.S.N., R.N., CORPORATE VICE CHAIRMAN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	1,248,448.	626,950.	47,418.	243,973.	12,829.	2,179,618.	0.
(3) JACKY SCHULTZ PRESIDENT, TRUSTEE	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	486,390.	255,125.	116,551.	187,352.	9,716.	1,055,134.	0.
(4) MARTIN BASSO SR VP FINANCE & TREASURER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	460,159.	100,791.	169,329.	103,664.	21,231.	855,174.	0.
(5) PETER B. MANCINO, ESQ. SECRETARY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	317,007.	75,887.	19,329.	121,939.	23,906.	558,068.	0.
(6) ERIC DOBKIN VP MEDICAL AFFAIRS	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	390,861.	73,428.	28,343.	18,271.	23,010.	533,913.	0.
(7) LEIGHANN SIDONE, R.N. VP NURSING & CNO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	249,197.	55,259.	94,426.	52,614.	28,342.	479,838.	26,021.
(8) JOSEPH LINSTROM VP OPERATIONS	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	248,293.	46,374.	26,390.	82,240.	11,375.	414,672.	0.
(9) JUNE M. FALB VP DEVELOPMENT	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	201,399.	38,489.	24,035.	84,761.	23,380.	372,064.	0.
(10) STEVEN COHEN PHYSICIAN ASST.	(i)	236,603.	0.	8,151.	14,685.	30,272.	289,711.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) TRAVIS GASKILL PHYSICIAN ASST.	(i)	216,954.	0.	250.	13,419.	25,158.	255,781.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) CHARLES HOOKS SR DIR INFORMATION SYSTEMS	(i)	195,091.	8,000.	15,187.	12,344.	9,670.	240,292.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) BRADLEY FIELD CHIEF PERFUSIONIST	(i)	218,483.	0.	701.	13,229.	3,493.	235,906.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) JENNIFER RAYNOR DEPT DIR OF PHARMACY	(i)	195,257.	6,500.	281.	12,267.	14,244.	228,549.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(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.

PART I, LINE 4B:

A SELECT GROUP OF SENIOR LEADERS OF THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION (JHHSC) PARTICIPATE IN SUPPLEMENTAL RETIREMENT/DEFERRED COMPENSATION PROGRAMS, INCLUDING SOME LEGACY ARRANGEMENTS THAT ARE NO LONGER AVAILABLE TO NEW HIRES. PRE-2011 PARTICIPANTS RECEIVE CASH PAYMENTS EACH YEAR DETERMINED WITH REFERENCE TO THEIR SERVICE WITH JHHSC AND THEIR FINAL AVERAGE COMPENSATION. AS OF JANUARY 2019, FUTURE CASH PAYMENTS ARE MADE ACCORDING TO A FIXED SCHEDULE FOR THESE PARTICIPANTS. POST-2011 PARTICIPANTS ACCRUE BENEFITS UNDER A DEFINED CONTRIBUTION FORMULA WHERE CONTRIBUTIONS ARE TIERED BY POSITION LEVEL. CONTRIBUTIONS MADE IN 2018 AND PRIOR YEARS GENERALLY VEST AFTER THE LATER OF FIVE YEARS OF SERVICE WITH JHHSC OR THREE YEARS OF PLAN PARTICIPATION; CONTRIBUTIONS MADE IN 2019 AND FUTURE YEARS VEST THREE YEARS AFTER EACH CONTRIBUTION IS MADE, WITH FULL VESTING ON THE LATER OF AGE 65 OR THREE YEARS OF PLAN PARTICIPATION. ALL CONTRIBUTIONS VEST ON DEATH, DISABILITY OR INVOLUNTARY TERMINATION WITHOUT CAUSE. IF A PARTICIPANT VOLUNTARILY TERMINATES EMPLOYMENT OR IS TERMINATED BY THE EMPLOYER FOR CAUSE PRIOR TO THE APPLICABLE VESTING DATE, THE PARTICIPANT'S ENTIRE NON-VESTED BENEFIT IS FORFEITED

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.

ALL OF THESE ARRANGEMENTS WERE APPROVED, IN ADVANCE, BY AN INDEPENDENT COMPENSATION COMMITTEE, WHICH BASED ITS DECISION ON DATA PROVIDED BY AN INDEPENDENT COMPENSATION CONSULTANT. PARTICIPANTS' INTERESTS UNDER THESE ARRANGEMENTS ARE NOT GUARANTEED OR SECURED AT ANY WAY AND AT ALL TIMES ARE SUBJECT TO CLAIMS OF EMPLOYER'S BANKRUPTCY/INSOLVENCY CREDITORS.

THE FOLLOWING INDIVIDUALS LISTED ON FORM 990, PART VII, SECTION A, LINE 1A RECEIVED PAYMENT FROM ONE OR MORE SUPPLEMENTAL RETIREMENT/DEFERRED COMPENSATION PROGRAMS, WITH PAYMENTS REPORTED IN SCHEDULE J, PART II, COLUMN (B)(III); THE TOTAL OF AMOUNTS PAYABLE DURING 2019 BUT REPORTED AS DEFERRED COMPENSATION IN COLUMN (C) IN PREVIOUS YEARS IS REPORTED IN SCHEDULE J, PART II, COLUMN (F). THE AMOUNTS BELOW MAY REFLECT ANNUAL CASH PAYMENTS OR MULTIPLE YEARS OF ACCRUALS THAT VESTED IN 2019.

MARTY BASSO \$112,508; JACKY SCHULTZ \$44,271.42; JUNE FALB \$1,717.00 AND LEIGHANN SIDONE \$36,061.37.

IN ADDITION TO THOSE LISTED ABOVE, RONALD PETERSON RECEIVED PAYMENT FROM A

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.

SUPPLEMENTAL RETIREMENT PROGRAM THAT WAS IN PLACE PRIOR TO 1986 AND SUBJECT TO DIFFERENT TAX RULES. MR. PETERSON ACCRUED BENEFITS OVER A 40+ YEAR CAREER AT JOHNS HOPKINS HEALTH SYSTEM AND THE BENEFIT HAS BEEN REPORTED ON THE FORM 990 TWICE ALREADY: ONCE WHEN ACCRUED AND AGAIN WHEN INCLUDED AS TAXABLE INCOME FOR MEDICARE TAX PURPOSES. BENEFITS ARE PAID AS AN ANNUITY TO MR. PETERSON OVER HIS REMAINING LIFETIME AND TAXED FOR INCOME TAX PURPOSES AS PAID. UNDER FORM 990 REPORTING REQUIREMENTS, MR. PETERSON'S BENEFIT IS REQUIRED TO BE REPORTED A THIRD TIME WHEN PAID. DURING 2019, MR. PETERSON RECEIVED A PAYMENT OF \$1,275,825; THIS AMOUNT IS REPORTED IN SCHEDULE J, PART II, COLUMN (B)(III). MR. PETERSON ALSO PARTICIPATED IN A LEGACY PROGRAM, FUNDED WITH EMPLOYEE CONTRIBUTIONS, THAT RESULTED IN A TOTAL PAYOUT OF \$1,613,115.30 DURING 2019; THIS AMOUNT IS REPORTED IN SCHEDULE J, PART II, COLUMN (B)(III).

PART I, LINE 7:

ANNUAL INCENTIVE PLAN: EXECUTIVES PARTICIPATE IN AN ANNUAL INCENTIVE PLAN THAT REWARDS PARTICIPANTS FOR THE ACHIEVEMENT OF ORGANIZATION OBJECTIVES APPROVED BY THE JOHNS HOPKINS MEDICINE COMPENSATION COMMITTEE EACH YEAR, INCLUDING FINANCIAL AND NON-FINANCIAL MEASURES. A PORTION OF THE OVERALL

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.

AWARD IS DETERMINED BASED ON INDIVIDUAL PERFORMANCE.

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
BARTON LEONARD	TRUSTEE	288,294.	SEE PART V		X
MARK FUTROVSKY	TRUSTEE	380,397.	SEE PART V		X

Part V Supplemental Information.

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

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

(A) NAME OF PERSON: BARTON LEONARD

(D) DESCRIPTION OF TRANSACTION: SEE PART V

DR. LEONARD HOLDS AN OWNERSHIP INTEREST IN BETHESDA EMERGENCY ASSOCIATES "BEA". SUBURBAN HOSPITAL PAID BEA FOR PROGRAM SERVICES AND PHYSICIAN SUPPORT.

(A) NAME OF PERSON: MARK FUTROVSKY

(D) DESCRIPTION OF TRANSACTION: SEE PART V

MR. FUTROVSKY IS PRESIDENT OF THE ROLYN COMPANIES, INC. ("ROLYN"). SHI RENTED EQUIPMENT AND PURCHASED LABOR FROM ROLYN FOR COVID-19 RESPONSE AND PREPAREDNESS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

SUBURBAN HOSPITAL, INC.

Employer identification number

52-0610545

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

SURROUNDING AREA SINCE 1943. WE ARE A NOT-FOR-PROFIT HEALTHCARE PROVIDER GUIDED BY THE NEEDS OF OUR PATIENTS AND COMMUNITY. ON JUNE 30, 2009, SUBURBAN HOSPITAL BECAME A MEMBER OF JOHNS HOPKINS MEDICINE. THE DESIGNATED TRAUMA CENTER FOR MONTGOMERY COUNTY, SUBURBAN HOSPITAL IS AFFILIATED WITH MANY LOCAL HEALTHCARE ORGANIZATIONS, INCLUDING THE NATIONAL INSTITUTES OF HEALTH. IT IS COMMITTED TO CONTINUOUS IMPROVEMENT AND APPROPRIATE USE OF RESOURCES, AND CREATES AN ENVIRONMENT THAT ENCOURAGES THE SUCCESS AND FULFILLMENT OF OUR PHYSICIANS, STAFF, AND VOLUNTEERS.

SUBURBAN HOSPITAL WILL SET THE STANDARD FOR EXCELLENCE IN HEALTHCARE IN THE WASHINGTON METROPOLITAN REGION. THROUGH OUR AFFILIATIONS, WE ASPIRE TO PROVIDE WORLD-CLASS PATIENT CARE, TECHNOLOGY, AND CLINICAL RESEARCH.

FORM 990, PART I, LINE 8

PURSUANT TO THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT, SUBURBAN HOSPITAL, INC. RECOGNIZED \$18,192,631 OF FUNDING FROM THE PROVIDER RELIEF FUND ADMINISTERED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION, AN AGENCY OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES DURING FY20. THIS AMOUNT HAS BEEN RECOGNIZED AS GRANT REVENUE ON PART I, LINE 8 OF THE ORGANIZATION'S FORM 990.

FORM 990, PART III, LINE 2, NEW PROGRAM SERVICES:

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

Schedule O (Form 990 or 990-EZ) (2019)

Name of the organization SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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SUBURBAN'S SWIFT AND AGILE RESPONSE TO THE COVID-19 PANDEMIC TO DATE

INCLUDE:

- ARRANGED A VOLUNTEER HOTLINE TO ADDRESS COMMUNITY QUESTIONS ON COVID-19 RESOURCES IN THE COMMUNITY;
- ESTABLISHED AN ACTIVE COVID-19 TESTING SITE IN THE HOSPITAL PARKING GARAGE IN EARLY MARCH;

FACILITIES AND SAFETY NET CLINICS:

- PROVIDED WRITTEN COMMUNICATION TO OUR COMMUNITY AND LOCAL VILLAGES ABOUT COVID TESTING OPTIONS, HEALTH AND WELLNESS EVENTS, FOOD ASSISTANCE PROGRAMS AND TRANSPORTATION RESOURCES FROM LOCAL PARTNERS.

(MANNA FOOD, MONTGOMERY COUNTY RIDE ON BUS)

- SUPPORTED BEHAVIORAL HEALTH SERVICES THROUGH PARTNERSHIP WITH EVERYMIND TO PROVIDE MENTAL HEALTH EDUCATION TO COMMUNITY;
- COLLABORATED WITH AMERICAN RED CROSS AND A LOCAL SCHOOL, STONE RIDGE OF THE SCARED HEART, TO HOLD TWO COMMUNITY BLOOD DRIVES. OTHERS PLANNED DURING THE UPCOMING MONTHS.

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

SURGICAL INPATIENTS. 3,666 OPERATING ROOM CASES WERE PERFORMED.

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

IMPROVE CARE PROCESSES RELATED TO KEY TARGET ZERO QUALITY INITIATIVES:

- (1) FALLS WITH INJURY (2) CENTRAL-LINE ASSOCIATED BLOODSTREAM INFECTION
- (3) VENTILATOR ASSOCIATED PNEUMONIA (4) PRESSURE ULCER RATES.

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

THERE WERE 655 ADMISSIONS AND 135 OPEN HEART SURGERY CASES.

Name of the organization SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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FORM 990, PART VI, SECTION A, LINE 6:

JOHNS HOPKINS HEALTH SYSTEM CORPORATION AN IRC 501(C)(3) TAX EXEMPT ORGANIZATION, IS THE SOLE CORPORATE MEMBER OF SUBURBAN HOSPITAL, INC.

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

JOHNS HOPKINS HEALTH SYSTEM CORPORATION, AN IRC 501C (3) TAX EXEMPT ORGANIZATION AND THE SOLE MEMBER OF SUBURBAN HOSPITAL, INC. ELECTS THE MAJORITY OF THE BOARD OF TRUSTEES.

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

THE GOVERNING BODY OF SUBURBAN HOSPITAL, INC. IS EMPOWERED BY ITS BY-LAWS TO MAKE CERTAIN DECISIONS; ALL OTHER DECISIONS ARE SUBJECT TO APPROVAL OF THE SOLE MEMBER JOHNS HOPKINS HEALTH SYSTEM CORPORATION.

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

A COPY OF THE FORM 990 WAS PROVIDED TO THE BOARD OF TRUSTEES AND THE EXECUTIVE COMMITTEE BEFORE IT WAS FILED.

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

THE CONFLICT OF INTEREST POLICY IS A PART OF THE ANNUAL DISCLOSURE STATEMENT PROCESS. ALL OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES ARE REQUIRED TO REPORT ANY CONFLICTS OF INTEREST AND TO COMPLY WITH THE CONFLICT OF INTEREST POLICY ON AN ANNUAL BASIS.

FORM 990, PART VI, SECTION B, LINE 15:

EVERY THREE YEARS AN INDEPENDENT STUDY IS CONDUCTED GATHERING INDUSTRY COMPENSATION AVERAGES FROM SELECT PEER INSTITUTIONS. EVERY YEAR THE JOHNS

Name of the organization SUBURBAN HOSPITAL, INC.	Employer identification number 52-0610545
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HOPKINS BOARD OF TRUSTEES COMPENSATION COMMITTEE REVIEWS COMPENSATION AMOUNTS FOR OFFICERS AND ALL EMPLOYEES AT THE DIRECTOR AND HIGHER LEVELS.

FORM 990, PART VI, SECTION C, LINE 19:
INTERNAL POLICIES, INCLUDING CONFLICT OF INTEREST POLICY, ARE PROVIDED TO THE PUBLIC ON THE ORGANIZATIONS WEBSITE. FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST, THE GOVERNING DOCUMENTS HAVE BEEN MADE AVAILABLE IN OUR PUBLIC FILING WITH THE STATE OF MARYLAND AND THE INTERNAL REVENUE SERVICE.

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

CHANGE IN MARKET VALUE OF INT SWAP AGREEMENT	161,937.
CHANGE IN FUND STATUS OF DEFINED BENEFIT PLANS	800,000.
NET ASSETS RELEASED FROM RESTRICTION	567,862.
CHANGE IN PENSION	531,000.
UNREALIZED GAIN ON INVESTMENT	53,274.
TOTAL TO FORM 990, PART XI, LINE 9	2,114,073.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **SUBURBAN HOSPITAL, INC.** Employer identification number **52-0610545**

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
SUBURBAN PHYSICIAN ASSISTANT ASSOCIATES, LLC - 01-0642496, 8600 OLD GEORGETOWN ROAD, BETHESDA, MD 20814	MEDICAL SERVICES	MARYLAND	674,688.	-24,124.	SUBURBAN HOSPITAL, INC

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
SUBURBAN HOSPITAL FOUNDATION, INC. - 52-2019696, 8600 OLD GEORGETOWN ROAD, BETHESDA, MD 20814	SUPPORTING ORGANIZATION	MARYLAND	501(C)(3)	LINE 12B, II	SUBURBAN HOSPITAL, INC	X	
JOHNS HOPKINS HEALTH SYSTEM CORPORATION - 52-1465301, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	SUPPORTING ORGANIZATION	MARYLAND	501(C)(3)	LINE 12D, III-0	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
HOWARD COUNTY GENERAL HOSPITAL, INC. - 52-2093120, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	HOSPITAL	MARYLAND	501(C)(3)	LINE 3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
JOHNS HOPKINS BAYVIEW MEDICAL CENTER, INC. - 52-1341890, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	HOSPITAL	MARYLAND	501(C)(3)	LINE 3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X

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

Schedule R (Form 990) 2019

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
JOHNS HOPKINS COMMUNITY PHYSICIANS, INC. - 52-1467441, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	LINE 12D, III-0	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
JOHNS HOPKINS MEDICAL SERVICES CORPORATION - 52-1232569, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	LINE 3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
THE JOHNS HOPKINS HOSPITAL - 52-0591656 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 430 BALTIMORE, MD 21211	HOSPITAL	MARYLAND	501(C)(3)	LINE 3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
SUBURBAN HOSPITAL HEALTHCARE SYSTEM, INC. - 52-2052354, 8600 OLD GEORGETOWN ROAD, BETHESDA, MD 20814	HEALTHCARE SERVICES	MARYLAND	501(C)(3)	LINE 12D, III-0	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
HEALTHCARE INITIATIVE FOUNDATION - 23-7324576, 7910 WOODMONT AVENUE, BETHESDA, MD 20814	SUPPORTING ORGANIZATION	MARYLAND	501(C)(3)	PF	HEALTHCARE INITIATIVE FOUNDATION		X
LUCY WEBB HAYES NATIONAL TRAINING SCHOOL FOR DEACONESSES & - 53-0196602, 5255 LOUGHBORO RD, NW, WASHINGTON, DC 20016	HOSPITAL	DISTRICT OF COLUMBIA	501(C)(3)	LINE 3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
POTOMAC HOME SUPPORT INC - 52-1750383 6001 MONTROSE ROAD NO 1020 ROCKVILLE, MD 20852	HOME HEALTH CARE	MARYLAND	501(C)(3)	LINE 11	N/A		X
SIBLEY SUBURBAN HOME HEALTH AGENCY - 52-1450142, 6001 MONTROSE ROAD NO 307, ROCKVILLE, MD 20852	HOME HEALTH CARE	MARYLAND	501(C)(3)	LINE 11	N/A		X
PEDIATRIC PHYSICIAN SERVICES, INC - 59-3425191, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, FL 33701	PEDIATRIC MEDICAL SERVICES	FLORIDA	501(C)(3)	LINE 11	ALL CHILDREN'S HEALTH SYSTEM INC		X
ALL CHILDREN'S HOSPITAL FOUNDNATION, INC - 59-2481738, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, FL 33701	FOUNDATION	FLORIDA	501(C)(3)	LINE 7	ALL CHILDREN'S HEALTH SYSTEM INC		X
ALL CHILDREN'S HOSPITAL, INC. - 59-0683252 501 SIXTH AVENUE SOUTH ST. PETERSBURG, FL 33701	HOSPITAL	FLORIDA	501(C)(3)	LINE 3	JOHNS HOPKINS HEALTH SYSTEM CORPORATION		X
ALL CHILDREN'S RESEARCH INSTITUTE, INC - 59-2481742, 501 SIXTH AVENUE SOUTH, ST. PETERSBURG, FL 33701	RESEARCH	FLORIDA	501(C)(3)	LINE 4	ALL CHILDREN'S HEALTH SYSTEM INC		X

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	
OPHTHALMOLOGY ASSOCIATES, LLC - 52-1890957, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	OPHTHALMOLOGY SERVICES	MD	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
HEALTHCARE SUPPLY CHAIN INNOVATIONS, LLC - 47-2509307, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE	GROUP PURCHASING	MD	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
JOHNS HOPKINS REGIONAL SUPPLY CHAIN NETWORK, LLC - 47-2912848, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE	GROUP PURCHASING	MD	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" 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
HOWARD COUNTY HEALTH SERVICES, INC. - 52-1434783, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	HEALTHCARE MANAGEMENT	MD	N/A	C CORP	N/A	N/A	N/A		X
HSI MEDICAL SERVICES CORPORATION - 52-1847705, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	HEALTHCARE SLEEP DIAGNOSTICS	MD	N/A	C CORP	N/A	N/A	N/A		X
JOHNS HOPKINS MEDICAL MANAGEMENT CORPORATION - 52-1250028, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD	NURSING SERVICES	MD	N/A	C CORP	N/A	N/A	N/A		X
JOHNS HOPKINS EMPLOYER HEALTH PROGRAMS, INC - 52-1947678, 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A, BALTIMORE, MD 21211	BENEFIT PLANS	MD	N/A	C CORP	N/A	N/A	N/A		X
TCAS, INC - 52-1979344 3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300 BALTIMORE, MD 21211	NURSING SERVICES	MD	N/A	C CORP	N/A	N/A	N/A		X

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.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
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) SUBURBAN HOSPITAL FOUNDATION, INC	C	915,395.	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

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

PART III, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS PARTNERSHIP:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

HEALTHCARE SUPPLY CHAIN INNOVATIONS, LLC

EIN: 47-2509307

3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A

BALTIMORE, MD 21211

DIRECT CONTROLLING ENTITY: JOHNS HOPKINS MEDICAL MANAGEMENT CORPORATION

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

JOHNS HOPKINS REGIONAL SUPPLY CHAIN NETWORK, LLC

EIN: 47-2912848

3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A

BALTIMORE, MD 21211

DIRECT CONTROLLING ENTITY: JOHNS HOPKINS MEDICAL MANAGEMENT CORPORATION

PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

JOHNS HOPKINS MEDICAL MANANGEMENT CORPORATION

EIN: 52-1250028

3910 KESWICK RD, SOUTH BLDG, 4TH FL, STE 4300A

BALTIMORE, MD 21211

NAME OF RELATED ORGANIZATION:

TCAS, INC

DIRECT CONTROLLING ENTITY: JOHNS HOPKINS MEDICAL MANAGEMENT CORPORATION

Part VII Supplemental Information

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

NAME OF RELATED ORGANIZATION:

SUBURBAN HEALTH ENTERPRISES, INC.

