

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2019

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

A For the 2019 calendar year, or tax year beginning 07/01, 2019, and ending 06/30, 20 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION
 Doing business as UNIVERSITY OF MARYLAND MEDICAL CENTER
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
22 SOUTH GREENE STREET
 City or town, state or province, country, and ZIP or foreign postal code
BALTIMORE, MD 21201

D Employer identification number
52-1362793

E Telephone number
(443) 462-5811

F Name and address of principal officer: MOHAN SUNTHA, MD
250 W. PRATT ST, SUITE 2400, BALTIMORE, MD 21201

G Gross receipts \$ 2,021,513,588

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ WWW.UMMS.ORG

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1984

M State of legal domicile: MD

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS) PROVIDES A VARIETY OF INPATIENT/ OUTPATIENT SERVICES TO PEOPLE IN THE (CONTINUED ON SCHEDULE O)</u>		
	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	<u>26</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>26</u>
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	<u>13,201</u>
	6	Total number of volunteers (estimate if necessary)	6	<u>895</u>
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	<u>(80,202)</u>
	b	Net unrelated business taxable income from Form 990-T, line 39	7b	<u>0</u>
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	<u>16,665,793</u>	<u>97,811,920</u>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>1,712,610,515</u>	<u>1,781,955,047</u>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>11,190,566</u>	<u>8,472,546</u>
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>7,671,549</u>	<u>9,194,611</u>
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	<u>1,748,138,423</u>	<u>1,897,434,124</u>
	14	Benefits paid to or for members (Part IX, column (A), line 4)	<u>326,115</u>	<u>358,210</u>
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<u>0</u>	<u>0</u>
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	<u>810,552,136</u>	<u>858,908,615</u>
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>0</u>	<u>0</u>	<u>0</u>
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	<u>877,925,986</u>	<u>909,495,580</u>
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<u>1,688,804,237</u>	<u>1,768,762,405</u>
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12	<u>59,334,186</u>	<u>128,671,719</u>
	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	<u>4,618,387,071</u>	<u>5,258,187,207</u>
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>2,656,734,883</u>	<u>3,255,687,847</u>
		<u>1,961,652,188</u>	<u>2,002,499,360</u>	

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: S. MICHELLE LEE, SVP/CFO Date: _____
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: JUSTIN J. LOWE Preparer's signature: _____ Date: _____
 Check if self-employed PTIN: P01866796
 Firm's name ▶ ERNST & YOUNG U.S. LLP Firm's EIN ▶ 34-6565596
 Firm's address ▶ 1101 NEW YORK AVE NW, WASHINGTON, DC 20005 Phone no. (202) 327-6000

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2019)

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
UMMS PROVIDES A VARIETY OF INPATIENT/OUTPATIENT SERVICES TO PEOPLE IN THE MARYLAND AREA REGARDLESS OF THEIR ABILITY TO PAY. REVENUES ARE USED TO HELP DEFRAY THE COSTS OF SERVICES.

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

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

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

4a (Code:) (Expenses \$ 1,489,682,190 including grants of \$ 358,210) (Revenue \$ 1,780,817,580)
UMMS, A PRIVATE, NON-PROFIT HEALTH SYSTEM, CONSISTS OF 12 HOSPITALS - UMMC, THE ACADEMIC 'HUB' - AND THE 11 COMMUNITY AND SPECIALTY HOSPITALS THROUGHOUT THE STATE OF MARYLAND. UMMC IS A NATIONAL AND REGIONAL REFERRAL CENTER FOR TRAUMA, CANCER CARE, NEUROCARE, CARDIAC CARE AND HEART SURGERY, WOMEN'S AND CHILDREN'S HEALTH AND ORGAN TRANSPLANTS. IT HAS ONE OF THE MOST TECHNOLOGICALLY ADVANCED OPERATING ROOM FACILITIES AND IS INTERNATIONALLY RECOGNIZED FOR ITS LEADERSHIP IN DEVELOPING AND PERFORMING MINIMALLY INVASIVE SURGICAL PROCEDURES. UMMS PROVIDES CHARITY CARE TO PATIENTS UNABLE TO PAY. CHARITY CARE FOR THE YEAR ENDED 6/30/2020 IS APPROXIMATELY \$14.9 MILLION.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 1,489,682,190