DIRECT CONTROLLING ENTITY: SUBURBAN HOSPITAL HEALTHCARE SYSTEM, INC

2019 DEPRECIATION AND AMORTIZATION REPORT

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990

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	LAND	VARIOUS		.000		HY16	684,714.				684,714.			0.	
2	LAND IMPROVEMENTS	VARIOUS		.000		HY16	13819337.				13819337.	1,675,835.		0.	1,675,835.
3	LEASEHOLD IMPROVEMENTS	VARIOUS		.000		HY16	89,950.				89,950.	89,950.		0.	89,950.
4	BUILDING	VARIOUS		.000		HY16	260,503,734.				260,503,734.	88388031.		0.	88388031.
5	FIXED EQUIPMENT	VARIOUS		.000		HY16	90728742.				90728742.	9,915,030.		0.	9,915,030.
6	MAJOR MOVEABLE EQUIPMENT	VARIOUS		.000		HY16	115,309,265.				115,309,265.	76513041.		0.	76513041.
9	SOFTWARE	VARIOUS		.000		HY16	7,734,298.				7,734,298.	7,229,816.		0.	7,229,816.
10	TELEPHONE SYSTEM	VARIOUS		.000		HY16	259,795.				259,795.	67,641.		0.	67,641.
11	CONSTRUCTION IN PROGRESS	VARIOUS		.000		HY16	3,819,505.				3,819,505.	375,708.		0.	375,708.
	* TOTAL 990 PAGE 10 DEPR						492,949,340.				492,949,340.	84,255,052.		0.	84,255,052.

Electronic Filing PDF Attachment

The Johns Hopkins Health System Corporation and Affiliates

**Consolidated Financial Statements and
Supplementary Information
June 30, 2020 and 2019**

The Johns Hopkins Health System Corporation and Affiliates

Index

June 30, 2020 and 2019

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Report of Independent Auditors

To the Board of Trustees of
The Johns Hopkins Health System Corporation and Affiliates:

We have audited the accompanying consolidated financial statements of The Johns Hopkins Health System Corporation and its affiliates ("JHHS"), which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the JHHS' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the JHHS' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Johns Hopkins Health System Corporation and its affiliates as of June 30, 2020 and 2019, and the results of their operations and changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Notes 1 and 9 to the consolidated financial statements, JHHS changed the manner in which it accounts for its leases and cash flow presentation of restricted cash in 2020. Our opinion is not modified with respect to these matters.

PricewaterhouseCoopers LLP

Baltimore, Maryland
October 2, 2020

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Balance Sheets
June 30, 2020 and 2019

<i>(in thousands)</i>	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 892,791	\$ 711,260
Short-term investments	95,505	90,148
Assets whose use is limited - used for current liabilities	4,273	13,531
Patient accounts receivable, net	575,383	567,416
Due from others	140,350	138,313
Due from affiliates, current portion	29,155	35,879
Inventories of supplies	147,450	125,031
Estimated malpractice recoveries, current portion	73,109	63,776
Prepaid expenses and other current assets	44,922	48,411
Total current assets	2,002,938	1,793,765
Assets whose use is limited		
By donors or grantors for		
Pledges receivable	47,985	30,544
Other	159,296	68,939
By board of trustees	628,030	578,484
Other	21,721	19,991
Total assets whose use is limited	857,032	697,958
Investments	2,900,783	2,971,310
Property, plant and equipment, net	2,958,596	2,992,135
Finance lease right-of-use assets	106,809	71,888
Operating lease right-of-use assets	128,199	-
Due from affiliates, net of current portion	67,788	83,443
Estimated malpractice recoveries, net of current portion	53,377	45,429
Swap counterparty deposit	109,459	56,477
Other assets	38,425	35,615
Total assets	\$ 9,223,406	\$ 8,748,020

The accompanying notes are an integral part of these consolidated financial statements.

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Balance Sheets, continued
June 30, 2020 and 2019

<i>(in thousands)</i>	2020	2019
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	\$ 46,411	\$ 62,268
Lines of credit	200,000	-
Finance lease liabilities, current portion	12,382	7,167
Operating lease liabilities, current portion	26,610	-
Accounts payable and accrued liabilities	851,664	783,615
Medical claims reserve	121,063	126,812
Deferred revenue	157,090	126,883
Due to affiliates	5,849	14,202
Advances from third-party payors	132,956	122,298
Current portion of estimated malpractice costs	<u>105,494</u>	<u>66,134</u>
Total current liabilities	1,659,519	1,309,379
Long-term debt, net of current portion	1,878,397	1,881,619
Finance lease liabilities, net of current portion	114,578	85,100
Operating lease liabilities, net of current portion	109,270	-
Estimated malpractice costs, net of current portion	175,375	148,210
Net pension liability	1,103,995	925,406
Other long-term liabilities	<u>372,835</u>	<u>281,965</u>
Total liabilities	<u>5,413,969</u>	<u>4,631,679</u>
Net assets		
Net assets without donor restrictions	3,616,623	3,948,092
Net assets with donor restrictions	<u>192,814</u>	<u>168,249</u>
Total net assets	<u>3,809,437</u>	<u>4,116,341</u>
Total liabilities and net assets	<u>\$ 9,223,406</u>	<u>\$ 8,748,020</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2020 and 2019

<i>(in thousands)</i>	2020	2019
Operating revenues and other support		
Net patient service revenue	\$ 3,780,913	\$ 3,891,443
Insurance premium revenue	2,253,432	2,090,993
Other revenue	1,063,818	830,880
Net assets released from restrictions used for operations	12,320	13,555
Total operating revenues and other support	<u>7,110,483</u>	<u>6,826,871</u>
Operating expenses		
Salaries, wages and benefits	2,581,971	2,479,938
Purchased services	2,928,666	2,706,091
Supplies and other	1,277,031	1,206,713
Interest	57,833	61,405
Depreciation and amortization	310,708	291,533
Total operating expenses	<u>7,156,209</u>	<u>6,745,680</u>
(Loss) Income from operations	(45,726)	81,191
Non-operating revenues and expenses		
Interest expense on swap agreements	(19,670)	(16,228)
Change in fair value of interest rate swap agreements	(93,977)	(51,683)
Investment return, net	101,035	196,059
Other components of net periodic pension cost	(72,712)	(85,500)
Loss on advance refunding of debt	(27,435)	-
Other non-operating expenses	(23,711)	(23,093)
Excess of revenues (under) over expenses	(182,196)	100,746
Contributions to affiliates	(107)	(663)
Change in funded status of defined benefit plans	(157,272)	(189,892)
Net assets released from restrictions used for purchases of property, plant, and equipment	5,989	20,265
Other	2,117	8,074
Decrease in net assets without donor restrictions	<u>(331,469)</u>	<u>(61,470)</u>
Changes in net assets with donor restrictions		
Gifts, grants and bequests	41,875	35,965
Net assets released from restrictions used for purchases of property, plant, and equipment	(5,989)	(20,265)
Net assets released from restrictions used for operations	(12,320)	(13,555)
Other	999	-
Increase in net assets with donor restrictions	<u>24,565</u>	<u>2,145</u>
Decrease in net assets	(306,904)	(59,325)
Net assets		
Beginning of year	<u>4,116,341</u>	<u>4,175,666</u>
End of year	<u>\$ 3,809,437</u>	<u>\$ 4,116,341</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

<i>(in thousands)</i>	2020	2019
Operating activities		
Change in net assets	\$ (306,904)	\$ (59,325)
Adjustments to reconcile change in net assets to net cash, cash equivalents and restricted cash provided by operating activities		
Depreciation and amortization	310,708	291,533
Net realized and changes in unrealized gains on investments	(38,016)	(123,147)
Change in fair value of interest rate swap agreements	93,977	51,683
Change in funded status of defined benefit plans	157,272	189,892
Restricted contributions and investment income received	(7,861)	(23,377)
Return on equity method investments	(4,036)	(5,557)
Loss on advance refunding of debt	27,435	-
Other operating activities	4,821	6,191
Change in assets and liabilities		
Patient accounts receivable	(8,855)	16,598
Inventories of supplies, prepaid expenses and other current assets	(21,255)	(36,058)
Due from affiliates, net	3,662	7,578
Pledges receivable	(17,441)	339
Other assets and other long-term liabilities, net	(3,178)	(15,838)
Accounts payable, accrued liabilities and accrued vacation	70,076	69,439
Medical claims reserve	(5,749)	8,628
Deferred revenue	30,207	(13,943)
Advances from third-party payors	10,658	8,202
Accrued pension benefit costs	18,032	(3,485)
Estimated malpractice costs	49,245	8,764
Cash provided by operating activities	<u>362,798</u>	<u>378,117</u>
Investing activities		
Purchases of property, plant and equipment	(278,386)	(363,610)
Investment in equity method investments	(8,193)	(4,877)
Purchases of investment securities	(1,667,305)	(2,331,534)
Sales of investment securities	1,682,994	2,457,124
Payments received on affiliate notes	22,490	21,494
Advances on affiliate notes	(7,363)	(11,797)
Swap counterparty deposit	(52,982)	(22,626)
Cash used in investing activities	<u>(308,745)</u>	<u>(255,826)</u>
Financing activities		
Restricted contributions and investment income received	7,861	23,377
Proceeds from long-term borrowings	375,606	7,500
Repayment of long-term debt	(420,111)	(48,988)
Proceeds from lines of credit	250,000	-
Repayments of lines of credit	(50,000)	-
Repayment of obligations under a financing lease	(11,289)	(5,119)
Other financing activities	227	-
Cash provided by (used in) financing activities	<u>152,294</u>	<u>(23,230)</u>
Change in cash, cash equivalents and restricted cash	206,347	99,061
Cash, cash equivalents, and restricted cash		
Beginning of year	<u>726,941</u>	<u>627,880</u>
End of year	<u>\$ 933,288</u>	<u>\$ 726,941</u>
Supplemental disclosure of cash flow information		
Purchases of property and equipment in accounts payable	\$ 15,977	\$ 22,251
Assets acquired under finance leases	4,660	31,155
Assets acquired under operating leases	4,346	-
Interest paid	87,398	86,012

The accompanying notes are an integral part of these consolidated financial statements.

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies

Organization. The Johns Hopkins Health System Corporation (“JHHSC”) is incorporated in the State of Maryland to, among other things, formulate policy among and provide centralized management for JHHSC and Affiliates (“JHHS”). In addition, it provides certain shared services including finance, human resources, payroll, accounts payable, purchasing, patient financial services, legal, and other functions. JHHS is organized and operated for the purpose of promoting health by functioning as a parent holding company of affiliates whose combined mission is to provide patient care in the treatment and prevention of human illness which compares favorably with that rendered by any other institution in this country or abroad.

JHHSC is the sole member of The Johns Hopkins Hospital (“JHH”), an academic medical center, Johns Hopkins Bayview Medical Center, Inc. (“JHBMC”), a community based teaching hospital, Howard County General Hospital, Inc. (“HCGH”), a community based hospital, Suburban Hospital, Inc. (“SHI”), a community based hospital, Sibley Memorial Hospital (“SMH”), a community based hospital, Johns Hopkins All Children’s Hospital, Inc. (“JHACH”), an academic children’s hospital, Suburban Hospital Healthcare System, Inc. (“SHHS”), a diverse healthcare system, All Children’s Health System (“ACHS”), a diverse healthcare system, Johns Hopkins Community Physicians (“JHCP”), a community based physician practice group, The Johns Hopkins Medical Services Corporation (“JHMSC”), the contracting entity for the Uniformed Services Family Health Plan (“USFHP”) contract, and the HCGH OB/GYN Associates Series, LLC (“HCOB”), a taxable community based obstetrics and gynecology practice. JHHSC is also the sole shareholder of Howard County Health Services, Inc. (“HCSI”), a taxable entity organized to hold interests in various health care enterprises, Johns Hopkins Medical Management Corp. (“JHMMC”), a taxable entity that provides temporary nursing and clerical staffing, promotes ambulatory care arrangements in support of JHHS, and houses commercial supply chain business units, Johns Hopkins Employer Health Programs, Inc. (“EHP”), a taxable third-party administrator for employee health benefit plans self-funded by the constituent employee sponsors, and Johns Hopkins Consolidated Services Center (“JHCSC”), a taxable distribution center providing commodity supplies to JHHS affiliates. JHHSC owned a 99.8% interest in Ophthalmology Associates, LLC (“OA”), a taxable professional services organization which was dissolved effective December 1, 2019. JHHSC and the Johns Hopkins University (the “University”) each own a 50% membership interest in Johns Hopkins HealthCare LLC (“JHHC”), a taxable managed care entity supporting JHHS and the University in cooperative strategies by which patient care, education, and research may be advanced. JHHSC consolidates JHHC. These entities are collectively known as the “Affiliates.”

The University is a privately endowed institution that provides education and related services to students and others, research and related services to sponsoring organizations, and professional medical services to patients. The University is a separate legal entity from JHHSC with its own Board of Trustees. The University does not assume any responsibility or liability for the financial obligations of JHHS. The University owns membership interests in some of the affiliates of JHHS. Professional clinical services are also provided by members of the University’s faculty to patients at JHHS hospitals.

Use of estimates. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

Significant estimates made by management include the estimated net realizable value of patient receivables, valuation of alternative investments, the actuarially determined pension and other postretirement benefits, medical claims reserve, and malpractice and self-insurance reserves.

Basis of presentation. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of consolidation. The consolidated financial statements include the accounts of JHHSC and all Affiliates after elimination of all significant intercompany accounts and transactions.

Cash, cash equivalents and restricted cash. Cash, cash equivalents and restricted cash include amounts invested in accounts with depository institutions which are readily convertible to cash, with original maturities of three months or less. Total deposits maintained at these institutions at times exceed the amount insured by federal agencies and therefore, bear a risk of loss. JHHS has not experienced such losses on these funds.

Through arrangements with banks, excess operating cash is invested daily. This investment is considered a cash equivalent in the accompanying Consolidated Balance Sheets. JHHS earns interest on these funds at a rate that is based upon the bank's Federal Funds rate. The interest is recorded in the Consolidated Statements of Operations and Changes in Net Assets as investment return, net.

Patient accounts receivable. Patient accounts receivable consist primarily of amounts owed by various governmental agencies, insurance companies and patients. JHHS manages these receivables by regularly reviewing the accounts and contracts and by recording appropriate price concessions. JHHS reports accounts receivable at an amount equal to the consideration it expects to receive in exchange for providing healthcare services to its patients, which is estimated using contractual provisions associated with specific payors, historical reimbursement rates and analysis of past experience to estimate potential adjustments. JHHS writes off amounts that have been deemed to be uncollectible because of circumstances that affect the ability of payors to make payments as they occur.

Due from others. Due from others balances primarily include receivables related to the hospital discharge pharmacies.

Due from affiliates. Due from affiliates balances primarily include loans and other receivable balances from certain affiliates that do not consolidate within JHHS.

Inventories of supplies. Inventories of supplies are composed of medical supplies, drugs, linen, and parts inventory for repairs. Inventories of supplies are recorded at lower of cost or net realizable value using a first in, first out method.

Assets whose use is limited. Assets whose use is limited ("AWUIL") restricted by donors are recorded at fair value at the date of donation. Investment gains or losses on investments of assets with donor restrictions are recorded as an increase or decrease in net assets with donor restrictions to the extent restricted by the donor or law. Investment gains on investment assets whose donor restrictions are met within the same year are reported as increases in net assets without donor restrictions. The cost of securities sold is based on the specific identification method.

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

Assets whose use is limited include assets held by trustees under debt agreements, assets restricted by the board of trustees for future capital improvements, pledges receivable, beneficial interest remainder trusts, Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funding received that has not been recognized as revenue, and net assets set aside pursuant to their donor restricted nature. The carrying amounts reported in the Consolidated Balance Sheets represent fair value.

Investments and investment income. Investments in equity securities with readily determinable fair values and all investments in debt securities are classified as trading and are recorded at fair value in the Consolidated Balance Sheets and Statement of Operations. Debt and equity securities traded on a national securities and international exchange are valued as of the last reported sales price on the last business day of the fiscal year; investments traded on the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices.

Investments include managed funds, which include hedge funds, private partnerships and other investments (collectively "alternative investments") which do not have readily ascertainable fair values and may be subject to withdrawal restrictions. The income or loss from these alternative investments is included in the Consolidated Statements of Operations and Changes in Net Assets in investment return, net above excess of revenues over expenses.

Alternative investments are less liquid than other types of investments held by JHHS. These instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments, and nondisclosure of portfolio composition.

Investment income earned on cash and investment balances (interest and dividends), realized gains or losses related to the sale of investments, and changes in unrealized gains or losses on investments are included in the non-operating section of the Consolidated Statements of Operations and Changes in Net Assets included in excess of revenues over expenses unless the income or loss is restricted by donor or law. Investments classified as noncurrent on the Consolidated Balance Sheets include investments that are not expected to be converted to cash within one year; however, if needed, these investments can be made available for general expenditure.

Participation in Joint Ventures. JHHS participates in several joint ventures which JHHS has determined are central to its operations and mission. These investments are recorded in long-term investments on the Consolidated Balance Sheets. Investments in companies in which JHHS does not have control, but has the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method of accounting, and operating results flow through other revenue on the Consolidated Statements of Operations and Changes in Net Assets. Dividends received are recorded as a reduction of the carrying amount of the investment. JHHS has elected the cumulative earnings approach under ASU 2016-15 for determining cash flow presentation of distributions from its equity method investments. Distributions received are included in the Consolidated Statements of Cash Flows as operating activities, unless the cumulative distributions exceed JHHS' portion of the cumulative equity in the net earnings of the joint venture, in which case the excess distributions are deemed to be returns of the investment and are classified as investing activities in the Consolidated Statements of Cash Flows.

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

Investments in companies in which JHHS does not have control, nor has the ability to exercise significant influence over operating and financial policies, are measured at cost with adjustments for observable changes in price or impairments (referred to as the measurement alternative in accordance with ASU 2016-01). We perform a qualitative assessment on a quarterly basis and recognize an impairment if there are sufficient indicators that the fair value of the investment is less than carrying value.

Property, plant and equipment. Property, plant and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives assigned by JHHS range from 2 to 25 years for land improvements, 3 to 45 years for buildings and improvements, 2 to 25 years for fixed and movable equipment, and 2 to 20 years for leasehold improvements (using the lesser of the lease term or the useful life of the improvement). Interest costs incurred on borrowed funds, net of income earned, during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Repair and maintenance costs are expensed as incurred. When property, plant and equipment are retired, sold or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operating income.

Capitalized costs of software include payment to vendors for the purchase of software and assistance in its installation, payroll costs of employees directly involved in the software installation, and capitalized interest costs of the software project. Preliminary costs to document system requirements, vendor selection, and any costs incurred before the software purchase are expensed. Capitalization of costs ends when the project is completed and is ready to be used. Where implementation of the project is in phases, only those costs incurred which further the development of the project are capitalized. Costs incurred to maintain the system are expensed.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Leases. JHHS leases property and equipment under finance and operating leases and evaluates whether a contract is or contains a lease at the inception of the contract. JHHS considers a contract to be a lease when control of an asset not owned by JHHS is obtained for a period of time and in exchange for consideration. The term of a lease may include options to renew or early termination options at such time that JHHS is reasonably certain to exercise those options.

Lessee. JHHS, as a lessee, recognizes a right-of-use ("ROU") asset and lease liability on the Consolidated Balance Sheets for its operating and finance leases as of the lease commencement date. ROU assets represent JHHS' right to use the underlying asset and the lease liabilities represent JHHS' obligation to make lease payments measured on a discounted basis. For JHHS leases where the rate implicit in the lease is not readily available, JHHS utilizes its collateralized incremental borrowing rate based on the estimated interest rate for borrowing over a term similar to that of the lease payments available at commencement of the lease. Lease liabilities are recognized at the commencement date of the lease and are based on the present value of lease payments over the lease term. ROU assets are measured at an amount equal to the initial lease liability, plus any prepaid lease payments (less any incentives received, such as reimbursement for

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

leasehold improvements) and initial direct costs, at the lease commencement date. JHHS does not record a ROU asset or lease liability on the Consolidated Balance Sheet for leases with a term of one year or less. These short-term leases are recorded on a straight-line basis within purchased services on the Consolidated Statements of Operations and Changes in Net Assets.

Lease contracts may contain lease and non-lease components, such as provisions to pay for other goods or services (e.g. pay for medical supplies or maintenance). For real estate leases, JHHS as a practical expedient has elected to account for lease and non-lease components together as a single combined lease component. For all other non-real estate leases, JHHS accounts for the lease and non-lease components separately and allocates the contract payments to the lease and non-lease components based on estimated stand-alone selling prices.

Certain lease agreements for real estate include payments based on actual common area maintenance expenses and/or include rental payments adjusted periodically for inflation. These variable lease payments are recognized in purchased services in the Consolidated Statements of Operations and Changes in Net Assets but are not included in the ROU asset or liability balances in the Consolidated Balance Sheets. Lease agreements do not contain any material residual value guarantees, restrictions or covenants.

JHHS classifies its leases as either operating or finance depending upon the terms and conditions set forth in the lease. JHHS recognizes operating lease expense on a straight-line basis within purchased services in the Consolidated Statements of Operations and Changes in Net Assets over the term of the lease. The ROU asset is generally reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the effective interest method. Finance lease assets are amortized on a straight-line basis within depreciation over the term of the lease. Interest expense associated with finance leases is recorded using the effective interest method and is included in operating interest expense. JHHS recognizes variable expenses, other than those related to rates or indices, in operating expenses in the period in which the obligation is incurred.

Lessor. JHHS is also a lessor and sub-lessor of real estate under operating leases. JHHS records revenue associated with leases within other revenue in the Consolidated Statements of Operations and Changes in Net Assets. Lease payments under both classifications include fixed payments but are reduced for any lease incentives. Variable payments relating to the lease are recognized in other revenue as changes in circumstances trigger such payments. JHHS as a practical expedient has elected to combine all lease and non-lease components as a single combined component of the same contract.

JHHS recognizes income from operating leases on a straight-line basis over the term of the lease. The straight-line income is included in other revenue in the Consolidated Statements of Operations and Changes in Net Assets. Assets subject to operating leases are carried at cost within property, plant and equipment, net in the Consolidated Balance Sheets and are depreciated over their estimated useful lives.

Impairment of long-lived assets. Long-lived assets are reviewed for impairment when events and circumstances indicate that the carrying amount of an asset may not be recoverable. JHHS' policy is to record an impairment loss when it is determined that the carrying amount of the asset exceeds the sum of the expected undiscounted future cash flows resulting from use of the asset and its eventual disposition. Impairment losses are measured as the amount by which the carrying amount of the asset exceeds its fair value. Long-lived assets to be disposed of are reported at the

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lower of the carrying amount or fair value less cost to sell. During the year ended June 30, 2020, JHHS recognized impairment expense of \$2.1 million related to its remaining finance ROU assets. No impairment charges were recorded in 2019.

Medical claims reserve. JHHC's medical claims reserve is an estimate of payments to be made for reported claims and losses incurred but not reported. The estimate was developed using actuarial methods based upon historical data for payment patterns, cost trends, and other relevant factors. The estimate is continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operating income.

Deferred revenue. JHHC's capitated receipts received in advance for future services to be provided are recorded as deferred revenue.

Accrued vacation. JHHS records a liability within accounts payable and accrued liabilities in the Consolidated Balance Sheets for amounts due to employees for future absences which are attributable to services performed in the current and prior periods.

Advances from third-party payors. JHHS' Maryland hospitals receive advances from some of its third-party payors so that those payors can receive the stated prompt pay discount allowed in the State of Maryland. Advances are recorded as a current liability in the Consolidated Balance Sheets.

Estimated malpractice costs. The provision for estimated medical malpractice claims includes estimates of the ultimate gross costs for both reported claims and claims incurred but not reported. Additionally, an insurance recovery has been recorded representing the amount expected to be recovered from the self-insured captive insurance company.

Swap agreements. JHHS follows accounting guidance on derivative financial instruments that are based on whether the derivative instrument meets the criteria for designation as cash flow or fair value hedges. All of JHHS' derivative financial instruments are interest rate swap agreements without hedge accounting designation. JHHS does not hold derivative instruments for the purpose of managing credit risk and limits the amount of credit exposure to any one counterparty and enters into derivative transactions with high quality counterparties. JHHS recognizes gains and losses from changes in fair values of interest rate swap agreements as a non-operating revenue or expense within excess of revenues over expenses on the Consolidated Statements of Operations and Changes in Net Assets.

The values of the interest rate swap agreements entered into by JHHS are adjusted to fair value monthly at the close of each accounting period based upon quotations from market makers. The change in fair value, if any, is recorded in the non-operating section of the Consolidated Statements of Operations and Changes in Net Assets. Entering into interest rate swap agreements involves, to varying degrees, elements of credit, default, prepayment, market and documentation risk in excess of the amounts recognized on the Consolidated Balance Sheets. Such risks involve the possibility that there will be no liquid market for these agreements. The counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates.

Noncontrolling interests. JHHC is owned by JHHSC and the University, each member having a 50% interest. JHHC's profits are divided between the members based on product line. Based on control via majority voting interest, JHHSC consolidates JHHC and records noncontrolling interests for the profits attributable to the University. Additionally, JHHC owns a 50% interest in Priority

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Partners Managed Care Organization, Inc. ("Priority Partners"), a for-profit joint venture approved by the State of Maryland to operate as an authorized Medicaid managed care organization. Based on controlling financial interest, JHHC consolidates Priority Partners and records noncontrolling interests for 50% of the profits. See Note 5 for further details.

Net assets. Net assets without donor restrictions include undesignated amounts as well as amounts designated by the board for a specific purpose. The amount of board designated investments included within net assets without restriction was \$628.0 million and \$578.5 million as of June 30, 2020 and 2019, respectively. Net assets with donor restrictions are those whose use has been limited by donors or law to a specific time period or purpose. JHHS also has net assets with donor restrictions that have been restricted by donors to be maintained in perpetuity. Income generated from these assets is available as restricted by the donor or for general program support.

Donor restricted gifts. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unconditional promises to give cash to JHHS greater than one year are discounted using a rate of return that a market participant would expect to receive at the date the pledge is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the condition is satisfied. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose for the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Consolidated Statements of Operations and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as other revenue in the Consolidated Statements of Operations and Changes in Net Assets.

Grants. JHHS receives various grants from individuals and agencies of the Federal and State Governments for the purpose of furthering its mission of providing patient care. Grant receivables are included in due from others in the Consolidated Balance Sheets and grant income is included in other revenue in the Consolidated Statements of Operations and Changes in Net Assets.

JHHS and its affiliates receive contributions in the form of conditional government grants and other conditional donor contributions. The grants are carried out for research activities that benefit the general public, and not for the government's own use. Therefore, JHHS has determined that there is not an exchange back to the granting authority and accounts for these grants under the contribution model, which is outside the scope of ASC 606. The grants are considered conditional due to the need to first spend the awarded funds on qualifying expenses and a right of return exists for unexpended funds. The grants are reimbursed after the expenses have been incurred. As of June 30, 2020, JHHS and its affiliates had \$86.5 million of conditional contributions for which the conditions have not been met.

Excess of revenues over expenses. The Consolidated Statements of Operations and Changes in Net Assets include excess of revenues over expenses. Changes in net assets without donor restriction which are excluded from excess of revenues over expenses, consistent with industry practice, include, among other items, change in funded status of defined benefit plans, permanent transfers of assets to and from affiliates for other than goods or services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

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Non-operating revenues and expenses. For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as non-operating revenues and expenses. For the years ended June 30, 2020 and 2019, non-operating revenues and expenses are composed primarily of interest paid and changes in market value on interest rate swap agreements, investment return, net, other non-service cost components of net periodic pension cost, loss on advance refunding of debt, and other non-operating services.

Income taxes. JHHSC and Affiliates, except JHMMC, EHP, HCSI, OA, HCOB, and JHHC are not-for-profit organizations that qualify under Section 501(c)(3) of the Internal Revenue Code, and are therefore not subject to tax under current income tax regulations.

JHHC is classified as a partnership for Federal and State income tax purposes and accordingly, there is no provision for income taxes in the accompanying consolidated financial statements. Taxable income or loss passes through to and is reported by the members in their respective tax returns. Taxable subsidiaries of Affiliates account for income taxes in accordance with Financial Accounting Standards Board ("FASB") guidance on accounting for income taxes. Deferred income taxes are recognized for the tax consequences in future years for differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end. Affiliate subsidiaries otherwise exempt from Federal and State taxation are nonetheless subject to taxation at corporate tax rates at both the Federal and State levels on their unrelated business income. Total taxes paid to Federal and State tax authorities during the years ended June 30, 2020 and 2019 amounted to \$37.8 million and \$33.6 million, respectively.

FASB's guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty of income tax positions. This guidance defines the threshold for recognizing tax return positions in the financial statements as "more likely than not" that the position is sustainable, based on its technical merits. The guidance also provides guidance on the measurement, classification and disclosure of tax return positions in the financial statements. There was no impact on JHHS' consolidated financial statements during the years ended June 30, 2020 and 2019.

New and recently adopted accounting standards.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities". ASU 2016-01 addresses accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. Entities that are not considered public business entities will no longer be required to disclose the fair value of financial instruments carried at amortized cost. The amendments in ASU 2016-01 are effective for years beginning after December 15, 2018, and early adoption is permitted. JHHS early adopted the provisions of this standard for the fiscal year ended June 30, 2018 that no longer requires disclosure of the fair value of financial instruments carried at amortized cost. JHHS adopted the remaining provisions of this standard for the fiscal year ended June 30, 2020. Because JHHS' equity investments without readily determinable fair values are not impaired and do not have observable price changes, the adoption of this guidance had no impact on JHHS' consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". ASU 2016-02 amends the existing accounting principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. ASU 2016-02 requires a lessee to recognize a ROU asset and a lease liability on the Consolidated Balance Sheets for most leases. Additionally, ASU 2016-02 makes targeted changes to lessor accounting, including changes to align certain aspects with the revenue recognition model, and requires enhanced disclosure of lease arrangements. JHHS adopted ASU No. 2016-02, effective July 1, 2019 and utilized the modified retrospective transition

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method with no adjustments to comparative periods presented. At transition, JHHS recorded operating lease ROU assets of \$152.1 million and operating lease liabilities of \$156.9 million. JHHS also recorded as of July 1, 2019 additional ROU assets and liabilities related to previously misclassified finance leases totaling \$32.2 million and \$33.2 million, respectively. Finance leases, formerly known as capital leases, have been reclassified for 2019 within the Consolidated Balance Sheets to conform to the new presentation which separates those leases from property, plant and equipment, net and from long-term debt. All other prior period results will continue to be presented under legacy guidance based on the accounting standards originally in effect for such period. JHHS elected the package of practical expedients available under the transition provisions of the new lease standard that allows the carry forward of historical conclusions on whether an existing contract is or contains a lease, the classification of existing leases and the treatment of direct costs. Additionally, JHHS elected to not recognize on the Consolidated Balance Sheets amounts related to leases with durations of one year or less (short-term leases). See Note 9 for further details.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. The previous standard delays the recognition of a credit loss on a financial asset until the loss is probable of occurring. The new standard removes the requirement that a credit loss be probable of occurring for it to be recognized, and requires entities to use historical experience, current conditions, and reasonable and supportable forecasts to estimate their future expected credit losses. The standard is required to be applied using the modified retrospective approach with a cumulative-effect adjustment to net assets, if any, upon adoption. ASU 2016-13 is effective for JHHS for fiscal years beginning after December 15, 2022. JHHS is currently evaluating the impact of this update on the financial statements.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments”, which adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows with the intent to alleviate diversity in practice. The update is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. JHHS adopted the provisions of this standard for the fiscal year ended June 30, 2020. There was no material impact to JHHS.

In November 2016, the FASB issued ASU 2016-18, “Statement of Cash Flows (Topic 230): Restricted Cash”, which clarifies the classification and presentation of changes in restricted cash in the statement of cash flows. The guidance requires reporting entities to explain the changes in the combined total of restricted and unrestricted cash and cash equivalent balances in the statement of cash flows. The update is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. JHHS adopted the provisions of this standard for the fiscal year ended June 30, 2020. The primary change impacting JHHS includes a \$15.7 million adjustment of beginning cash and cash equivalent balances within the Consolidated Statements of Cash Flows to include restricted cash. See Note 5 for further details on restricted cash.

In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement”. ASU 2018-13 is intended to improve the effectiveness of disclosure requirements on fair value measurement. Amongst other changes, ASU 2018-13 removes: i) the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, ii) the requirement to disclose the policy for timing of transfers between levels, iii) disclosure of the valuation processes for Level 3 fair value measurements, and iv) the requirement for nonpublic entities to disclose the changes in unrealized gains and losses included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. In addition, ASU 2018-13 modifies the disclosure requirements to: i) allow nonpublic companies to disclose transfers into and out of Level

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3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities as an alternative to reconciling the opening balances to the closing balances of recurring Level 3 fair value measurements, and ii) require disclosure for investments in certain entities that calculated net asset value of the timing of liquidation of an investee's assets and the date redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly. The update is effective for fiscal years, and interim periods with those fiscal years, beginning after December 15, 2019 with early adoption permitted. An entity is permitted to early adopt any removed or modified disclosures upon the issuance of ASU 2018-13 and delay adoption of the additional disclosures until their effective date. JHHS is currently evaluating the impact of this update on the consolidated financial statements.

Reclassifications. Certain amounts in the prior year were reclassified to conform to the presentation requirements under accounting standards adopted in the current fiscal year. Certain prior year costs within purchased services and supplies and other have been reclassified to be consistent with the current year presentation.

2. Revenue Recognition

Beginning in May 2014, the FASB issued several Accounting Standards Updates which established Topic 606, Revenue from Contracts with Customers. The standard supersedes existing revenue recognition requirements and seeks to eliminate most industry-specific guidance under current Generally Accepted Accounting Principles. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Net Patient Service Revenue

Patient care service revenue is reported at the amount that reflects the consideration to which JHHS expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, JHHS bills its patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by JHHS. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. JHHS believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospitals receiving inpatient acute care services or patients receiving services in our outpatient centers. JHHS measures the performance obligation from admission into the hospital, or the commencement of an outpatient service, to the point when there are no further services required for the patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and JHHS does not believe it is required to provide additional goods or services to the patient.

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Because all of its patient service performance obligations relate to contracts with a duration of less than one year, JHHS has elected to apply the optional exemption provided in ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

JHHS determines the transaction price based on gross charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with JHHS' policy, and implicit price concessions provided to uninsured patients. JHHS determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. Fixed discounts are generally determined based upon regulatory authorities in the case of Maryland hospitals and by legislative statute in the case of Medicare and Medicaid, and negotiated in the case of commercial payors. JHHS determines its estimate of implicit price concessions based on its historical collection experience with these classes of patients using a portfolio approach as a practical expedient. The portfolio approach is being used as JHHS has a large volume of similar contracts with similar classes of customers. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. JHHS reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. No significant amounts of revenues were recognized in the current year due to changes in the estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the results of an adverse change in the patient's or third party payor's ability to pay are recorded as bad debt expense. Bad debt expense is reported as a component of supplies and other in the Consolidated Statements of Operations and Changes in Net Assets and was not significant for the years ended June 30, 2020 and 2019.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Adjustments mandated by the Health Services Cost Review Commission ("Commission" or "HSCRC") for hospitals in the State of Maryland are included in contractual adjustments, a portion of which are also included in established rates. See Note 16 for further discussion on the HSCRC and regulated rates. SMH and JHACH operate outside of the State of Maryland, and are paid prospectively based upon negotiated rates for commercial insurance carriers, and predetermined rates per discharge for Medicaid and Medicare program beneficiaries. Effective July 1, 2017, the State of Florida ("State") Agency for Health Care Administration ("AHCA") implemented a new outpatient payment method utilizing Enhanced Ambulatory Patient Groups ("EAPGs") for Florida Medicaid. EAPGs are an outpatient visit-based patient classification available for all outpatient services and settings. Hospital rates will be set and adjusted on a prospective basis without requiring cost report settlements.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices

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regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge JHHS' compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon JHHS and its Affiliates. In addition, the contracts JHHS and its Affiliates have with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and JHHS' historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

During the year ended June 30, 2020, SMH received final audits for Medicare cost report year 2014. As of June 30, 2020, SMH has Medicare cost report years 2010, 2011, 2013, 2016 and 2017 open.

As of June 30, 2020, cost reports through 2015 have been audited by the fiscal intermediary. The 2015 cost report was used for the fiscal 2017 rate period, which is the last rate period under the cost-based method. The 2016 and 2017 will not be audited for rates under the cost-based method. Substantial time may elapse between receipt of a final audited cost report and the actual processing of the audited rates by the State of Florida, Agency for Health Care Administration ("AHCA"). During the year ended June 30, 2020, the JHACH adjusted its estimated due to third party settlements by approximately \$5.0 million.

Consistent with JHHS' mission, care is provided to all patients regardless of their ability to pay. Therefore, JHHS has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts JHHS expects to collect based on its collection history with those patients.

Patients who meet JHHS' criteria for charity care are provided care without charge or at amounts less than its established rates. Such patients are identified based on information obtained from the patient and subsequent analysis. Because JHHS does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Direct and indirect costs for these services amounted to \$79.6 million and \$62.0 million for the years ended June 30, 2020 and 2019, respectively. The costs of providing charity care services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on JHHS' total expenses divided by gross patient service revenue.

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The composition of net patient service revenue by primary payor for the years ended June 30 is as follows (in thousands):

	2020		2019	
Medicare	\$ 1,165,999	30.8%	\$ 1,224,123	31.5%
Medicaid/Medicaid MCO	366,217	9.7%	375,131	9.6%
Blue Cross	835,948	22.1%	834,018	21.4%
HMO	781,963	20.7%	789,720	20.3%
Commercial	361,072	9.5%	384,928	9.9%
Other payors	183,568	4.9%	203,476	5.2%
Self pay	86,146	2.3%	80,047	2.1%
Net patient service revenue	\$ 3,780,913	100.0%	\$ 3,891,443	100.0%

Revenue from patient's deductibles and coinsurance is included in the preceding categories based on the primary payor.

JHHS has elected the practical expedient allowed under ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to JHHS' expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, JHHS does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Insurance Premium Revenue

Insurance premium revenue contracts are within the scope of Topic 944, Financial Services—Insurance. For the years ended June 30, 2020 and 2019, insurance premium revenue recognized was \$2.253 billion and \$2.091 billion, respectively. The related expenses associated with the insurance premium revenue were \$2.212 billion and \$2.084 billion for the years ended June 30, 2020 and 2019, respectively.

All of Priority Partners insurance premium revenue is received from the State of Maryland and is recognized as revenue during the period in which Priority Partners is obligated to provide services to its enrollees. The HealthChoice contract with Priority Partners is for a one year term and is renewable annually on January 1 at the mutual discretion of both the State of Maryland and Priority Partners. Insurance premium revenues generated under the contract were \$1.544 billion and \$1.483 billion for the years ended June 30, 2020 and 2019, respectively. The current contract extends through December 31, 2020.

JHMSC entered into a contract with the Department of Defense to provide the TRICARE Prime benefit to eligible beneficiaries enrolled in the USFHP. Under the USFHP contract, JHMSC provides services covered under the TRICARE Designated Provider Contract to enrollees for a monthly capitation fee. Insurance premium revenues generated under the contract were \$452.5 million and \$427.2 million for the years ended June 30, 2020 and 2019, respectively. The current sole source commercial contract was awarded for the period commencing October 1, 2013 through September 30, 2023, with a Base Year and nine one-year Option Periods to be exercised at the Government's discretion. The Base Year was exercised and the seventh Option Period will begin on October 1, 2020.

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A significant portion of Hopkins Health Advantage insurance premium revenue is received from the Centers for Medicare and Medicaid Services (“CMS”) and is recognized as revenue during the period in which Hopkins Health Advantage is obligated to provide services to its enrollees. The CMS contract with Hopkins Health Advantage is for a one year term and is renewable annually on January 1 at the mutual discretion of both CMS and Hopkins Health Advantage. Insurance premium revenues generated under the contract were \$254.6 million and \$181.7 million for the years ended June 30, 2020 and 2019, respectively. The current contract extends through December 31, 2020.

Other Revenue

Other revenues consist principally of discharge pharmacy revenues, CARES Act funding (see below), grants and contribution revenue, compensated services, management fees and lab revenues. JHHS discharge pharmacies offer a full inventory of standard, specialty and over-the-counter medications. Discharge pharmacy revenue is recognized point in time as prescriptions are filled. Management fees represent payments for management services provided to the University, primarily for operations of imaging facilities, as well as other external parties. Compensated services include fees for centralized administrative services provided to nonconsolidating affiliates. JHH provides lab services for testing samples provided by patients at outreach draw stations. Revenue for management services, compensated services and lab testing is recorded in the period in which the performance obligation is satisfied.