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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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>	22	✓
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>	23	✓
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>	24a	✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	✓
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?	24c	✓
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	✓
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>	25a	✓
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>	25b	✓
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>	26	✓
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>	27	✓
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>	28a	✓
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	✓
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>	28c	✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	✓
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>	30	✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	✓
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>	32	✓
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>	33	✓
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>	34	✓
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	✓
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>	35b	✓
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>	36	✓
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>	37	✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O.	38	✓

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	1a	1,499
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓

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	13,201		
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)	2b		✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		✓	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b		✓	
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)?	4a		✓	
b	If "Yes," enter the name of the foreign country ▶ <u>CJ</u> 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?	5a			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
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?	6a			✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
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?	7a			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
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?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			✓
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?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			
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?	14a			✓
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		✓	
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			✓

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.		
1b	Enter the number of voting members included on line 1a, above, who are independent		
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?		✓
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?		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	✓	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		✓
6	Did the organization have members or stockholders?		✓
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?		✓
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	✓	
8b	Each committee with authority to act on behalf of the governing body?	✓	
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		✓

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?		✓
10b	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?	✓	
11b	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	✓	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	✓	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	✓	
13	Did the organization have a written whistleblower policy?	✓	
14	Did the organization have a written document retention and destruction policy?	✓	
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?		
15a	The organization's CEO, Executive Director, or top management official	✓	
15b	Other officers or key employees of the organization	✓	
	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?	✓	
16b	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 ►
ED WUENSCHHELL, 900 ELKRIDGE LANDING ROAD - 3 EAST, LINTHICUM, MD 21090, (443) 462-5811

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 dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MOHAN SUNTHA, MD PRESIDENT AND CEO	40.0 21.0			✓			2,102,885	0	40,902	
(2) JOHN W ASHWORTH, III INTERIM PRESIDENT AND CEO (ENDED 11/19)	40.0 21.0			✓			1,717,490	0	37,155	
(3) ROBERT A CHRENCIK FORMER PRESIDENT AND CEO	0.0 0.0					✓	1,495,992	0	33,623	
(4) KEITH D PERSINGER SVP AND CHIEF PERFORMANCE IMPROV OFFICER	40.0 0.0			✓			1,414,676	0	23,019	
(5) STEPHEN T BARTLETT, MD FORMER EVP AND CMO	0.0 0.0					✓	1,357,955	0	2,002	
(6) HENRY J FRANEY FORMER EVP, CFO AND TREASURER	0.0 0.0					✓	1,244,252	0	32,623	
(7) JOSEPH E HOFFMAN, III EVP AND CFO - UMMC	40.0 3.0			✓			987,444	0	30,280	
(8) S. MICHELLE LEE SVP, CFO, TREASURER AND SECRETARY	40.0 7.0			✓			889,963	0	27,792	
(9) JON P BURNS SVP AND CIO	40.0 5.0			✓			806,196	0	32,392	
(10) GERALD L WOLLMAN SVP CORP OPERATIONS	40.0 0.0					✓	766,158	0	36,914	
(11) AARON J RABINOWITZ SVP, GEN COUNSEL AND SECTY	40.0 0.0			✓			0	761,709	36,732	
(12) MICHELLE GOURDINE, MD SVP & INTERIM CMO, UMMS	40.0 4.0			✓			707,096	0	79,524	
(13) MICHAEL R JABLONOVER, MD SVP & CMO, UMMC	40.0 0.0			✓			715,980	0	42,957	
(14) ALISON G BROWN INTERIM PRESIDENT, UMMC	0.0 42.0			✓			713,571	0	32,726	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) LISA C ROWEN, RN SVP AND CNO	40.0 1.0				✓			678,067	0	33,322
(16) MEGAN M ARTHUR FORMER SVP, GEN COUNSEL AND SEC'TY	0.0 0.0						✓	666,556	0	26,602
(17) KATHLEEN M MCCANN SVP, CHIEF HUMAN RESOURCE OFFICER	40.0 0.0				✓			612,895	0	32,654
(18) KEVIN A STIERER SVP PERIOPERATIVE AND PROCEDURAL SVCS	40.0 0.0					✓		565,925	0	65,566
(19) MARK WASSERMAN SVP EXTERNAL AFFAIRS	40.0 1.0					✓		574,139	0	33,178
(20) REX HUBER CRNA	40.0 0.0					✓		506,373	0	30,045
(21) ALICIA CUNNINGHAM SVP CORPORATE FINANCE	40.0 0.0					✓		476,562	0	42,468
(22) ALEXANDER WILLIAMS, JR VICE CHAIRMAN	4.0 3.0	✓		✓				0	0	0
(23) JAMES C DIPAULA, JR CHAIRMAN	9.0 3.0	✓		✓				0	0	0
(24) AUGUST J CHIASERA DIRECTOR (ENDED 09/19)	1.0 0.0	✓						0	0	0
(25) (SEE STATEMENT)										
1b Subtotal								19,000,175	761,709	752,476
c Total from continuation sheets to Part VII, Section A								0	0	0
d Total (add lines 1b and 1c)								19,000,175	761,709	752,476