CARES Act Funding

On March 27, 2020, the CARES Act was enacted. The CARES Act provided additional waivers, reimbursement, grants and other funds to assist health care providers during the Coronavirus Disease 2019 (COVID-19) pandemic, including \$175.0 billion in appropriations for the Public Health and Social Services Emergency Fund, also referred to as the Provider Relief Fund, to be used for preventing, preparing, and responding to the coronavirus, and for reimbursing eligible health care providers for lost revenues and health care related expenses that are attributable to COVID-19. These health care related expenses could include costs associated with constructing temporary structures or emergency operation centers, retrofitting facilities, purchasing medical supplies and equipment including personal protective equipment and testing supplies, and increasing workforce and trainings.

JHHS and its affiliates received approximately \$189.8 million of payments under the CARES Act as of June 30, 2020. In addition to CARES Act Provider Relief Funds received, JHHS has received additional grants as well as donations to support responding to the COVID-19 pandemic from Federal, State, and local government and private sources including the Federal Communications Commission (“FCC”), Assistant Secretary for Preparedness and Response (“ASPR”), Department of Health Care Finance (“DHCF”), Montgomery County, and Truist Bank. JHHS recognized approximately \$171.7 million as other operating revenue in fiscal year 2020 related to the CARES Act provider relief funding based on information contained in laws and regulations, as well as interpretations issued by the Department of Health and Human Services (HHS), governing the funding that was publicly available at June 30, 2020. The remaining CARES Act payments of approximately \$18.1 million are recorded within deferred revenue on the Consolidated Balance Sheets. The funds received by JHHS and its subsidiaries are subject to future audits and potential adjustment in future periods and may need to be repaid to the government. See Note 20 for further details.

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In July 2020, JHHS received an additional \$132.5 million in CARES Act funding. COVID-19 has impacted JHHS' financial results. The extent to which COVID-19 impacts the operations of JHHS and its affiliates in the future will depend on the duration and severity of the outbreak as well JHHS' ability to contain its impact. These developments cannot be predicted with confidence and could have a negative effect on the financial results of JHHS and its affiliates, including its operations and its investments. If the duration of COVID-19 becomes extended or increases in severity, JHHS has available liquidity (see Note 18 for information regarding liquidity and availability) as well as the ability to adjust capital expenditures and curtail certain discretionary operating expenses to mitigate the impact of COVID-19 on operating results.

The composition of other revenue for the years ended June 30 is as follows (in thousands):

	<u>2020</u>		<u>2019</u>	
Discharge pharmacy revenues	\$ 465,411	43.7%	\$381,607	45.9%
CARES Act funds	171,731	16.1%	-	0.0%
Grants and contribution revenue	71,330	6.7%	58,496	7.0%
Compensated services	67,727	6.4%	66,250	8.0%
Administration/management fees	60,812	5.7%	59,293	7.1%
Lab revenue	30,908	2.9%	33,951	4.1%
Other	195,899	18.5%	231,283	27.9%
Other Revenue	<u>\$1,063,818</u>	<u>100.0%</u>	<u>\$830,880</u>	<u>100.0%</u>

3. Pledges Receivable

As of June 30, 2020 and 2019, the value of pledges receivable before discounts was \$52.3 million and \$33.3 million, respectively. Pledges receivable have been discounted at rates ranging from 0.11% to 5.50% of the following (in thousands):

As of June 30, 2020	1 Year	2 –5 Years	5 Years or Greater	Totals
Departmental campaigns	\$ 6,220	\$ 10,468	\$ 6,486	\$ 23,174
Future campus development	15,568	8,892	351	24,811
	<u>\$ 21,788</u>	<u>\$ 19,360</u>	<u>\$ 6,837</u>	<u>\$ 47,985</u>

As of June 30, 2019	1 Year	2 –5 Years	5 Years or Greater	Totals
Departmental campaigns	\$ 4,858	\$ 4,436	\$ 1,735	\$ 11,029
Future campus development	12,732	6,044	739	19,515
	<u>\$ 17,590</u>	<u>\$ 10,480</u>	<u>\$ 2,474</u>	<u>\$ 30,544</u>

Pledges are deemed to be fully collectible and therefore, no significant allowance for uncollectible pledges has been recorded.

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4. Fair Value Measurements

JHHS follows the guidance on fair value measurements, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance discusses valuation techniques such as the market approach, cost approach and income approach. The guidance establishes a three-tier level hierarchy for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions. There are no instruments requiring Level 3 classification.

The financial instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Interest rate swap agreements are valued using the income approach, while each of the remaining financial instruments below have been valued utilizing the market approach.

The following table presents the financial instruments carried at fair value as of June 30, 2020 grouped by hierarchy level:

	Total Fair Value	Level 1	Level 2
Assets			
Cash and cash equivalents (1)	\$ 933,288	\$ 933,288	\$ -
Commercial paper (1)	45,450	-	45,450
Certificates of deposit (1)	1,181	-	1,181
U.S. Treasuries (2)	294,531	-	294,531
Corporate bonds (2)	381,701	-	381,701
Asset backed securities (2)	233,025	-	233,025
Equities and equity funds (3)	1,390,156	1,390,156	-
Fixed income funds (4)	429,071	429,071	-
Totals	<u>\$ 3,708,403</u>	<u>\$ 2,752,515</u>	<u>\$ 955,888</u>
Liabilities			
Interest rate swap agreements (5)	<u>\$ 317,539</u>	<u>\$ -</u>	<u>\$ 317,539</u>

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The following table presents the financial instruments carried at fair value as of June 30, 2019 grouped by hierarchy level:

	Total Fair Value	Level 1	Level 2
Assets			
Cash and cash equivalents (1)	\$ 726,941	\$ 726,941	\$ -
Commercial paper (1)	20,772	-	20,772
Certificates of deposit (1)	1,164	-	1,164
U.S. Treasuries (2)	306,294	-	306,294
Corporate bonds (2)	409,201	-	409,201
Asset backed securities (2)	329,752	-	329,752
Equities and equity funds (3)	1,265,460	1,265,460	-
Fixed income funds (4)	408,556	408,556	-
	<u>\$ 3,468,140</u>	<u>\$ 2,400,957</u>	<u>\$ 1,067,183</u>
Totals			
Liabilities			
Interest rate swap agreements (5)	\$ 223,562	\$ -	\$ 223,562

- (1) Cash equivalents, commercial paper, money market funds, and overnight investments include investments with original maturities of three months or less. Certificates of deposit and commercial paper are carried at amortized cost, which approximates fair market value. Certificates of deposit and commercial paper that have original maturities greater than three months, but less than one year are considered short-term investments. Cash and cash equivalents, money market funds, and overnight investments are rendered Level 1 due to their frequent pricing and ease of converting to cash. Computed prices and frequent evaluation versus fair value render commercial paper and the certificates of deposit Level 2.
- (2) For investments in U.S. Treasuries (notes, bonds, and bills), corporate bonds, and asset backed securities, fair value is based on quotes for similar securities; therefore these investments are rendered Level 2. These investments fluctuate in value based upon changes in interest rates.
- (3) Equities include individual equities and investments in mutual funds. The individual equities and mutual funds are valued based on the closing price on the primary market and are rendered Level 1.
- (4) Fixed income funds are investments in mutual funds. The underlying fixed investments are principally U.S. Treasuries, corporate bonds, commercial paper, and mortgage backed securities. The mutual funds are valued based on the closing price on the primary market and are rendered Level 1.
- (5) The interest rate swap agreements, discussed further in Note 10 "Derivative Financial Instruments," are valued using a swap valuation model that utilizes an income approach using observable market inputs including long-term interest rates, LIBOR swap rates, and credit default swap rates.

During 2020 and 2019, there were no significant transfers between Level 1 and 2.

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The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while JHHS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

JHHS holds investments that are not traded on national exchanges or over-the counter markets. JHHS has elected the fair value option by individual alternative investment and therefore these investments are valued utilizing the NAV provided by the underlying investment companies unless management determines some other valuation is more appropriate. There are no unfunded commitments related to JHHS' investments measured using NAV as a practical expedient.

The following table displays information by strategy for investments measured using NAV as a practical expedient as of June 30, 2020 (in thousands):

	Fair Value	Redemption Frequency	Notice Period
Absolute return hedge funds (1)	\$ 162,454	Monthly	5 to 60 days
Equity long/short hedge funds (2)	69,854	Monthly or quarterly	5 to 60 days
Structured credit hedge funds (3)	16,961	Quarterly	90 days
Commingled equity funds (4)	274,637	Daily or monthly	1 to 10 days
Commingled fixed income (5)	94,257	Daily or monthly	1 to 15 days
Event driven hedge funds (6)	50,741	Monthly or quarterly	60 to 90 days
Total	<u>\$ 668,904</u>		

The following table displays information by strategy for investments measured at NAV as a practical expedient as of June 30, 2019 (in thousands):

	Fair Value	Redemption Frequency	Notice Period
Absolute return hedge funds (1)	\$ 170,423	Monthly	5 to 14 days
Equity long/short hedge funds (2)	70,032	Monthly or quarterly	5 to 60 days
Commingled equity funds (4)	21,000	Daily or monthly	90 days
Commingled fixed income (5)	253,535	Daily or monthly	1 to 10 days
Event driven hedge funds (6)	108,827	Quarterly	1 to 15 days
Hedge fund of funds (7)	52,448	Quarterly	60 to 90 days
Total	<u>\$ 676,265</u>		

(1) Absolute return hedge funds: Investment managers who seek low correlation to global equity markets. Strategies have the ability to identify opportunities across multiple sectors, asset classes, and geographic regions.

(2) Equity long/short hedge funds: Investment managers who maintain positions both long and short in primarily equity and equity derivative securities. Strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure and leverage employed.

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- (3) Structured credit hedge funds: Invest in variety of credit assets such as nonagency residential mortgage-backed securities, asset-backed securities, commercial mortgage-backed securities, collateralized loan obligations and collateralized debt obligations.
- (4) Commingled equity funds: Long-only equity strategies that invest exclusively in publicly traded companies, though the funds are not traded on a public exchange.
- (5) Commingled fixed income: Fixed income strategies that invest in publicly-issued debt instruments, though the funds are not traded on a public exchange.
- (6) Event driven hedge funds: Investment managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments.
- (7) Hedge fund of funds: Invest with multiple hedge fund managers to create a diversified portfolio of hedge funds. Hedge fund of funds strategies serve to dampen volatility within the overall investment portfolio, while offering the investor more frequent liquidity terms and lower capital requirements as compared to investing with an individual hedge fund manager. The fund of funds manager has discretion in choosing the individual investment strategies for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers across multiple strategies.

5. Cash and Cash Equivalents, Investments, and Assets Whose Use is Limited

Cash and cash equivalents and investments (short and long-term) as of June 30 consisted of the following (in thousands):

	2020 Carrying Amount	2019 Carrying Amount
Cash and cash equivalents measured at fair value	\$ 933,288	\$ 726,941
Cash and cash equivalents included in AWUIL	(40,497)	(15,681)
Total cash and cash equivalents	<u>\$ 892,791</u>	<u>\$ 711,260</u>
U.S. Treasuries	\$ 213,836	\$ 240,730
Commercial paper	45,450	20,772
Certificates of deposit	1,181	1,164
Corporate bonds	280,717	300,213
Asset backed securities	169,523	245,379
Fixed income funds	332,416	367,219
Equities and equity funds	<u>980,282</u>	<u>922,771</u>
Short and long-term investments measured at fair value	2,023,405	2,098,248
Investments in affiliates	303,979	286,945
Investments measured at NAV as a practical expedient	<u>668,904</u>	<u>676,265</u>
Total short and long-term investments	<u>\$ 2,996,288</u>	<u>\$ 3,061,458</u>

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Assets whose use is limited as of June 30 consisted of the following (in thousands):

	2020 Carrying Amount	2019 Carrying Amount
U.S. Treasuries	\$ 80,695	\$ 65,564
Corporate bonds	100,984	108,988
Asset backed securities	63,502	84,373
Fixed income funds	96,655	41,337
Equities and equity funds	<u>409,874</u>	<u>342,689</u>
Assets whose use is limited measured at fair value	751,710	642,951
Cash in AWUIL reported as cash and cash equivalents on leveling table	40,497	15,681
Pledges receivable	47,985	30,544
Other	<u>21,113</u>	<u>22,313</u>
Total assets whose use is limited	<u>\$ 861,305</u>	<u>\$ 711,489</u>

The investment and assets whose use is limited balances noted above include amounts held by three pooled investment accounts shared by the affiliates of JHHS. All investments held within the pooled accounts are owned by JHHS and its affiliates. The amounts held within the liquid, intermediate and other investment pools were \$296.9 million, \$421.3 million, and \$1.5 billion, respectively, as of June 30, 2020. The amounts held within the liquid, intermediate and other investment pools were \$183.2 million, \$595.9 million, and \$1.4 billion, respectively, as of June 30, 2019.

Investment income, net for the years ended June 30, included in the non-operating revenues and expenses section of the Consolidated Statement of Operations and Changes in Net Assets consisted of the following (in thousands):

	2020	2019
Investment income	\$ 63,019	\$ 72,912
Realized gains on investments	24,227	158,371
Changes in unrealized gains (losses) on investments	<u>13,789</u>	<u>(35,224)</u>
Total	<u>\$ 101,035</u>	<u>\$ 196,059</u>

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Investments recorded under the equity method or the measurement alternative as of June 30 consisted of the following (in thousands):

Investment	Equity / Other	%	2020	2019
Johns Hopkins Medicine International, LLC ("JHI")	Equity	50.00 %	\$ 67,616	\$ 66,553
Johns Hopkins Home Care Group, Inc. ("JHHCG")	Equity	50.00 %	16,166	14,172
FSK Land Corporation	Equity	50.00 %	15,480	14,210
Mt. Washington Pediatric Hospital and Foundation	Equity	50.00 %	57,282	52,855
JHMI Utilities, LLC	Equity	50.00 %	24,081	20,634
West County, LLC	Equity	50.00 %	6,936	6,573
JH Surgery Center	Equity	50.00 %	22,158	20,692
MCIC Bermuda	Other	10.00 %	69,462	67,019
Other			24,798	24,237
			<u>\$303,979</u>	<u>\$286,945</u>

Equity investments presented as "Other" in the table above include investments without readily determinable fair values measured at cost with adjustments for observable changes in price or impairments. As of June 30, 2020 and 2019, equity investments without readily determinable fair values measured at cost with adjustments for observable changes in price or impairments were \$70.2 million and \$67.8 million, respectively. There were no adjustments to these investments' cost for changes in price or impairments for the years ended June 30, 2020 and 2019.

Summarized below are the aggregate assets, liabilities, revenues and expenses for JHI, Mt. Washington Pediatric Hospital and Foundation, and JHMI Utilities, LLC as of and for the year ended June 30, 2020 and 2019 (in thousands):

	2020	2019
Assets	\$ 630,241	\$ 625,870
Liabilities	320,844	334,030
Revenues	289,935	305,061
Expenses	279,330	292,637

JHHS consolidates certain affiliates that it owns 50% or more, but less than 100%, because JHHS has control over those affiliates. The net assets without donor restrictions activity attributable to the noncontrolling interests consisted of the following as of June 30, (in thousands):

	2020	2019
Net assets without donor restrictions attributable to noncontrolling interests at beginning of period	\$ 74,049	\$ 74,018
Income (losses) attributable to noncontrolling interests	11,692	31
Contributions attributable to noncontrolling interests	-	-
Other	338	-
Net assets without donor restrictions attributable to noncontrolling interests at end of period	<u>\$ 86,079</u>	<u>\$ 74,049</u>

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The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total amounts shown in the Consolidated Statements of Cash Flows:

	2020	2019
Cash and cash equivalents	\$ 892,791	\$ 711,260
Restricted cash included in assets whose use is limited - used for current liabilities	3,840	13,035
Restricted cash included in assets whose use is limited by donors or grantors (CARES Act funding)	18,052	-
Restricted cash included in assets whose use is limited by donors or grantors	2,370	-
Restricted cash included in assets whose use is limited by Board of Trustees	15,899	1,721
Restricted cash included in assets whose use is limited - other	<u>336</u>	<u>925</u>
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	<u>\$ 933,288</u>	<u>\$ 726,941</u>

Restricted cash included in assets whose use is limited for current liabilities is required per bond agreement. Cash included in assets whose use is limited by donors or grantors (CARES Act funding) is held in response to the COVID-19 pandemic to comply with government restriction. Restricted cash included in assets whose use is limited by donors or grantors is held to comply with hospital and/or foundation donor restrictions. Cash restricted by Board of Trustees is principally held to be used for campus redevelopment projects and other strategic investments. Cash included in assets whose use is limited – other is set aside to comply with a contractual agreement.

6. Property, Plant and Equipment

Property, plant and equipment and accumulated depreciation and amortization consisted of the following as of June 30 (in thousands):

	<u>2020</u>		<u>2019</u>	
	Cost	Accumulated Depreciation and Amortization	Cost	Accumulated Depreciation and Amortization
Land and land improvements	\$ 199,754	\$ 27,572	\$ 197,321	\$ 25,084
Buildings and improvements	2,660,558	1,133,215	2,475,676	1,051,147
Fixed and moveable equipment	2,492,472	1,355,613	2,236,421	1,225,624
Capitalized software	160,078	138,518	153,321	125,380
Construction in progress	<u>100,652</u>	<u>-</u>	<u>356,631</u>	<u>-</u>
	<u>\$ 5,613,514</u>	<u>\$ 2,654,918</u>	<u>\$ 5,419,370</u>	<u>\$ 2,427,235</u>

Accruals for purchases of property, plant and equipment as of June 30, 2020 and 2019 amounted to \$16.0 million and \$22.3 million, respectively, and are included in accounts payable and accrued liabilities in the Consolidated Balance Sheets. Depreciation and amortization expense for the years ended June 30, 2020 and 2019 amounted to \$310.7 million and \$291.5 million, respectively.

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During the year ended June 30, 2020 and 2019, JHHS retired long-lived assets determined to have no future value. During 2020, the original cost and corresponding accumulated depreciation of these long-lived assets was \$73.1 million and \$66.6 million, respectively. During 2019, the original cost and corresponding accumulated depreciation of these long-lived assets was \$97.6 million and \$89.7 million, respectively. No proceeds from retirement were received in 2020 or 2019.

7. Medical Claims Reserves

JHHC's activity related to its liability for unpaid health claims for the years ended June 30 are summarized in the table below (in thousands):

	2020	2019
Balance, July 1	<u>\$ 165,429</u>	<u>\$ 157,627</u>
Incurred related to		
Current year	1,676,023	1,645,851
Prior year	<u>(8,884)</u>	<u>(21,227)</u>
Total incurred	<u>1,667,139</u>	<u>1,624,624</u>
Paid related to		
Current year	1,517,885	1,480,422
Prior year	<u>156,545</u>	<u>136,400</u>
Total paid	<u>1,674,430</u>	<u>1,616,822</u>
Balance, June 30	<u>\$ 158,138</u>	<u>\$ 165,429</u>

The medical claims reserve is inherently subject to a number of highly variable circumstances, including changes in payment patterns, cost trends and other relevant factors. Consequently, the actual experience may vary materially from the original estimate. The above medical claims reserves include intercompany activity that is eliminated in consolidation.

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8. Debt

Debt as of June 30 is summarized as follows (in thousands):

	Interest Rate(s)	Final Maturity	Renewal Date	Issued Amount	2020	2019
Tax Exempt Maryland Health and Higher Education Facilities Authority						
("MHHEFA") Bonds and Notes						
1985 Series A and B – Pooled Loan Program Issue (JHHSC)	1.00%	2035	7/19/2023	\$ -	\$ 1,788	\$ 2,028
1990 Series - Revenue Bonds (JHH)	7.30% to 7.35%	2019	N/A	90,169	-	9,370
2004 – Commercial Paper Revenue Notes Series B (JHBMC)	0.62%	2025	6/28/2022	101,990	41,690	47,335
2011 Series A - Revenue Bonds (JHH)	3.75% to 5.00%	2021	N/A	74,615	7,110	50,560
2012 Series B - Revenue Bonds (JHH)	3.25% to 5.00%	2022	N/A	97,560	12,070	78,170
2013 Series C – Revenue Bonds (JHHSC)	5.00%	2023	N/A	238,000	5,526	229,801
2015 Series A - Revenue Bonds (JHHSC)	2.00% to 5.00%	2040	N/A	134,735	124,216	126,551
2016 Series A - Revenue Bonds (JHHSC)	1.53%	2023	5/31/2023	48,565	32,140	38,175
2016 Series B - Revenue Bonds (JHHSC)	1.55%	2042	5/31/2023	48,245	48,245	48,245
2017 Series B - Revenue Bonds (JHHSC)	1.83%	2038	10/1/2024	165,825	153,160	163,990
2012E/2017C Series - Revenue Bonds (JHHSC)	1.75%	2057	11/1/2022	100,000	100,000	100,000
2018 Series A - Revenue Bonds (JHHSC)	1.65%	2048	6/1/2023	48,245	48,245	48,245
2018 Series B - Revenue Bonds (JHHSC)	1.69%	2046	6/1/2023	88,250	88,250	88,250
Tax Exempt City of St. Petersburg Health Facilities Authority						
Revenue Bonds						
2012 Series A – Revenue Refunding Bonds (JHACH)	1.56%	2034	6/1/2024	102,400	87,925	89,925
Taxable Revenue Bonds						
2013 Series – Taxable Bonds (JHHSC)	2.77%	2023	N/A	148,165	100,000	100,000
2016 Series – Taxable Bonds (JHHSC)	3.84%	2046	N/A	690,910	690,910	500,000
2017 Series A - Taxable Revenue Bonds (JHHSC)	2.41%	2027	1/25/2027	165,200	162,723	163,473
2018 Series - Taxable Revenue Bonds (JHHSC)	2.22%	2029	6/1/2029	50,320	45,090	47,750
2019 Series - Taxable Revenue Bonds (JHHSC)	2.29%	2026	N/A	39,470	39,470	-
2020 Series - Taxable Revenue Bonds (JHHSC)	2.42%	2030	N/A	100,000	100,000	-
Other debt						
Note Payable (JHHC)	2.62%	2024	N/A	5,000	5,000	-
Note Payable (JHHC)	3.41%	2022	12/18/2022	3,006	778	2,158
					1,894,336	1,934,026
Unamortized premiums and discounts, net					36,745	16,184
Unamortized debt issuance costs					(6,273)	(6,323)
					1,924,808	1,943,887
Current maturities of long-term debt					(46,411)	(62,268)
Total long-term debt, net of current portion					\$ 1,878,397	\$ 1,881,619

Financing expenses. Financing expenses incurred in connection with the issuance of debt are presented in the Consolidated Balance Sheet as a direct deduction from the carrying value of the associated debt. The expenses are being amortized over the terms of the related debt issues using the effective interest method. The total amount expensed for the period ended June 30, 2020 and 2019 was \$0.5 million and \$0.6 million, respectively.