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 **▶** 1,495

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

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	CONSTRUCTION	153,719,436
ENVIRONMENTAL AIR SYSTEMS LLC, PO BOX 2026, HIGH POINT, NC 27261	MAINTENANCE	18,871,924
LIVING LEGACY FOUNDATION TRC, 1730 TWIN SPRINGS RD, SUITE 200, BALTIMORE, MD 21227	ORGAN SUPPORT	16,124,281
IP DATASYSTEMS INC., 6021 UNIVERSITY BLVD, SUITE 420, ELLICOTT CITY, MD 21043	SOFTWARE SOLUTIONS	11,239,413
SIEMENS MEDICAL SOLUTIONS USA INC., PO BOX 120001, DALLAS, TX 75312-0733	MEDICAL INFORMATION TECHNOLOGY	9,612,247
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 ▶	487	

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a	0				
	b	Membership dues	1b	0				
	c	Fundraising events	1c	0				
	d	Related organizations	1d	35,540				
	e	Government grants (contributions)	1e	96,891,830				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	884,550				
	g	Noncash contributions included in lines 1a-1f	1g	\$ 0				
	h	Total. Add lines 1a-1f ▶		97,811,920				
	Program Service Revenue				Business Code			
2a		PATIENT SERVICE REVENUE	622110	1,649,052,601	1,648,419,469	633,132	0	
b		PHARMACY	446110	128,014,296	127,509,961	504,335	0	
c		CARE MANAGEMENT FEES	622110	4,888,150	4,888,150	0	0	
d								
e								
f		All other program service revenue		0	0	0	0	
g	Total. Add lines 2a-2f ▶		1,781,955,047					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		5,847,513	0	0	5,847,513	
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶						
	6a	Gross rents	6a	(i) Real		(ii) Personal		
				4,336,231		0		
				2,119,419		0		
				2,216,812		0		
	b	Less: rental expenses	6b					
	c	Rental income or (loss)	6c					
	d	Net rental income or (loss) ▶		2,216,812	0	(1,217,669)	3,434,481	
	7a	Gross amount from sales of assets other than inventory	7a	(i) Securities		(ii) Other		
				124,585,078		0		
				121,960,045		0		
				2,625,033		0		
	b	Less: cost or other basis and sales expenses	7b					
	c	Gain or (loss)	7c					
	d	Net gain or (loss) ▶		2,625,033	0	0	2,625,033	
8a	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 . . . ▶							
9a	Gross income from gaming activities. See Part IV, line 19	9a						
b	Less: direct expenses	9b						
c	Net income or (loss) from gaming activities . . . ▶							
10a	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				Business Code				
	11a	CAFETERIA	722514	3,230,446	0	0	3,230,446	
	b	REBATES	621999	1,313,447	0	0	1,313,447	
	c	MEDICAL RECORDS	621999	245,984	0	0	245,984	
	d	All other revenue		900999	2,187,922	0	0	2,187,922
e	Total. Add lines 11a-11d ▶			6,977,799				
12	Total revenue. See instructions ▶			1,897,434,124	1,780,817,580	(80,202)	18,884,826	