Obligated Group

The Johns Hopkins Health System Obligated Group ("JHHS Obligated Group") consists of JHH, JHBMC, HCGH, SHI, SHHS, SMH, JHACH and JHHSC (the "Obligated Group Members"). All of the debt of the JHHS Obligated Group is parity debt, and as such is jointly and severally liable through a claim on and a security interest in all of the receipts as defined in the Master Loan Agreement with MHHEFA of the Obligated Group Members. The Obligated Group Members are required to achieve a defined minimum debt service coverage ratio each year. The outstanding JHHS Obligated Group parity debt was \$1.9 billion as of June 30, 2020 and 2019.

In December 2019, JHHSC closed the Series 2019 taxable loan of \$39.5 million to advance refund a portion of its JHH 2011A series revenue bonds. In January 2020, JHHSC closed the Series 2020

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taxable bond issuance of \$100 million and the additional Series 2016 taxable bond issuance of \$190.9 million to advance refund a portion of its JHH 2012B series revenue bonds and its JHHS 2013C series revenue bonds. Each advance refunding transaction discussed above generated significant net present value savings for JHHSC.

2016 Series Taxable Revenue Bonds – JHHS

In January 2020, JHHSC closed the additional Series 2016 taxable bond issuance of \$190.9 million to advance refund a portion of its JHHS 2013C series revenue bonds. The additional Series 2016 taxable bonds maintain the same terms and structure as the original Series 2016 taxable bonds with a bullet maturity in 2046 and semiannual interest payments based on a fixed rate.

2019 Series Taxable Revenue Bonds – JHHS

In December 2019, JHHSC closed the Series 2019 taxable loan of \$39.5 million to advance refund a portion of its JHH 2011A series revenue bonds. The Series 2019 taxable loan matures in May 2026 and pays principal annually and interest monthly based on a fixed rate.

2020 Series Taxable Revenue Bonds – JHHS

In January 2020, JHHSC closed the Series 2020 taxable bond issuance of \$100 million to advance refund a portion of its JHH 2012B series revenue bonds and its JHHS 2013C series revenue bonds. The Series 2020 taxable bonds are structured with a ten year bullet maturity and semiannual interest payments based on a fixed rate.

Letters of Credit and Intermediate Financing Vehicles

In connection with the 2004 MHHEFA Commercial Paper Revenue Notes, JHBMC has a \$41.7 million line of credit agreement with Wells Fargo to provide for payment of such commercial paper at maturity, subject to certain conditions described therein. This agreement expires on June 28, 2022 subject to extension or earlier termination. No amounts were outstanding as of June 30, 2020 or 2019.

JHHS utilizes public floating rate notes and bank direct purchase facilities as the core component of its variable-rate debt structure. These vehicles provide intermediate-term financing, typically 3 – 10 years, as a means to finance longer-lived assets. These variable-rate notes are structured with a mandatory purchase at the end of their term, at which time JHHS is required to purchase the bonds back from the investors. Due to the long-term nature of the underlying assets financed, JHHS has historically refunded all intermediate-term debt prior to the mandatory purchase dates. The table above notes the renewal dates for the outstanding variable-rate notes.

For the debt of JHHS and Affiliates, total maturities of debt and sinking fund requirements during the next five fiscal years and thereafter are as follows as of June 30, 2020 (in thousands):

2021	\$	46,411
2022		50,862
2023		153,266
2024		41,268
2025		52,117
Thereafter		1,550,412
	\$	<u>1,894,336</u>

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For the debt of JHHS and Affiliates described above, interest costs on debt and interest rate swaps incurred, paid and capitalized in the years ended June 30 are as follows (in thousands):

	2020	2019
Net interest costs		
Capitalized	\$ 6,722	\$ 9,635
Expensed	77,503	77,633
	<u>\$ 84,225</u>	<u>\$ 87,268</u>
Interest costs paid	<u>\$ 87,398</u>	<u>\$ 86,012</u>

Lines of Credit

Between April and June of 2020, JHHSC, JHH, and the other JHHS Obligated Group members entered into four short-term revolving line of credit facilities (each a “Facility” and collectively the “Facilities”) that constitute short-term indebtedness as defined under the Master Loan Agreement in a total aggregate principal amount of \$500.0 million. JHHSC entered into the Facilities to ensure access to additional liquidity in order to address any operational costs associated with the impact of the COVID-19 pandemic. The obligations of the JHHS Obligated Group with respect to their payment obligations for each Facility have been certified as Parity Obligations under the Master Loan Agreement and Indenture of Trust. The loans made under each Facility bear interest at rates measured against one-month LIBOR plus an applicable margin. Each Facility requires repayment of the principal drawn thereunder plus accrued interest thereon on or before the expiration of the Facility, which in each case is a term of 364 days. The outstanding balance of these Facilities was \$200.0 million as of June 30, 2020.

9. Leases

JHHS has operating and finance leases for medical spaces, corporate offices, storage spaces, and certain medical and office equipment. Real estate lease agreements typically have initial terms of five to ten years and equipment lease agreements typically have initial terms of three to five years.

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The components of lease cost for the period ended June 30 are as follows (in thousands):

	2020
Operating lease cost ⁽¹⁾	\$ 32,492
Finance lease cost:	
Amortization of right-of-use assets ⁽²⁾	12,008
Interest on lease liabilities ⁽³⁾	5,449
Short-term lease cost ⁽¹⁾	3,502
Variable lease cost ⁽¹⁾	<u>17,115</u>
Total lease cost	<u>\$ 70,566</u>

(1) Expenses are included in purchased services in the consolidated statements of operations and changes in net assets.

(2) Expenses are included in depreciation and amortization in the consolidated statements of operations and changes in net assets.

(3) Expenses are included in interest in the consolidated statements of operations and changes in net assets.

Variable lease cost represents a significant portion of total lease cost. This is due to JHHS' election to combine lease and non-lease components for real estate contracts. Expenses that are generally variable, such as common area maintenance, are included in the variable lease cost above.

During the year ended June 30, 2020, JHHS recognized impairment expense of \$2.1 million related to its remaining finance ROU assets. This amount represents the excess of the ROU assets' carrying cost over its fair value as determined under ASC 820.

Supplemental cash flow information related to leases for the period ended June 30 are as follows (in thousands):

	2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 32,455
Operating cash flows from finance leases	5,746
Financing cash flows from finance leases	11,289
Non-cash investing and financing activities	
Additions to right of use assets obtained from:	
Operating leases	4,346
Finance leases	4,660

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Additional lease information as of and for the period ended June 30 are as follows (in thousands):

	2020
Weighted Average Remaining Lease Term	
Operating leases	6.1 years
Finance leases	11.5 years
Weighted Average Discount Rate	
Operating leases	2.8%
Finance leases	4.5%

Future maturities of lease liabilities are as follows (in thousands):

	Operating Leases	Finance Leases	Total
Year Ending June 30,			
2021	\$ 29,911	\$ 17,562	\$ 47,473
2022	27,801	17,606	45,407
2023	23,475	17,688	41,163
2024	17,149	17,885	35,034
2025	13,419	15,969	29,388
Thereafter	<u>38,120</u>	<u>68,028</u>	<u>106,148</u>
Total lease payments	149,875	154,738	304,613
Less: Imputed interest	<u>(13,995)</u>	<u>(27,778)</u>	<u>(41,773)</u>
Total lease obligations	135,880	126,960	262,840
Less: Current obligations	<u>(26,610)</u>	<u>(12,382)</u>	<u>(38,992)</u>
Long-term lease obligations	<u>\$ 109,270</u>	<u>\$ 114,578</u>	<u>\$ 223,848</u>

Because JHHS elected to use the modified retrospective transition approach, JHHS is required to include the disclosures required prior to the adoption of ASU 2016-02 for 2019. Total rental expense under operating leases for the year ended June 30, 2019 amounted to \$57.9 million.

Real estate leases may include one or more options to renew that can extend the lease term for an additional one to ten years. Some real estate leases include options to terminate the lease within five years. JHHS does not recognize these options as part of its ROU assets and lease liabilities because these options are not reasonably likely to be exercised. Equipment lease agreements typically do not contain options to extend the term or terminate the lease.

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The future minimum lease payments required under JHHS capital leases are as follows as of June 30, 2019 (in thousands):

	Capital Lease Payments
2020	\$ 11,331
2021	11,320
2022	11,394
2023	11,599
2024	11,876
2025 and thereafter	<u>58,989</u>
Minimum lease payments	116,509
Interest on capital lease obligations	<u>(24,242)</u>
Net minimum payments	92,267
Current portion of capital lease obligation	<u>(7,167)</u>
Capital lease obligation, less current	<u>\$ 85,100</u>

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2019, that have initial or remaining lease terms in excess of one year (in thousands):

	Operating Leases
2020	\$ 35,738
2021	31,466
2022	26,321
2023	22,198
2024	17,304

JHHS is also a lessor and sub-lessor of real estate under operating leases. Lease income for the year ended June 30, 2020 was \$25.6 million, which is included in other revenue in the Consolidated Statements of Operations and Changes in Net Assets. Most of JHHS' leases include operating expenses such as utilities and maintenance costs in rent charges. However, variable lease income is not material.

At June 30, 2020, land and buildings with a net book value of \$41.5 million were leased to various unrelated organizations with terms ranging from one month to 38 years. These assets are included in property, plant, and equipment, net on the Consolidated Balance Sheets.

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As of June 30, 2020, undiscounted cash flows for these leases over the next five years and thereafter are as follows (in thousands):

	Operating leases
Year Ending June 30,	
2021	\$ 13,434
2022	10,644
2023	7,908
2024	7,078
2025	7,130
Thereafter	<u>66,630</u>
Total	<u>\$ 112,824</u>

Included in the above disclosures are amounts related to leases between JHHS and its unconsolidated affiliates. See Note 14 for further details about these transactions.

10. Derivative Financial Instruments

JHHS' primary objective for holding derivative financial instruments is to manage interest rate risk. Derivative financial instruments are recorded at fair value and are included in other long-term liabilities. The total notional amount of interest rate swap agreements was \$0.988 billion and \$1.012 billion as of June 30, 2020 and 2019, respectively.

Each swap agreement has certain collateral thresholds whereby, on a daily basis, if the fair value of the swap agreement declines such that its devaluation exceeds the threshold, cash must be deposited by JHHS with the swap counterparty for the difference between the threshold amount and the fair value. As of June 30, 2020 and 2019, the amount of required collateral was \$109.5 million and \$56.5 million, respectively.

The following table summarizes JHHSC interest rate swap agreements (in thousands):

Swap Type	Expiration Date	Counterparty	JHHS Pays	JHHS Receives	Notional Amount at June 30	
					2020	2019
Fixed	2022	J.P. Morgan	3.3290 %	67% of 1-Month LIBOR	\$ 44,390	\$ 45,675
Fixed	2025	Bank of America	3.3265 %	67% of 1-Month LIBOR	41,690	47,335
Fixed	2021	J.P. Morgan	3.9190 %	68% of 1-Month LIBOR	6,980	11,450
Fixed	2034	Royal Bank of Canada	3.6235 %	62.2% of 1-Month LIBOR + 0.27%	14,130	14,205
Fixed	2034	Citibank, N.A.	3.6235 %	62.2% of 1-Month LIBOR + 0.27%	23,570	23,695
Fixed	2026	PNC	4.1220 %	67% of 1-Month LIBOR	150,000	150,000
Fixed	2026	PNC	4.1330 %	67% of 1-Month LIBOR	150,000	150,000
Fixed	2039	Goldman Sachs Capital Markets, L.P.	3.9110 %	67% of 1-Month LIBOR	150,000	150,000
Fixed	2040	Goldman Sachs Capital Markets, L.P.	3.9220 %	67% of 1-Month LIBOR	150,000	150,000
Fixed	2039	Goldman Sachs Capital Markets, L.P.	3.9460 %	67% of 1-Month LIBOR	40,000	40,000
Fixed	2038	Goldman Sachs Capital Markets, L.P.	3.8190 %	67% of 1-Month LIBOR	75,625	81,550
Fixed	2038	Merrill Lynch Capital Services	3.8091 %	67% of 1-Month LIBOR	76,000	81,450
Fixed	2025	Goldman Sachs Capital Markets, L.P.	3.6910 %	67% of 1-Month LIBOR	5,710	7,070
Fixed	2047	Citibank, N.A.	3.8505 %	61.8% of 1-Month LIBOR + 0.25%	60,000	60,000
					<u>\$ 988,095</u>	<u>\$ 1,012,430</u>

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Fair value of derivative instruments as of June 30 (in thousands):

	Derivatives Reported as Liabilities			
	2020		2019	
	Balance Sheet Caption	Fair Value	Balance Sheet Caption	Fair Value
Interest rate swaps	Other long-term liabilities	\$ 317,539	Other long-term liabilities	\$ 223,562

Derivatives as of June 30 (in thousands):

Classification of Derivative Loss in Statement of Operations	Amount of Loss Recognized in Change in Net assets without donor restrictions	
	2020	2019
	Interest rate swaps Non-operating expense	\$ (93,977)

11. Net Assets with Donor Restrictions

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities". The new guidance requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources to donors, grantors, creditors and other users. JHHS adopted this new accounting standard in fiscal year 2019. The primary changes affecting JHHS include: presentation of two classes of net assets versus the previously required three; enhanced disclosures for board designated amounts, composition of net assets without donor restrictions, and liquidity and availability; and disclosure of expenses by both their natural and functional classification in a matrix format. Also refer to Note 17 and Note 18.

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Net assets with donor restrictions as of June 30 (in thousands) are restricted to:

	2020	2019
Subject to expenditure for a specified purpose:		
Purchase of property, plant, and equipment	\$ 26,031	\$ 22,807
Health care services	58,668	53,406
Health education and counseling	7,620	7,219
Indigent care	4,205	4,485
Restricted pledge fund	31,244	18,796
Total subject to expenditure for a specified purpose	<u>127,768</u>	<u>106,713</u>
Funds, cash and securities held into perpetuity:		
Health care services	52,193	46,984
Health education and counseling	12,853	14,552
Total funds, cash and securities held in perpetuity	<u>65,046</u>	<u>61,536</u>
Total net assets with donor restrictions	<u>\$ 192,814</u>	<u>\$ 168,249</u>

The JHHS endowments do not include amounts designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of JHHS has interpreted Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) in the State of Maryland, the State of Florida, and the District of Columbia as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, JHHS classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

12. Pension Plans

The Affiliates sponsor a variety of defined benefit pension plans (the “Plans”) covering most of their employees. The retirement income benefits are based on a combination of years of service and compensation at various points of service. The FASB’s guidance on employers’ accounting for defined benefit pension and other postretirement plans requires that the funded status of defined benefit postretirement plans be recognized on JHHS’ Consolidated Balance Sheets, and changes in the funded status be reflected as a change in net assets. Changes in net assets without donor restrictions during the year ended June 30, 2020 reflect a board approved amendment to the Plans which resulted in a reduction of \$(59.7) million in the pension liability referred to as a plan amendment liability.

For the year ended June 30, 2020, the SMH pension plan is in the final stages of termination. Final distributions have been made to plan participants. The process is expected to be completed and presented to the pension committee for final conclusion in October 2020. During the year ended June 30, 2019, the HCGH Board of Trustees approved the termination of the HCGH plan. HCGH has filed with the required documents with the Internal Revenue Service for its determination letter. The plan termination is expected to take up to twelve months from the receipt of the determination letter.

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The funding policy of all Affiliates is to make sufficient contributions to meet the Internal Revenue Service minimum funding requirements. Assets in the Plans as of June 30, 2020 and 2019 consisted of cash and cash equivalents, equities and equity funds, fixed income funds, and alternative investments. All assets are managed by external investment managers, consistent with the Plans' investment policy.

The change in benefit obligation, plan assets, and funded status of the Plans is shown below (in thousands):

Change in benefit obligation	2020	2019
Benefit obligation as of beginning of year	\$ 2,817,530	\$ 2,401,508
Service cost	84,278	79,783
Interest cost	99,862	103,199
Plan amendment liability	(59,659)	-
Actuarial loss	354,635	306,484
Benefits paid	<u>(175,109)</u>	<u>(73,444)</u>
Benefit obligation as of June 30	\$ 3,121,537	\$ 2,817,530
Change in plan assets	2020	2019
Fair value of plan assets as of beginning of year	\$ 1,898,832	\$ 1,669,415
Actual return on plan assets	164,452	134,581
Employer contribution	139,353	168,280
Benefits paid	<u>(175,109)</u>	<u>(73,444)</u>
Fair value of plan assets as of June 30	\$ 2,027,528	\$ 1,898,832
Funded Status as of June 30	2020	2019
Fair value of plan assets	\$ 2,027,528	\$ 1,898,832
Projected benefit obligation	<u>(3,121,537)</u>	<u>(2,817,530)</u>
Unfunded status	\$ (1,094,009)	\$ (918,698)

Amounts recognized in the Consolidated Balance Sheets consist of (in thousands):

	2020	2019
Net pension asset (SMH - included in other assets)	\$ 9,986	\$ 6,708
Net pension liability	<u>(1,103,995)</u>	<u>(925,406)</u>
Net amount recognized	\$ (1,094,009)	\$ (918,698)

Aside from the SMH plan, the projected benefit obligation is greater than the fair value of plan assets for all plans that are aggregated with these statements.

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Amounts not yet recognized in net periodic benefit cost and included in net assets without donor restrictions consist of (in thousands):

	2020	2019
Actuarial net loss	\$ 1,146,067	\$ 929,136
Prior service cost	(59,659)	-
	<u>\$ 1,086,408</u>	<u>\$ 929,136</u>
Accumulated benefit obligation	<u>\$ 2,871,954</u>	<u>\$ 2,499,558</u>

Net Periodic Pension Cost

Components of net periodic pension cost (in thousands):

	2020	2019
Service cost	\$ 84,278	\$ 79,783
Interest cost	99,862	103,199
Expected return on plan assets	(129,523)	(108,120)
Amortization of prior service cost	-	108
Recognized net actuarial loss	101,209	89,339
Settlement loss recognized	1,566	684
	<u>\$ 157,392</u>	<u>\$ 164,993</u>
Net periodic pension cost		

**Other Changes in Plan Assets and Benefit Obligations
Recognized in Net Assets without Donor Restrictions**

	2020	2019
Net loss	\$ 319,706	\$ 280,023
Amortization of net loss	(102,775)	(90,023)
Amortization of prior service cost	-	(108)
	<u>216,931</u>	<u>189,892</u>
Plan amendment liability	(59,659)	-
Total recognized in net assets without donor restrictions	<u>\$ 157,272</u>	<u>\$ 189,892</u>
Total loss recognized in net periodic benefit cost and net assets without donor restrictions	<u>\$ 314,664</u>	<u>\$ 354,885</u>

The estimated net loss that will be amortized from net assets without donor restrictions into net periodic pension cost over the next fiscal year is \$126.1 million.

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The assumptions used in determining net periodic pension cost for all plans, except the SMH and HCGH plans where noted, are as follows for the years ended June 30:

	2020	2019
Discount rate - service cost	3.88%	4.53%
Discount rate - benefit obligation	3.71%	4.41%
Expected return on plan assets	7.20%	7.25%
Rate of compensation increase - ultimate	2.50%	2.50%

The assumptions used in determining the benefit obligations for all plans, except the SMH and HCGH plans where noted, are as follows as of July 1:

	2020	2019
Discount rate	3.02%	3.71%
Expected return on plan assets	7.20%	7.25%
Rate of compensation increase - ultimate	2.50%	2.50%

The SMH plan utilized an expected rate of return on assets of 3.25% for the years ended June 30, 2020 and 2019, respectively, due to the nature of the plan being frozen and management's future expectations surrounding this plan. The HCGH plan utilized an expected rate of return on assets of 3.25% for the year ended June 30, 2020 due to management's future expectations surrounding this plan. The HCGH plan utilized an expected rate of return on assets of 7.25% for the year ended June 30, 2019.

The expected rate of return on plan assets assumption, excluding SMH and HCGH, was developed based on historical returns for the major asset classes. This review also considered both current market conditions and projected future conditions.

Plan Assets

Pension plan weighted average asset allocations as of June 30 by asset class are as follows:

Asset Class	2020	2019
Cash and cash equivalents	6.71 %	2.71 %
Equities and equity funds	7.44	8.08
Fixed income funds	25.32	31.66
Investments measured at NAV as a practical expedient	50.93	57.55
Distributions after measurement date	2.45	0.00
Contributions after measurement date	7.15	0.00
Total	<u>100.00 %</u>	<u>100.00 %</u>

The Plans assets are invested among and within various asset classes in order to achieve sufficient diversification in accordance with JHHS' risk tolerance. This is achieved through the utilization of asset managers and systematic allocation to investment management style(s), providing a broad exposure to different segments of the fixed income and equity markets. The Plans, except the SMH plan, strive to allocate assets between equity securities (including global asset allocation) and debt securities at a target rate of approximately 75% and 25% respectively.

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During the year ended June 30, 2020, the SMH plan adjusted its investment allocation to cash and cash equivalents to reduce the risk of market volatility as it moves towards terminating the plan.

Fair Value of Plan Assets

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions.

The following table presents the plan assets carried at fair value as of June 30, 2020 grouped by hierarchy level (in thousands):

Assets	Fair Value	Level 1	Level 2
Cash equivalents (1)	\$ 136,032	\$ 136,032	\$ -
Equities and equity funds (2)	150,850	150,850	-
Fixed income funds (3)	513,305	360,315	152,990
	<u>800,187</u>	<u>\$ 647,197</u>	<u>\$ 152,990</u>
Investments measured at NAV as a practical expedient	1,032,628		
Distributions after measurement date (4)	49,714		
Contributions after measurement date (5)	144,999		
Total plan assets	<u>\$ 2,027,528</u>		

The following table presents the plan assets carried at fair value as of June 30, 2019 grouped by hierarchy level (in thousands):

Assets	Fair Value	Level 1	Level 2
Cash equivalents (1)	\$ 51,472	\$ 51,472	\$ -
Equities and equity funds (2)	153,403	153,403	-
Fixed income funds (3)	601,134	371,168	229,966
	<u>806,009</u>	<u>\$ 576,043</u>	<u>\$ 229,966</u>
Investments measured at NAV as a practical expedient	1,092,823		
Total plan assets	<u>\$ 1,898,832</u>		

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- (1) Cash and cash equivalents and money market funds include investments with original maturities of three months or less, and are rendered Level 1 due to their frequent pricing and ease of converting to cash.
- (2) Equities include individual equities and investments in mutual funds. The individual equities and mutual funds are valued based on the closing price on the primary market and are rendered Level 1.
- (3) Fixed income funds are investments in mutual funds and fixed income instruments. The underlying fixed investments are principally U.S. Treasuries, corporate bonds, commercial paper, and mortgage backed securities. For the fixed income instruments, fair value is based on quotes for similar securities; therefore, these investments are rendered Level 2.
- (4) Distributions after measurement date are comprised of redemptions of investments held at NAV.
- (5) Contributions after measurement date represent subscriptions in investments held at NAV.

There are no unfunded commitments related to the Plans' investments measured at NAV as a practical expedient. The following table displays information by strategy for investments measured at NAV as a practical expedient as of June 30, 2020 (in thousands):

	Fair Value	Redemption Frequency	Notice Period
Absolute return hedge funds (1)	\$ 139,612	Monthly	5 days
Equity long/short hedge funds (2)	67,982	Quarterly	30 to 60 days
Event driven hedge funds (3)	4,233	Quarterly	60 to 65 days
Hedge fund of funds (4)	66,649	Quarterly	90 days
Relative value hedge funds (5)	28,706	Quarterly	95 days
Commingled equity funds (6)	305,245	Daily or monthly	1 to 25 days
Commingled fixed income (7)	420,201	Daily or monthly	1 to 90 days
Total	<u>\$ 1,032,628</u>		

The following table displays information by strategy for investments measured at NAV as a practical expedient as of June 30, 2019 (in thousands):

	Fair Value	Redemption Frequency	Notice Period
Absolute return hedge funds (1)	\$ 181,227	Monthly	5 days
Equity long/short hedge funds (2)	68,196	Monthly or quarterly	30 to 60 days
Event driven hedge funds (3)	79,035	Quarterly	60 to 65 days
Relative value hedge funds (5)	33,561	Quarterly	95 days
Commingled equity funds (6)	336,600	Daily or monthly	1 to 15 days
Commingled fixed income (7)	394,204	Daily or monthly	1 to 30 days
Total	<u>\$ 1,092,823</u>		

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- (1) Absolute return hedge funds: Investment managers who seek low correlation to global equity markets. Strategies have the ability to identify opportunities across multiple sectors, asset classes, and geographic regions.
- (2) Equity long/short hedge funds: Investment managers who maintain positions both long and short in primarily equity and equity derivative securities. Strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure and leverage employed.
- (3) Event driven hedge funds: Investment managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments.
- (4) Hedge fund of funds: Invest with multiple hedge fund managers to create a diversified portfolio of hedge funds. Hedge fund of funds strategies serve to dampen volatility within the overall investment portfolio, while offering the investor more frequent liquidity terms and lower capital requirements as compared to investing with an individual hedge fund manager. The fund of funds manager has discretion in choosing the individual investment strategies for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers across multiple strategies.
- (5) Relative Value hedge funds: Investment managers with an investment thesis predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types can range broadly across equity, fixed income, derivative or other security types.
- (6) Commingled equity funds: Long-only equity strategies that invest exclusively in publicly traded companies, though the funds are not traded on a public exchange.
- (7) Commingled fixed income: Fixed income strategies that invest in publicly-issued debt instruments, though the funds are not traded on a public exchange.

Contributions and Estimated Future Benefit Payments

JHHS expects to contribute \$177.2 million to its pension plans in the fiscal year ending June 30, 2021.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid in each of the following fiscal years as of June 30, 2020 (in thousands):

2021	\$	101,066
2022		94,183
2023		102,371
2024		109,963
2025		117,185
Next five years		693,420

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The fiscal 2021 expected benefit payments include \$92 thousand and \$12.6 million due to the expected settlement of all participant pension liabilities pursuant to SMH's and HCGH's plan terminations, respectively.

13. Professional and General Liability Insurance

The University and JHHS participate in an agreement with four other medical institutions to provide a program of professional and general liability insurance for each member institution. As part of this program, the participating medical institutions have formed a risk retention group ("RRG") and a captive insurance company to provide self-insurance for a portion of their risk.

JHH and the University each have a 10% ownership interest in the RRG and the captive insurance company, which is included in investments on the Consolidated Balance Sheets. The medical institutions obtain primary and excess liability insurance coverage from commercial insurers and the RRG. The primary coverage is written by the RRG, and a portion of the risk is reinsured with the captive insurance company. Commercial excess insurance and reinsurance is purchased under a claims-made policy by the participating institutions for claims in excess of primary coverage retained by the RRG and the captive. Primary retentions range between \$1.0 million and \$5.0 million per incident. Primary coverage is insured under a retrospectively rated claims-made policy; premiums are accrued based upon an estimate of the ultimate cost of the experience to date of each participating member institution. The basis for loss accruals for unreported claims under the primary policy is an actuarial estimate of asserted and unasserted claims including reported and unreported incidents and includes costs associated with settling claims. Projected losses were discounted using 1.53% and 2.18% as of June 30, 2020 and 2019, respectively.

JHHS applies the provisions of ASU 2010-24, "Presentation of Insurance Claims and Related Insurance Recoveries", which clarifies that health care entities should not net insurance recoveries against the related claims liabilities. JHHS' insurance recoveries and liabilities in the accompanying Consolidated Balance Sheets as of June 30, 2020 and 2019 are as follows:

Caption on Consolidated Balance Sheet

(in thousands)

	2020	2019
Estimated malpractice recoveries, current portion	\$ 73,109	\$ 63,776
Estimated malpractice recoveries, net of current	<u>53,377</u>	<u>45,429</u>
Total assets	<u>\$ 126,486</u>	<u>\$ 109,205</u>
Current portion of estimated malpractice costs	\$ 73,109	\$ 63,776
Estimated malpractice costs, net of current portion	<u>53,377</u>	<u>45,429</u>
Total liabilities	<u>\$ 126,486</u>	<u>\$ 109,205</u>

The assets and liabilities represent JHHS' estimated self-insured captive insurance recoveries for claims reserves and certain claims in excess of self-insured retention levels. The insurance recoveries and liabilities have been allocated between short-term and long-term assets and liabilities based upon the expected timing of the claims payments.

Professional and general liability insurance expense incurred by JHHS was \$126.1 million and \$70.0 million for the years ended June 30, 2020 and 2019, respectively. Reserves were \$280.9 million and \$214.3 million as of June 30, 2020 and 2019, respectively.

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14. Related Party Transactions

During the years ended June 30, 2020 and 2019, JHHS and its Affiliates engaged in various related party transactions. These transactions were not eliminated because these entities are not consolidated. The following is a summary of the significant related party transactions and balances for the year ended June 30:

(Expense) transactions (in thousands):

	2020	2019
Pharmacy management and patient discharge planning costs to JHHCG	\$ (63,791)	\$ (57,018)
Security and management of housekeeping and parking garage services provided by Broadway Services, Inc.	(18,403)	(19,931)
Utility, telecommunication and clinical application services provided by JHMI Utilities, LLC	(115,038)	(111,438)

Due from related party balances as of June 30 (in thousands):

	2020	2019
Note receivable - JHMI Utilities, LLC	\$ 15,768	\$ 15,768
Note receivable - JHI	3,693	3,498
Note receivable - FSK Land Corporation	1,492	1,529
Due from other affiliates, net	<u>2,353</u>	<u>882</u>
Due from affiliates, current portion, net	<u>\$ 23,306</u>	<u>\$ 21,677</u>
Note receivable - JHMI Utilities, LLC	\$ 41,257	\$ 49,661
Note receivable - JHI	-	3,696
Note receivable - FSK Land Corporation	14,982	16,456
Due from other affiliates	<u>11,549</u>	<u>13,630</u>
Due from affiliates, net of current portion	<u>\$ 67,788</u>	<u>\$ 83,443</u>

Affiliate Notes Receivable

JHHS has made loans to certain noncontrolled affiliates that do not consolidate within JHHS. The loans to these affiliates do not eliminate in consolidation. The short-term portion of these notes receivable are included in Due from affiliates, current portion, and the long-term portion is included in Due from affiliates, net of current portion in the Consolidated Balance Sheets.

JHH and JHHSC have affiliate notes receivable with JHMI Utilities, LLC. JHH has two affiliate notes receivable with JHMI Utilities, LLC. The first note receivable has a balance of \$5.0 million as of June 30, 2020 and 2019. The note receivable is due in June 2027, accrues interest at a fixed rate of 6.0%, with interest payments paid monthly. The second note was established in February 2019 and has a balance of \$7.4 million as of June 30, 2020. The note receivable is due March 2042, accrues interest at a fixed rate of 5.35%, with interest payments paid quarterly and principal payments paid quarterly starting in June 2022. JHHSC's note receivable has a balance of \$57.0

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

million and \$60.4 million as of June 30, 2020 and 2019, respectively. The JHHSC note receivable is due in May 2023, accrues interest at a fixed rate of 5.85%, with principal and interest payments paid monthly.

JHH has an affiliate note receivable with JHI. JHH's note receivable has a balance of \$3.7 million and \$7.2 million as of June 30, 2020 and 2019, respectively. The note is due in June 2021, accrues interest in the initial period at a fixed rate of 5.4%, with principal payments paid quarterly and interest payments paid monthly.

JHHSC has two affiliate notes receivable with FSK Land Corporation. The first note receivable has a balance of \$15.7 million and \$16.5 million as of June 30, 2020 and 2019, respectively. The note has three components due in September 2021, 2023 and 2035, respectively that accrue interest at fixed rates between 5.00% and 5.35% with principal and interest payments paid monthly. The second note receivable has a balance of \$0.7 million and \$1.5 million as of June 30, 2020 and 2019, respectively. The note is due in December 2026, accrues interest at a fixed rate of 4%, with principal and interest payments paid monthly.

Affiliate Leases

JHHS engages in leasing transactions with various non-controlled, unconsolidated affiliates. In most cases, JHHS is the lessee; however, in some situations, JHHS is the lessor – either as the sub-lessor or as the lessor of its owned, real property. However, lessor activity is not material.

As a lessee, the terms of JHHS' leases with related parties range from 5 to 48 years and generally do not include early termination or renewal options. JHHS uses its collateralized incremental borrowing rate to derive its ROU asset and liability associated with its related party leases unless the rate implicit in the lease is known. Lease payments are paid on a monthly basis.

The following table summarizes JHHS' expense items for the year ended June 30 (in thousands):

	2020
Expenses for operating leases with:	
FSK Land Corporation	\$ (4,303)
JHHC Surgery Center Development LLC	(1,438)
550 Broadway Limited Partnership	(812)
Broadway Services, Inc.	(99)
Expenses for financing leases with:	
FSK Land	(1,643)

The Johns Hopkins Health System Corporation and Affiliates
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

ROU asset and liability balances as of June 30 are as follows (in thousands):

	2020
Operating lease right-of-use assets	
FSK Land Corporation	\$ 5,371
JHHC Surgery Center Development LLC	11,192
Broadway Services, Inc.	90
Finance lease right-of-use assets	
FSK Land	10,232
Operating lease liabilities, current portion	
FSK Land Corporation	(3,275)
JHHC Surgery Center Development LLC	(1,009)
Broadway Services, Inc.	(90)
Operating lease liabilities, net of current portion	
FSK Land Corporation	(2,007)
JHHC Surgery Center Development LLC	(10,300)
Finance lease liabilities, current portion	
FSK Land	(1,114)
Finance lease liabilities, net of current portion	
FSK Land	(9,289)

15. Contracts, Commitments and Contingencies

There are several lawsuits pending in which JHHS has been named as a defendant as described below.

On April 1, 2015, a complaint was filed against the University, its Bloomberg School of Public Health and its School of Medicine, JHHSC and JHH (collectively the "Johns Hopkins Defendants"), as well as another institution and a pharmaceutical company (collectively the "defendants"). The claims arise from human experiments conducted in Guatemala between 1946 and 1948 (the "Study") under the auspices of the United States Public Health Service, the Guatemalan government, and the Pan American Sanitary Bureau. The plaintiffs' third amended complaint alleges that physicians and scientists employed by defendants "approved, encouraged, and directed nonconsensual and nontherapeutic human experiments in Guatemala" in which research subjects were intentionally exposed to and infected with venereal diseases without informed consent, and that the individuals were not advised about the consequences of the experiments or given follow-up care, treatment, or education. The third amended complaint alleges claims under both the Guatemala civil code and the federal Alien Tort Statute (the "ATS"), and seeks compensatory damages in excess of \$75,000 and punitive damages of \$1 billion. The Johns Hopkins Defendants dispute both the factual allegations and legal claims. The Johns Hopkins Defendants did not initiate, pay for, direct, or conduct the Study. In 2010, the United States government accepted responsibility for the Study and apologized to all who were affected by it. A prior lawsuit against officials of the United States government for the same injuries alleged in the suit against the Johns Hopkins Defendants was dismissed by the U.S. District Court for the District of Columbia.

On August 30, 2017, the Court issued a memorandum decision dismissing all of plaintiffs' Guatemala law claims, but denying defendants' motion to dismiss the third amended complaint with respect to the ATS claims. On May 16, 2018, defendants filed a motion for judgment on the pleadings based upon the Supreme Court's decision in *Jesner v. Arab Bank, PLC*, 138 S. Ct. 1386

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Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

(2018), which holds that the ATS does not authorize federal courts to create federal common law causes of action against foreign corporations, as doing so would usurp Congress's role and violate the separation of powers. Defendants argue that although the Supreme Court's formal holding applied to foreign corporations—the only type of corporation that was a party to the case—the Supreme Court's reasoning should apply to domestic corporations as well.

On January 3, 2019, the Honorable Theodore D. Chuang denied the motion, declining to extend the majority's reasoning in *Jesner* to domestic corporations. On April 23, 2019, however, Judge Chuang granted defendants' Motion to Certify Interlocutory Appeal, and on May 17, 2019, the Fourth Circuit granted defendants' petition for permission to appeal. Briefing was completed in October 2019. In August 2020, the Fourth Circuit issued an order placing the case in abeyance pending a decision by the United States Supreme Court in No. 19-416, *Nestle USA, Inc. v. John Doe I*. At this time, discovery closed and both plaintiffs and defendants filed motions for summary judgment. Briefing on these motions was concluded in April 2020. The Court has not yet ruled on the motions. The Johns Hopkins Defendants intend to continue to vigorously defend this lawsuit.

JHHS

JHHS has agreements with the University, under which the University provides medical administration and educational services, conducts medical research programs, provides patient care medical services, provides resident physicians who furnish services at JHHS hospitals, and provides certain other administrative and technical support services through the physicians employed by The Johns Hopkins University School of Medicine ("JHUSOM"). Compensation for providing medical administration and educational services is paid to the University by JHHS; funding for services in conducting medical research is paid from grant funds and by JHHS; compensation for patient care medical care services is derived from billings to patients (or third-party payors) by the University; and compensation for other support services is paid to the University by JHHS. The aggregate amount of purchased services incurred by JHHS under these agreements was \$410.7 million and \$353.5 million for the years ended June 30, 2020 and 2019, respectively.

The Johns Hopkins Hospital

In 2005, JHH and the University created a Limited Liability Company (JHMI Utilities, LLC) to provide utility and telecommunication services for their East Baltimore Campus. Each member owns 50% of the LLC and shares equally in the governance of the LLC. The LLC also assumed the liability for JHH's 1985 Pooled Loan obligation of \$8.5 million. The cost of acquiring and upgrading the existing utility facilities, the construction of a new power plant and an upgrade of the telecommunication system have been financed through the issuance of tax exempt bonds by MHHEFA and the proceeds of the Pooled Loan program sponsored by MHHEFA. JHH and the University have guaranteed the total debt issued by MHHEFA. As of June 30, 2020, the amount of the debt guarantee by JHH was \$116.7 million. JHH accounts for this investment under the equity method of accounting.

JHH has pledged investments, having an aggregate market value of \$32.4 million as of June 30, 2020 and 2019, for JHHS compliance with regulations of the Workers Compensation Commission and the Department of Economic and Employment Development's Unemployment Insurance Fund.

16. Concentrations of Credit Risk

JHHS provides services primarily to residents in the State of Maryland, District of Columbia and Florida without collateral or other proof of ability to pay. Most patients are local residents who are insured partially or fully under third-party payor arrangements.

The Johns Hopkins Health System Corporation and Affiliates
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

The following table depicts the mix of accounts receivable, net from patients and third-party payors as of June 30, 2020 and 2019:

	2020	2019
Medicare	13.6 %	16.1 %
Medicaid	12.8	10.1
Blue Cross and Blue Shield	14.9	13.3
Medicaid managed care organizations	18.9	17.1
Self pay	7.6	9.3
Other third-party payors	32.2	34.1
Total	<u>100.0 %</u>	<u>100.0 %</u>

The State of Maryland has been granted a waiver by the federal government exempting the State from national Medicare and Medicaid reimbursement principles. JHH, JHBMC, HCGH and SHI charges for inpatient as well as outpatient and emergency services performed at the hospitals are regulated by the HSCRC. JHHS' management has made all submissions required by the HSCRC and believes JHHS is in compliance with HSCRC requirements. Phase II of the agreement was approved in July of 2018 and extended the waiver through December 31, 2023.

Effective January 1, 2014, with retroactive application to revenues generated by services provided after June 30, 2013, the HSCRC and the Center for Medicare and Medicaid Services entered into a new demonstration model for the Maryland waiver. The new demonstration model moved from a Medicare per admission methodology to a per capita population health based methodology. To facilitate the goals of the new demonstration model, the HSCRC and Maryland hospitals entered into Global Budget Revenue Agreements ("GBR"). The agreements set a hospital's revenue base annually under a global budget arrangement, whereby revenue would be fixed regardless of changes in volume and patient mix for Maryland residents. Hospital revenue for Maryland residents receiving care at Maryland hospitals is subject to this global budget. However, JHH and JHBMC have the opportunity to receive additional rate authority for any growth in the volume of out of state patients receiving care at those hospitals. When the hospitals' out of state volume exceeds a revenue floor established by the HSCRC, the hospitals will be allowed to recognize incremental revenues at a 50% variable cost factor. This variable cost factor can then increase to 75% when that out of state revenue increases to a certain level. For HCGH, out of state volume is currently included in their global budget; therefore, all in state and out of state volumes are subject to their global budget. SHI is allowed to recognize incremental revenues at a 50% variable cost factor.

Under the HSCRC reimbursement methodology, amounts collected for services to patients under the Medicare and Medicaid programs are computed at approximately 92.3% of HSCRC approved charges. Other payors are eligible to receive up to a 2.25% discount on prompt payment of claims.