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	358,210	358,210		
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	0	0		
5	Compensation of current officers, directors, trustees, and key employees	11,346,263	8,768,064	2,578,199	0
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	696,648,504	538,349,841	158,298,663	0
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	21,931,318	16,947,889	4,983,429	0
9	Other employee benefits	76,374,307	59,019,858	17,354,449	0
10	Payroll taxes	52,608,223	40,654,115	11,954,108	0
11	Fees for services (nonemployees):				
a	Management				
b	Legal	13,518,485	10,446,695	3,071,790	0
c	Accounting	374,473	289,382	85,091	0
d	Lobbying	104,667	0	104,667	0
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	44,734,610	44,734,610	0	0
12	Advertising and promotion	7,265,515	5,614,580	1,650,935	0
13	Office expenses	21,841,168	16,878,224	4,962,944	0
14	Information technology	1,749,188	1,351,722	397,466	0
15	Royalties				
16	Occupancy	26,767,811	20,685,391	6,082,420	0
17	Travel	1,366,848	1,056,261	310,587	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	2,417,306	1,868,024	549,282	0
20	Interest	21,387,557	16,527,686	4,859,871	0
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	89,338,335	69,038,085	20,300,250	0
23	Insurance	20,675,100	20,101,327	573,773	0
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	<u>MEDICAL SUPPLIES</u>	395,295,027	395,295,027	0	0
b	<u>REPAIR/MAINTENANCE</u>	101,550,407	78,475,221	23,075,186	0
c	<u>BAD DEBT EXPENSES</u>	55,881,658	55,881,658	0	0
d	<u>TRANSPLANT COSTS</u>	19,604,435	19,604,435	0	0
e	All other expenses	85,622,990	67,735,885	17,887,105	0
25	Total functional expenses. Add lines 1 through 24e	1,768,762,405	1,489,682,190	279,080,215	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)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	231,359,279	1	399,702,360
	2 Savings and temporary cash investments	100,000	2	0
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	194,390,842	4	193,916,142
	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	0	5	0
	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)	0	6	0
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	35,224,491	8	65,813,890
	9 Prepaid expenses and deferred charges	45,924,587	9	51,110,613
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,610,545,685		
	b Less: accumulated depreciation	10b 1,328,229,769	1,087,730,896	10c 1,282,315,916
	11 Investments—publicly traded securities	126,852,000	11	129,712,000
	12 Investments—other securities. See Part IV, line 11	151,905,040	12	152,123,071
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,744,899,936	15	2,983,493,215
16 Total assets. Add lines 1 through 15 (must equal line 33)	4,618,387,071	16	5,258,187,207	
Liabilities	17 Accounts payable and accrued expenses	285,799,016	17	297,657,802
	18 Grants payable		18	
	19 Deferred revenue	3,197,480	19	5,486,184
	20 Tax-exempt bond liabilities	1,532,726,160	20	1,519,016,928
	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	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	150,418,854	24	151,004,683
	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	684,593,373	25	1,282,522,250
	26 Total liabilities. Add lines 17 through 25	2,656,734,883	26	3,255,687,847
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	1,329,741,985	27	1,426,208,526
	28 Net assets with donor restrictions	631,910,203	28	576,290,834
	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	1,961,652,188	32	2,002,499,360
33 Total liabilities and net assets/fund balances	4,618,387,071	33	5,258,187,207	