The Johns Hopkins Health System Corporation and Affiliates
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

17. Functional Expenses

JHHS provides general health care services to residents within its geographic location as well as to national and international patients. Expenses related to providing these services for the year ended June 30, 2020 consisted of the following (in thousands):

	2020		
	Health care services	General and administrative services	Total Expenses
Operating expenses:			
Salaries, wages and benefits	\$ 1,909,001	\$ 672,970	\$2,581,971
Purchased services	2,382,554	546,112	2,928,666
Supplies and other	1,118,744	158,287	1,277,031
Interest	57,833	-	57,833
Depreciation and amortization	242,622	68,086	310,708
Total operating expenses	5,710,754	1,445,455	7,156,209
Non-operating expenses:			
Interest expense on swap agreements	19,670	-	19,670
Other components of net periodic pension cost	56,934	15,778	72,712
Other non-operating expenses, including JHUSOM academic mission support	23,711	-	23,711
Total non-operating expenses	100,315	15,778	116,093
Total expenses	\$ 5,811,069	\$ 1,461,233	\$7,272,302

Natural expenses attributable to more than one functional expense category are allocated using administrative allocations from annual CMS cost reports.

The Johns Hopkins Health System Corporation and Affiliates
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

Expenses related to providing these services for the year ended June 30, 2019 consisted of the following (in thousands):

	2019		
	Health care services	General and administrative services	Total Expenses
Operating expenses:			
Salaries, wages and benefits	\$ 1,845,050	\$ 634,888	\$ 2,479,938
Purchased services	2,141,451	564,640	2,706,091
Supplies and other	1,065,250	141,463	1,206,713
Interest	61,405	-	61,405
Depreciation and amortization	230,013	61,520	291,533
Total operating expenses	5,343,169	1,402,511	6,745,680
Non-operating expenses:			
Interest expense on swap agreements	16,228	-	16,228
Other components of net periodic pension cost	69,293	16,207	85,500
Other non-operating expenses, including JHUSOM academic mission support	23,093	-	23,093
Total non-operating expenses	108,614	16,207	124,821
Total expenses	\$ 5,451,783	\$ 1,418,718	\$ 6,870,501

18. Liquidity and Availability

The table below represents financial assets available for general expenditures within one year at June 30, 2020 and 2019 (in thousands):

	2020	2019
Cash and cash equivalents	\$ 892,791	\$ 711,260
Short-term investments	95,505	90,148
Patient accounts receivable, net	575,383	567,416
Due from others, current portion	140,350	138,313
Due from affiliates, current portion	29,155	35,879
Investments	2,596,804	2,684,365
	\$ 4,329,988	\$ 4,227,381

General expenditures refer to ongoing operating expenditures required to fulfill JHHS' principal business purpose. JHHS has certain board-designated assets limited to use which are excluded from the quantitative information above, however, these assets can be released by the board and made available for general expenditure.

As part of JHHS's liquidity management plan, cash in excess of daily requirements is invested in short-term and long-term investments. Investment decisions are made based on anticipated liquidity needs, such that financial assets are available as general expenditures, liabilities, and other obligations come due. Investments classified as long-term assets can be converted to cash within one year, if needed.

The Johns Hopkins Health System Corporation and Affiliates

Notes to Consolidated Financial Statements

For the Years Ended June 30, 2020 and 2019

19. The Johns Hopkins Hospital Endowment Fund, Incorporated

The Endowment Corporation was organized for the purpose of holding and managing the endowment and certain other funds transferred from and for the benefit of JHHS. The affairs of the Endowment Corporation are managed by a Board of Trustees, comprised of Trustees who are self-perpetuating. Neither JHHS nor any Affiliate holds legal title to any Endowment Corporation funds. The Board of Trustees may, in its discretion, award funds from the Endowment Corporation to organizations other than JHHS if the Board of Trustees determines that doing so is for the support, benefit of, or in furtherance of the mission of JHHS. Accordingly, these amounts are not presented in the consolidated financial statements of JHHS and its Affiliates until they are subsequently distributed to JHHS and its affiliates from the Endowment Corporation. The Endowment Corporation's net assets were \$700.9 million and \$711.5 million as of June 30, 2020 and 2019, respectively. The Endowment Corporation's distributions from net assets to JHHS and its affiliates were \$12.8 million and \$13.1 million for the years ended June 30, 2020 and 2019, respectively, and were recorded as other revenue.

20. Subsequent Events

JHHS has performed an evaluation of subsequent events, including the event described below, through October 2, 2020, which is the date the consolidated financial statements were issued.

On September 19, 2020, HHS issued new reporting requirements for the CARES Act provider relief funding. The new requirements first require JHHS and its affiliates to identify healthcare related expenses attributable to coronavirus that another source has not reimbursed. If those expenses do not exceed the funding received, JHHS and its affiliates will need to demonstrate that the remaining provider relief funds were used for a negative change in calendar year 2020 patient care operating income compared to calendar year 2019. These new reporting requirements are considered a nonrecognized subsequent event under ASC 855.

HHS is entitled to recoup amounts in excess of the negative change in patient care operating income reported net of healthcare related expenses attributable to coronavirus. Due to these new reporting requirements it is reasonably possible that amounts recorded under CARES Act provider relief fund by JHHS may change in future periods.

Supplementary Information



Report of Independent Auditors

To the Board of Trustees of
The Johns Hopkins Health System Corporation and Affiliates:

We have audited the consolidated financial statements of The Johns Hopkins Health System Corporation and its affiliates as of June 30, 2020 and 2019 and for the years ended June 30, 2020 and 2019 and our report thereon appears on pages 1 and 2 of this document, which included an unmodified opinion on those financial statements and a paragraph describing the change in the manner in which JHHS accounts for leases and presentation of restricted cash within the statement of cash flows. Those audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The consolidated information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and changes in net assets and cash flows of the individual companies.

PricewaterhouseCoopers LLP

October 2, 2020

The Johns Hopkins Health System Corporation and Affiliates

Supplementary Consolidating Balance Sheets

June 30, 2020

(in thousands)

	The Johns Hopkins Hospital	Johns Hopkins Bayview Medical Center, Inc.	Howard County Hospital, Inc.	Suburban Hospital, Inc. and Other Consolidated Entities	Suburban Hospital, Inc. Foundation	Sibley Memorial Hospital	Sibley Memorial Hospital Foundation	Sibley Other Affiliates	Johns Hopkins All Children's Hospital, Inc.	The Johns Hopkins Health System Corporation	Suburban Hospital Healthcare System, Inc.	Eliminations	Johns Hopkins Health System Obligated Group Subtotal	Johns Hopkins HealthCare LLC and Subsidiaries	Johns Hopkins HealthCare Imaging	Howard Hospital Foundation	Johns Hopkins All Children's Foundation, Inc.	Other	Eliminations	Consolidated Johns Hopkins Health System Corporation and Affiliates
Assets																				
Current assets																				
Cash and cash equivalents	\$ 41,380	\$ 39,008	\$ 18,537	\$ 11,664	\$ -	\$ 70,617	\$ 1,515	\$ -	\$ 61,769	\$ 487,843	\$ 156	\$ -	\$ 732,489	\$ 107,517	\$ 13,453	\$ 1,856	\$ 3,855	\$ 33,621	\$ -	\$ 892,791
Short-term investments	151	-	53	420	-	24,390	1,537	-	-	100	200	-	95,352	-	-	-	153	-	-	95,505
Assets whose use is limited - used for curr liab	3,840	-	-	433	-	-	-	-	-	-	-	-	4,273	-	-	-	-	-	-	4,273
Patient accounts receivables, net	277,898	52,480	27,613	29,981	-	42,764	-	-	107,101	-	5	-	537,842	44,898	-	-	-	23,982	(31,339)	575,383
Due from others, current portion	63,987	8,289	1,099	2,719	-	2,432	-	-	3,237	12,229	210	-	93,802	35,949	2,570	63	-	7,966	-	140,350
Due from affiliates, current portion	31,564	7,557	1,007	1,454	3	708	-	-	1,964	138,626	666	(125,354)	58,195	22,855	2,991	4	-	49,036	(103,926)	29,155
Inventories of supplies	76,891	12,783	4,424	11,829	-	8,672	-	-	11,315	781	-	-	126,695	378	62	-	-	20,315	-	147,450
Estimated malpractice recoveries, current portion	42,861	4,528	2,967	1,593	-	3,478	-	-	9,862	-	-	-	66,354	1,642	-	-	-	7,113	-	73,109
Prepaid expenses and other current assets	7,803	1,172	1,635	3,962	2	3,992	66	-	5,941	3,330	270	-	28,173	13,562	275	10	219	2,683	-	44,822
Total current assets	545,824	125,966	56,435	64,022	5	157,043	3,418	-	201,289	711,020	1,507	(125,354)	1,741,175	226,801	19,351	1,933	4,227	144,716	(135,265)	2,002,938
Assets whose use is limited																				
By donors or grantors for																				
Pledges receivable	602	192	-	-	11,806	-	24,650	-	-	-	-	-	37,250	-	-	2,159	8,085	491	-	47,985
Other	6,502	7,878	20,889	93	31,359	3,909	31,221	-	17,094	-	-	-	118,645	-	-	3,400	53,672	(491)	(15,930)	159,296
By Board of Trustees	107,478	78,235	-	-	71,859	12,138	338,146	-	16,911	-	-	-	622,868	-	-	-	5,162	-	-	628,030
Other	2,298	712	133	(189)	189	-	-	-	18,926	16,334	222	-	38,625	200	-	194	628	-	-	21,721
Total assets whose use is limited	116,880	85,017	21,022	(96)	43,354	75,568	68,010	338,146	52,931	16,334	222	-	817,388	200	-	5,753	67,547	-	(33,856)	857,032
Investments	1,160,078	37,189	176,469	236,036	-	473,187	37,967	-	393,362	79,406	19,518	-	2,613,212	324,630	-	8,209	32,393	32,891	(110,552)	2,900,783
Property, plant and equipment	2,392,885	529,973	327,314	482,949	33	749,389	107	91	686,774	145,659	36,329	-	5,360,483	62,266	40,612	158	23,315	126,680	-	5,613,514
Less: Allowance for depreciation and amort	(1,202,459)	(363,704)	(158,115)	(194,255)	(33)	(205,257)	(10)	(44)	(676,411)	(99,454)	(14,816)	-	(2,510,557)	(33,411)	(16,853)	(44)	(4,789)	(89,215)	-	(2,654,915)
Total property, plant and equipment, net	1,190,427	160,269	169,199	308,694	-	544,112	97	47	409,363	46,175	21,513	-	2,849,896	28,855	23,749	114	18,517	37,465	-	2,958,598
Finance lease right-of-use assets	6,161	21,427	6,780	-	-	-	-	-	6,383	19,285	9,760	-	69,796	23,797	-	226	-	12,990	-	106,809
Operating lease right-of-use assets	4,084	7,375	435	493	-	241	-	-	1,129	35,476	201	-	49,434	3,323	-	-	67,991	-	128,199	
Due from affiliates, net of current portion	198,917	-	1,714	442	-	-	-	-	-	1,446,047	-	(1,468,735)	178,385	-	-	-	-	309	(110,906)	67,788
Estimated malpractice recoveries, net of current portion	31,294	3,305	1,509	1,139	-	2,540	-	-	7,200	-	-	-	46,987	1,197	-	-	-	5,193	-	53,377
Swap counterparty deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,459	-	109,459
Other assets	10,199	367	55	-	-	13,406	-	-	5,353	2,690	717	-	32,787	451	5,296	-	-	496	(605)	38,425
Total assets	\$ 3,263,864	\$ 440,915	\$ 433,618	\$ 610,730	\$ 43,359	\$ 1,266,097	\$ 109,492	\$ 338,193	\$ 1,077,010	\$ 2,356,433	\$ 53,438	\$ (1,594,089)	\$ 8,399,060	\$ 609,254	\$ 56,073	\$ 16,009	\$ 122,684	\$ 411,510	\$ (391,184)	\$ 9,223,406
Liabilities and Net Assets																				
Current liabilities																				
Current portion of long-term debt	\$ 10,950	\$ 5,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,125	\$ 25,826	\$ -	\$ -	\$ 44,831	\$ -	\$ 1,580	\$ -	\$ -	\$ -	\$ -	\$ 46,411
Lines of credit	-	-	-	-	-	-	-	-	-	200,000	-	-	200,000	-	-	-	-	-	-	200,000
Finance lease liabilities, current portion	513	1,718	839	-	-	-	-	-	860	2,039	2,572	-	8,541	2,256	247	-	-	1,338	-	12,382
Operating lease liabilities, current portion	450	1,628	178	495	-	75	-	-	478	10,295	164	-	13,763	1,183	838	-	-	10,928	-	26,610
Accounts payable and accrued liabilities	287,322	62,018	32,227	37,452	89	55,730	373	233	53,588	111,240	587	-	640,659	131,673	2,010	22	518	76,582	-	851,664
Medical claims reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	158,138	-	-	-	-	-	121,063
Deferred revenue	345	4,005	418	83	-	1,352	-	-	18,326	-	-	-	24,539	127,794	-	-	-	4,767	(37,075)	157,090
Due to affiliates, current portion	26,402	7,755	8,284	19,919	46	5,521	2,998	1,872	80,966	43,850	1,286	(123,227)	75,672	7,398	987	44	1,912	18,027	(98,191)	5,849
Advances from third-party payors	89,536	16,290	8,876	6,654	-	-	-	-	-	-	-	-	132,956	-	-	-	-	-	-	132,956
Current portion of est malpractice costs	64,909	7,664	3,170	2,158	-	4,728	-	-	10,182	-	-	-	93,011	1,691	-	-	-	10,792	-	105,494
Total current liabilities	490,727	107,308	54,992	66,971	135	67,406	3,371	2,105	166,625	393,250	4,609	(123,227)	1,234,172	430,123	5,660	66	2,430	122,334	(135,266)	1,659,519
Long-term debt, net of current portion	8,582	35,760	-	-	-	-	-	-	85,800	1,744,057	-	-	1,874,199	-	-	-	-	-	-	1,878,397
Finance lease liabilities, net of current portion	5,493	20,708	6,276	-	-	-	-	-	5,988	19,550	21,254	-	79,269	23,049	63	-	-	12,197	-	114,578
Operating lease liabilities, net of current portion	3,678	6,795	300	-	-	169	-	-	863	25,460	42	-	37,307	5,435	6,721	-	-	59,807	-	109,270
Est malpractice costs, net of current portion	102,841	13,661	6,228	2,502	-	8,224	-	-	23,196	-	-	-	156,652	3,601	-	-	-	15,122	-	175,375
Net pension liability	561,965	208,424	3,376	2,250	-	-	-	-	327,980	-	-	-	1,103,995	-	-	-	-	-	-	1,103,995
Other long-term liabilities	955,141	60,448	190,985	131,093	169	322,726	216	-	168,292	2,138	222	(1,470,862)	369,618	19	-	-	-	113,340	(111,510)	372,335
Total liabilities	2,128,427	462,104	262,157	202,916	304	398,525	3,587	2,105	450,664	2,512,485	26,127	(1,594,089)	4,855,212	462,227	17,240	79	3,187	322,800	(246,776)	5,413,969
Net assets																				
Net assets without donor restrictions	1,127,115	(29,259)	161,011	407,914	88	863,819	50,506	336,088	607,454	(156,102)	27,311	-	3,395,945	147,027	38,833	8,139	57,924	87,841	(119,086)	3,616,623
Net assets with donor restrictions	8,322	8,070	10,450	-	42,967	3,753	55,399	-	16,892	150	-	-	147,903	-	-	-	7,791	61,573	869	(25,322)
Total net assets	1,135,437	(21,189)	171,461	407,914	43,055	867,572	105,905	336,088	624,346	(156,052)	27,311	-	3,543,848	147,027	38,833	15,930	119,497	88,710	(144,408)	3,606,437
Total liabilities and net assets	\$ 3,263,864	\$ 440,915	\$ 433,618	\$ 610,730	\$ 43,359	\$ 1,266,097	\$ 109,492	\$ 338,193	\$ 1,077,010	\$ 2,356,433	\$ 53,438	\$ (1,594,089)	\$ 8,399,060	\$ 609,254	\$ 56,073	\$ 16,009	\$ 122,684	\$ 411,510	\$ (391,184)	\$ 9,223,406

The Johns Hopkins Health System Corporation and Affiliates

Supplementary Consolidating Balance Sheets

June 30, 2019

(in thousands)

	The Johns Hopkins Hospital	Johns Hopkins Bayview Medical Center, Inc.	Howard County General Hospital, Inc.	Suburban Hospital, Inc. and Other Consolidated Entities	Suburban Hospital, Inc. Foundation	Sibley Memorial Hospital	Sibley Memorial Hospital Foundation	Sibley Other Affiliates	Johns Hopkins All Children's Hospital, Inc.	The Johns Hopkins Health System Corporation	Suburban Hospital Healthcare System, Inc.	Eliminations	Johns Hopkins Health System Obligated Group Subtotal	Johns Hopkins HealthCare LLC and Subsidiaries	Johns Hopkins HealthCare Imaging	Howard Hospital Foundation	Johns Hopkins All Children's Hospital, Inc.	Other	Eliminations	Consolidated Johns Hopkins Health System Corporation and Affiliates
Assets																				
Current assets																				
Cash and cash equivalents	\$ 81,367	\$ 25,332	\$ 8,087	\$ 9,867	\$ -	\$ 79,466	\$ 58,405	\$ -	\$ 4,291	\$ 188,174	\$ 159	\$ -	\$ 455,148	\$ 189,849	\$ 10,169	\$ 4,057	\$ 5,090	\$ 46,947	\$ -	\$ 711,260
Short-term investments	-	150	50	407	-	22,981	59	-	100	66,155	200	-	30,002	-	-	-	146	-	-	90,148
Assets whose use is limited - used for curr liab	13,035	-	-	496	-	-	-	-	-	-	-	-	13,531	-	-	-	-	-	-	13,531
Patient accounts receivables, net	283,760	70,867	30,385	39,984	-	44,184	-	-	67,806	-	166	-	536,972	35,147	-	-	-	28,820	(33,523)	567,416
Due from others, current portion	56,081	8,561	540	3,767	-	5,329	-	-	3,779	6,222	329	-	54,608	43,653	3,377	20	64	6,591	-	138,313
Due from affiliates, current portion	17,089	84	561	927	2	-	-	-	3,973	97,479	123	(75,753)	44,485	24,433	5,532	-	-	37,008	(75,579)	35,879
Inventories of supplies	72,510	10,955	5,149	11,532	-	8,941	-	-	10,048	5,582	202	-	124,919	-	-	-	-	112	-	125,031
Estimated malpractice recoveries, current portion	37,027	3,806	1,659	1,367	-	2,883	-	-	9,231	-	-	-	56,063	1,360	-	-	-	-	-	63,776
Prepaid expenses and other current assets	12,728	1,767	1,805	3,985	261	4,353	64	9	4,590	2,725	392	-	32,679	13,023	320	20	210	2,159	-	48,411
Total current assets	573,597	121,642	48,236	72,322	263	168,037	58,528	9	103,618	366,337	1,571	(75,753)	1,438,407	307,465	19,398	4,097	5,510	127,990	(109,102)	1,793,765
Assets whose use is limited																				
By donors or grantors for																				
Pledges receivable	740	243	-	-	6,230	-	13,566	-	-	-	-	-	20,779	-	-	3,199	6,566	-	-	30,544
Other	6,986	7,697	-	-	28,204	4,213	464	-	25	-	-	-	47,589	-	-	3,594	17,756	-	-	68,939
By Board of Trustees	71,361	65,156	5,849	-	74,538	-	-	342,693	16,199	-	-	-	576,816	-	-	-	-	-	-	576,464
Other	2,364	925	19,510	-	109	-	-	-	17,755	16,038	222	-	56,923	200	-	-	-	-	(37,132)	19,991
Total assets whose use is limited	81,451	74,021	25,359	-	34,543	78,771	14,030	342,693	33,979	16,038	222	-	701,107	200	-	6,793	26,990	-	(37,132)	697,958
Investments	1,178,869	37,952	181,219	265,232	-	421,738	18,941	-	452,056	209,691	22,598	-	2,788,296	164,583	-	8,447	68,086	33,045	(91,147)	2,971,310
Property, plant and equipment	2,342,703	514,822	304,434	440,742	33	716,082	107	91	672,748	145,666	43,337	-	5,180,765	63,219	30,181	519	23,314	121,372	-	5,419,370
Less: Allowance for depreciation and amort	(1,121,012)	(340,659)	(145,801)	(168,729)	(33)	(165,997)	(10)	(38)	(239,898)	(93,505)	(19,778)	-	(2,295,450)	(26,752)	(13,316)	(389)	(4,524)	(89,764)	-	(2,427,235)
Total property, plant and equipment, net	1,221,691	174,163	158,633	272,014	-	550,085	97	53	432,850	52,160	23,559	-	2,885,305	36,437	16,865	130	18,790	34,608	-	2,992,135
Finance lease right-of-use assets	-	11,968	-	-	-	-	-	-	7,381	13,323	11,040	-	43,712	26,419	-	-	-	1,757	-	71,888
Due from affiliates, net of current portion	146,108	-	1,904	1,002	-	-	-	-	1,353,030	-	(1,360,448)	-	141,596	-	-	-	-	461	(58,614)	83,443
Estimated malpractice recoveries, net of current portion	26,376	2,782	1,182	967	-	2,053	-	-	6,576	-	-	-	39,935	969	-	-	-	4,525	-	45,429
Swap counterparty deposit	7,337	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,477
Other assets	-	-	57	-	-	10,647	-	-	4,836	2,611	2,099	-	27,587	5	6,371	-	-	1,652	-	35,615
Total assets	\$ 3,235,429	\$ 422,528	\$ 416,590	\$ 611,537	\$ 34,806	\$ 1,231,331	\$ 91,596	\$ 342,755	\$ 1,041,295	\$ 2,013,190	\$ 61,089	\$ (1,436,201)	\$ 8,065,945	\$ 536,078	\$ 42,634	\$ 19,467	\$ 119,376	\$ 260,515	\$ (295,995)	\$ 8,748,020
Liabilities and Net Assets																				
Current liabilities																				
Current portion of long-term debt	\$ 19,740	\$ 5,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 34,292	\$ -	\$ -	\$ 61,677	\$ -	\$ 591	\$ -	\$ -	\$ -	\$ -	\$ 62,268
Finance lease liabilities, current portion	-	776	-	-	-	-	-	-	808	801	2,244	-	2,115	279	-	-	-	142	-	7,167
Accounts payable and accrued liabilities	242,009	52,903	33,381	48,600	79	53,599	5,219	1,283	55,218	138,225	1,354	-	632,730	82,035	1,930	29	426	66,465	-	763,615
Medical claims reserve	-	-	-	-	-	-	-	-	-	-	-	-	165,492	-	-	-	-	-	-	125,812
Deferred revenue	2,400	4,702	238	-	-	1,136	-	-	1,345	4	-	-	9,825	115,115	-	-	-	1,943	-	126,883
Due to affiliates, current portion	43,268	7,977	8,323	10,943	87	7,125	164	14	36,935	3,709	660	(75,753)	44,052	20,646	1,236	48	3,100	15,605	(70,485)	14,202
Advances from third-party payors	89,624	15,715	9,769	7,190	-	-	-	-	-	-	-	-	122,298	-	-	-	-	-	-	122,298
Current portion of est malpractice costs	38,282	4,091	1,746	1,376	-	2,978	-	-	5,536	-	-	-	88,009	1,399	-	-	-	6,726	-	66,134
Total current liabilities	435,323	91,811	54,057	68,109	166	65,198	5,383	1,297	105,842	177,531	4,258	(75,753)	933,222	386,739	4,036	77	3,526	90,881	(109,102)	1,309,379
Long-term debt, net of current portion	126,867	41,671	-	-	-	-	-	-	87,925	1,623,589	-	-	1,890,052	-	1,567	-	-	-	-	1,881,619
Finance lease liabilities, net of current portion	1,112	12,017	156	214	-	41	-	-	6,938	13,772	23,655	-	57,905	25,238	310	-	-	1,647	-	85,100
Est malpractice costs, net of current portion	84,886	11,404	5,204	1,886	-	6,488	-	-	21,341	-	-	-	131,209	2,973	-	-	-	-	14,028	148,210
Net pension liability	484,333	182,223	3,441	3,488	-	-	-	-	155,376	271,321	-	-	925,406	-	-	-	-	-	-	925,406
Other long-term liabilities	784,441	63,585	186,737	136,665	245	304,978	216	-	155,376	2,713	225	(1,360,448)	274,733	821	1,267	13	878	62,867	(58,614)	281,955
Total liabilities	1,897,562	402,711	249,595	210,362	411	376,705	5,599	1,297	377,422	2,088,926	28,138	(1,436,201)	4,202,527	415,771	7,180	90	4,404	169,423	(167,716)	4,631,679
Net assets																				
Net assets without donor restrictions	1,330,854	11,877	153,604	401,175	547	850,896	43,128	341,458	646,145	(75,786)	32,951	-	3,736,849	120,307	35,454	8,332	56,415	90,214	(99,479)	3,946,092
Net assets with donor restrictions	7,713	7,940	13,391	-	33,948	3,730	42,869	-	17,728	50	-	-	128,569	-	-	-	11,045	59,577	878	(28,850)
Total net assets	1,337,867	19,817	166,995	401,175	34,995	854,626	85,997	341,458	663,873	(75,736)	32,951	-	3,865,418	120,307	35,454	19,377	114,972	91,092	(128,279)	4,116,341
Total liabilities and net assets	\$ 3,235,429	\$ 422,528	\$ 416,590	\$ 611,537	\$ 34,806	\$ 1,231,331	\$ 91,596	\$ 342,755	\$ 1,041,295	\$ 2,013,190	\$ 61,089	\$ (1,436,201)	\$ 8,065,945	\$ 536,078	\$ 42,634	\$ 19,467	\$ 119,376	\$ 260,515	\$ (295,995)	\$ 8,748,020

The Johns Hopkins Health System Corporation and Affiliates

Supplementary Consolidating Statements of Operations and Changes in Net Assets

For the Year Ended June 30, 2020

(in thousands)

	The Johns Hopkins Hospital	Johns Hopkins Bayview Medical Center, Inc.	Howard County General Hospital, Inc.	Suburban Hospital, Inc. and Other Consolidated Entities	Suburban Hospital, Inc. Foundation	Sibley Memorial Hospital	Sibley Memorial Hospital Foundation	Sibley Other Affiliates	Johns Hopkins All Children's Hospital, Inc.	The Johns Hopkins Health System Corporation	Suburban Hospital Healthcare System, Inc.	Eliminations	Johns Hopkins Health System Obligated Group Subtotal	Johns Hopkins HealthCare LLC and Subsidiaries	Johns Hopkins HealthCare Imaging	Howard Hospital Foundation	Johns Hopkins All Children's Foundation, Inc.	Other	Eliminations	Consolidated Johns Hopkins Health System Corporation and Affiliates	
Operating revenues and other support																					
Net patient service revenue	\$ 2,075,041	\$ 565,111	\$ 253,763	\$ 275,202	\$ -	\$ 380,664	\$ -	\$ -	\$ 448,209	\$ -	\$ 1,206	\$ -	\$ 3,999,196	\$ 89,056	\$ -	\$ -	\$ -	\$ 303,840	\$ (611,179)	\$ 3,780,913	
Insurance premium revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2,253,432	-	-	-	452,493	(452,493)	2,253,432	
Other revenue	542,382	103,362	20,757	37,482	1,578	43,787	1,409	-	83,219	444,138	7,017	(282,849)	1,002,282	70,215	46,343	647	7,214	203,463	(266,346)	1,063,818	
Net assets released from restrict used for operations	79	577	392	-	915	4,603	269	-	-	-	-	-	6,835	-	-	304	5,142	39	-	12,320	
Total operating revenues and other support	2,617,502	669,050	274,912	312,684	2,493	429,054	1,678	-	531,428	444,138	8,223	(282,849)	5,008,313	2,412,703	46,343	951	12,356	959,836	(1,330,019)	7,110,483	
Operating expenses																					
Salaries, wages and benefits	881,592	275,818	127,193	143,874	838	180,151	1,442	194	246,444	241,368	720	-	2,099,634	152,341	-	360	3,138	338,304	(11,806)	2,581,971	
Purchased services	864,543	241,935	81,209	78,880	1,860	95,585	552	1,672	176,305	156,142	2,696	(240,740)	1,460,639	2,106,471	30,387	588	9,525	596,111	(1,275,055)	2,928,666	
Supplies and other	724,646	106,018	34,459	61,024	64	115,538	308	28	86,736	8,207	1,414	-	1,140,442	93,008	6,205	28	1,468	40,382	(4,502)	1,277,031	
Interest	15,659	3,593	5,275	1,496	-	10,258	-	-	6,514	53,311	2,179	(42,109)	56,176	1,290	256	-	-	189	-	57,833	
Depreciation and amortization	120,653	31,635	14,487	23,163	-	40,175	-	6	38,209	11,761	2,698	-	282,787	13,721	5,604	17	274	8,305	-	310,708	
Total operating expenses	2,607,093	658,999	262,623	308,437	2,762	441,707	2,302	1,900	556,208	470,789	9,707	(282,849)	5,039,678	2,366,831	42,452	993	14,405	983,291	(1,291,441)	7,156,209	
Income (loss) from operations	10,409	10,051	12,289	4,247	(269)	(12,653)	(624)	(1,900)	(24,780)	(26,651)	(1,484)	-	(31,365)	45,872	3,891	(42)	(2,049)	(23,456)	(38,577)	(45,726)	
Non-operating revenues and expenses																					
Interest expense on swap agreements	(14,647)	(1,136)	(1,151)	(204)	-	-	-	-	(2,532)	-	-	-	(19,670)	-	-	-	-	-	-	(19,670)	
Change in fair value of interest swap agreements	(70,418)	(392)	(7,761)	162	-	-	-	-	(15,569)	-	-	-	(93,977)	-	-	-	-	-	-	(93,977)	
Investment return, net	15,154	784	3,199	635	(189)	29,777	3,889	16,704	16,947	8,372	20	-	96,272	2,148	-	(264)	2,865	14	-	101,035	
Other components of net periodic pension cost	(37,205)	(11,743)	(2,357)	531	-	(1,353)	-	-	-	(11,162)	-	-	(63,289)	(3,278)	(512)	-	-	(5,656)	23	(72,712)	
Gain (loss) on advance refunding of debt	197	-	-	-	-	-	-	-	-	(27,632)	-	-	(27,435)	-	-	-	-	-	-	(27,435)	
Other non-operating expenses	(13,448)	(7,336)	(3,388)	-	-	(24,400)	-	-	(6,000)	27,863	(105)	-	(27,534)	(360)	-	-	(156)	(495)	4,834	(23,711)	
Excess of revenues over (under) expenses	(108,958)	(9,792)	311	5,371	(458)	(8,629)	3,265	14,804	(31,939)	(29,410)	(1,569)	-	(168,998)	44,382	3,379	(306)	860	(29,593)	(33,720)	(182,196)	
Contributions (to) from affiliates	(7,906)	(4,600)	2,067	-	-	-	-	-	(6,752)	(4,217)	(2,225)	-	(23,633)	-	-	(3,379)	(315)	27,220	-	(107)	
Change in funded status of defined benefit plans	(88,722)	(26,744)	1,931	800	-	5,014	-	-	(49,551)	-	-	-	(157,272)	-	-	-	-	-	-	(157,272)	
Net assets released from restrictions used for purchases of property, plant, and equipment	1,847	-	3,098	567	-	477	-	-	-	-	-	-	5,989	-	-	-	-	-	-	5,989	
Other	-	-	-	-	-	20,174	-	(20,174)	(6)	2,862	(1,846)	-	1,010	(17,662)	-	3,492	1,164	-	14,113	2,117	
(Decrease) increase in net assets without donor restrictions	(203,739)	(41,136)	7,407	6,738	(458)	17,036	3,265	(5,370)	(38,691)	(80,316)	(5,640)	-	(340,904)	26,720	3,379	(193)	1,509	(2,373)	(19,607)	(331,469)	
Changes in net assets with donor restrictions																					
Gifts, grants and bequests	3,235	707	549	-	10,601	65	17,837	-	(7)	-	-	-	32,987	-	-	937	8,610	(423)	(236)	41,875	
Net assets released from restrictions used for purchases of property, plant, and equipment	(1,847)	-	(3,098)	-	(567)	-	(477)	-	-	-	-	-	(5,989)	-	-	-	-	-	-	(5,989)	
Net assets released from restrict used for operations	(79)	(577)	(392)	-	(915)	(4,114)	(758)	-	-	-	-	-	(6,835)	-	-	(304)	(5,142)	(39)	-	(12,320)	
Other	-	-	-	-	-	(41)	41	-	1,171	-	-	-	1,171	-	-	(3,887)	(452)	453	3,714	999	
(Decrease) increase in net assets with donor restrictions	1,309	130	(2,941)	-	9,119	(4,090)	16,643	-	1,164	-	-	-	21,334	-	-	(3,254)	3,016	(9)	3,478	24,565	
(Decrease) increase in net assets	(202,430)	(41,006)	4,466	6,738	8,661	12,946	19,908	(5,370)	(37,527)	(80,316)	(5,640)	-	(319,570)	26,720	3,379	(3,447)	4,525	(2,382)	(16,129)	(306,904)	
Net assets																					
Beginning of year	1,337,867	19,817	166,995	401,176	34,394	854,626	85,997	341,458	663,873	(75,736)	32,951	-	3,863,418	120,307	35,454	19,377	114,972	91,092	(128,279)	4,116,341	
End of year	\$ 1,135,437	\$ (21,189)	\$ 171,461	\$ 407,914	\$ 43,055	\$ 867,572	\$ 105,905	\$ 336,088	\$ 626,346	\$ (156,052)	\$ 27,311	\$ -	\$ 3,543,848	\$ 147,027	\$ 38,833	\$ 15,930	\$ 119,497	\$ 88,710	\$ (144,408)	\$ 3,809,437	

The Johns Hopkins Health System Corporation and Affiliates

Supplementary Consolidating Statements of Operations and Changes in Net Assets

For the Year Ended June 30, 2019

(in thousands)

	The Johns Hopkins Hospital	Johns Hopkins Bayview Medical Center, Inc.	Howard County General Hospital, Inc.	Suburban Hospital, Inc. and Other Consolidated Entities	Suburban Hospital, Inc. Foundation	Sibley Memorial Hospital	Sibley Memorial Hospital Foundation	Sibley Other Affiliates	Johns Hopkins All Children's Hospital, Inc.	The Johns Hopkins Health System Corporation	Suburban Hospital HealthCare System, Inc.	Eliminations	Johns Hopkins Health System Obligated Group Subtotal	Johns Hopkins HealthCare LLC and Subsidiaries	Johns Hopkins HealthCare Imaging	Howard Hospital Foundation	Johns Hopkins All Children's Foundation, Inc.	Other	Eliminations	Consolidated Johns Hopkins Health System Corporation and Affiliates	
Operating revenues and other support																					
Net patient service revenue	\$ 2,121,134	\$ 588,871	\$ 259,798	\$ 289,980	\$ -	\$ 378,401	\$ -	\$ -	\$ 431,802	\$ -	\$ 2,795	\$ -	\$ 4,072,781	\$ 104,901	\$ -	\$ -	\$ -	\$ 328,374	\$ (614,613)	\$ 3,891,443	
Insurance premium revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2,090,994	-	-	-	-	427,241	2,090,993	
Other revenue	406,478	58,316	21,873	18,502	895	37,287	988	-	66,511	394,358	9,502	(272,103)	742,807	52,316	49,285	925	13,235	173,760	(201,248)	830,880	
Net assets released from restrict used for operations	78	913	700	-	1,310	2,607	355	-	740	-	-	-	6,703	-	-	1,244	4,488	120	-	13,955	
Total operating revenues and other support	2,527,690	648,100	282,371	308,482	2,205	418,295	1,343	-	499,053	394,358	12,297	(272,103)	4,822,091	2,248,211	49,285	2,169	18,723	929,495	(1,243,103)	6,826,871	
Operating expenses																					
Salaries, wages and benefits	855,610	270,054	127,093	134,355	887	166,159	1,190	136	244,173	208,294	1,619	-	2,009,570	135,171	18,950	518	2,998	323,760	(11,029)	2,479,938	
Purchased services	758,872	226,328	77,969	72,423	2,372	79,059	780	949	150,416	160,435	5,220	(224,000)	1,310,823	2,028,000	11,549	691	13,751	565,743	(1,224,486)	2,706,091	
Supplies and other	663,895	109,170	41,080	70,464	266	107,965	455	19	82,294	7,327	1,865	-	1,084,590	81,440	5,505	125	1,669	36,001	(2,837)	1,206,713	
Interest	23,187	3,820	5,778	2,065	8	7,594	-	-	6,059	57,450	2,379	(48,103)	60,237	982	202	-	92	-	(108)	61,405	
Depreciation and amortization	125,927	30,844	13,175	17,727	-	31,990	-	6	33,687	12,354	2,924	-	268,634	11,952	3,718	323	484	6,422	-	291,533	
Total operating expenses	2,427,481	640,216	265,095	297,034	3,533	392,767	2,425	1,110	516,629	445,860	13,807	(272,103)	4,733,854	2,257,545	39,944	1,657	18,902	932,018	(1,238,240)	6,745,680	
Income (loss) from operations	100,209	7,884	17,276	11,448	(1,328)	25,528	(1,082)	(1,110)	(17,576)	(51,502)	(1,510)	-	88,237	(9,334)	9,341	512	(179)	(2,523)	(4,863)	81,191	
Non-operating revenues and expenses																					
Interest expense on swap agreements	(12,057)	(968)	(943)	(263)	-	-	-	-	(1,997)	-	-	-	(16,228)	-	-	-	-	-	-	(16,228)	
Change in fair value of interest swap agreements	(39,433)	(611)	(4,388)	180	-	-	-	-	(7,431)	-	-	-	(51,683)	-	-	-	-	-	-	(51,683)	
Investment return, net	45,333	4,187	7,593	9,637	499	51,314	5,084	32,933	20,133	12,010	714	-	189,437	1,617	-	2	4,972	31	-	196,059	
Other components of net periodic pension cost	(36,579)	(11,280)	(755)	309	-	(17,807)	-	-	-	(10,199)	-	-	(76,311)	(3,374)	(508)	-	-	-	(5,307)	(85,500)	
Other non-operating expenses	(11,269)	-	(400)	(498)	-	(134)	-	-	(8,128)	(3,988)	-	-	(24,413)	-	-	-	-	-	(158)	1,478	
Excess of revenues over (under) expenses	46,204	(788)	18,383	20,813	(829)	58,901	4,002	31,823	(14,997)	(53,677)	(796)	-	109,039	(11,091)	8,833	514	4,793	(7,957)	(3,385)	100,746	
Contributions (to) from affiliates	(12,000)	-	931	-	-	25,000	-	-	(8,394)	(12,000)	-	-	(6,463)	(7,500)	-	(1,100)	(1,961)	8,594	7,767	(663)	
Change in funded status of defined benefit plans	(109,433)	(38,218)	(1,225)	(1,721)	-	23,214	-	-	(62,509)	-	-	-	(189,892)	-	-	-	-	-	-	(189,892)	
Net assets released from restrictions used for purchases of property, plant, and equipment	11,555	-	347	708	-	7,526	-	-	-	129	-	-	20,265	-	-	-	-	-	-	20,265	
Other	-	-	-	-	-	16,462	-	(16,462)	-	1,512	(138)	-	1,374	-	-	955	611	7,884	(2,850)	8,074	
(Decrease) increase in net assets without donor restrictions	(63,674)	(39,006)	18,436	19,800	(829)	131,103	4,002	15,361	(23,391)	(126,545)	(934)	-	(65,677)	(18,591)	8,833	369	3,443	8,621	1,532	(61,470)	
Changes in net assets with donor restrictions																					
Gifts, grants and bequests	10,564	843	3,369	-	4,924	30	7,325	-	(202)	179	-	-	27,032	-	-	1,979	7,578	(52,192)	51,568	35,965	
Net assets released from restrictions used for purchases of property, plant, and equipment	(11,555)	-	(347)	-	(708)	-	(7,526)	-	-	(129)	-	-	(20,265)	-	-	-	-	-	-	(20,265)	
Net assets released from restrict used for operations	(78)	(913)	(700)	-	(1,310)	-	(2,962)	-	(740)	-	-	-	(6,703)	-	-	(1,244)	(5,488)	(120)	-	(13,555)	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,304)	52,304	-	-	
(Decrease) increase in net assets with donor restrictions	(1,069)	(70)	2,322	-	2,906	30	(3,163)	-	(942)	50	-	-	64	-	-	735	(50,214)	(8)	51,568	2,145	
(Decrease) increase in net assets	(64,743)	(39,076)	20,758	19,800	2,077	131,133	839	15,361	(24,333)	(126,495)	(934)	-	(65,613)	(18,591)	8,833	1,104	(46,771)	8,613	53,100	(59,325)	
Net assets																					
Beginning of year	1,402,610	58,893	146,237	381,375	32,318	723,493	85,158	326,097	688,206	50,759	33,885	-	3,929,031	138,898	26,621	18,273	161,743	82,479	(181,379)	4,175,666	
End of year	\$ 1,337,867	\$ 19,817	\$ 166,995	\$ 401,175	\$ 34,395	\$ 854,626	\$ 85,997	\$ 341,458	\$ 663,873	\$ (75,736)	\$ 32,951	\$ -	\$ 3,863,418	\$ 120,307	\$ 35,454	\$ 19,377	\$ 114,972	\$ 91,092	\$ (128,279)	\$ 4,116,341	

The Johns Hopkins Health System Corporation and Affiliates
Notes to Supplementary Consolidating Financial Statements
For the Years Ended June 30, 2020 and 2019

1. Basis of Presentation and Accounting

The Supplementary Consolidating Financial Statements presented on pages 55-58 were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial positions and changes in net assets of the individual companies within JHHS and are not a required part of the consolidated financial statements. The individual affiliates within JHHS as presented within the supplementary consolidating financial statements are disclosed within Note 1 to the consolidated financial statements.