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	1,897,434,124
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,768,762,405
3	Revenue less expenses. Subtract line 2 from line 1	3	128,671,719
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	1,961,652,188
5	Net unrealized gains (losses) on investments	5	(784,936)
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	(87,039,611)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	2,002,499,360

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		✓
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	✓	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	✓	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits.	✓	

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(25) BARRY P GOSSETT ----- DIRECTOR	4.0 ----- 0.0	✓						0	0	0
(26) BONNIE L PHIPPS, CPA ----- DIRECTOR	4.0 ----- 0.0	✓						0	0	0
(27) BRIANNA D BOWLING ----- DIRECTOR	1.5 ----- 2.0	✓						0	0	0
(28) EDWARD P NEVIN ----- DIRECTOR	3.5 ----- 0.0	✓						0	0	0
(29) ELISA M BASNIGHT, ESQ ----- DIRECTOR	2.0 ----- 0.0	✓						0	0	0
(30) ELIZABETH E SWEENEY ----- DIRECTOR	2.5 ----- 0.0	✓						0	0	0
(31) GEORGE L DOETSCH, JR ----- DIRECTOR (ENDED 12/19)	1.0 ----- 0.0	✓						0	0	0
(32) GLENN HARRELL ----- DIRECTOR (ENDED 12/19)	1.0 ----- 0.0	✓						0	0	0
(33) JAMES A SOLTESZ, PE ----- DIRECTOR (ENDED 09/19)	1.0 ----- 0.0	✓						0	0	0
(34) JAMES M HARKINS ----- DIRECTOR	3.5 ----- 6.0	✓						0	0	0
(35) JASON S FRANKL, ESQ ----- DIRECTOR	5.0 ----- 0.0	✓						0	0	0
(36) JOHN T WILLIAMS ----- DIRECTOR	3.5 ----- 0.0	✓						0	0	0
(37) JOSEPH A CIOTOLA, MD ----- DIRECTOR	1.5 ----- 0.0	✓						0	0	0
(38) JOSEPH T SUAREZ ----- DIRECTOR	4.0 ----- 0.0	✓						0	0	0
(39) JOYCE M JOHNSON, MD ----- DIRECTOR	3.0 ----- 0.0	✓						0	0	0
(40) KAREN PRICE-WARD ----- DIRECTOR	2.0 ----- 0.0	✓						0	0	0
(41) KATHLEEN BIRrane ----- DIRECTOR (ENDED 05/20)	1.0 ----- 0.0	✓						0	0	0
(42) KEARY M NANCE ----- DIRECTOR	1.5 ----- 0.0	✓						0	0	0
(43) KEIFFER MITCHELL ----- DIRECTOR	1.5 ----- 0.0	✓						0	0	0
(44) KEITH MCMAHAN ----- DIRECTOR	2.0 ----- 5.0	✓						0	0	0

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(45) KENNETH V MORELAND ----- DIRECTOR (ENDED 12/19)	1.0 ----- 0.0	✓						0	0	0
(46) KORKUT ONAL ----- DIRECTOR (ENDED 12/19)	1.0 ----- 2.0	✓						0	0	0
(47) LEONARD STOLER ----- DIRECTOR (ENDED 12/19)	1.0 ----- 0.0	✓						0	0	0
(48) LOUIS M POPE ----- DIRECTOR	2.5 ----- 0.0	✓						0	0	0
(49) LOUIS P JENKINS, JR ----- DIRECTOR (ENDED 12/19)	1.0 ----- 2.0	✓						0	0	0
(50) LOUISE M GONZALES, ESQ ----- DIRECTOR (ENDED 12/19)	1.0 ----- 2.0	✓						0	0	0
(51) MATTHEW CLARK ----- DIRECTOR (ENDED 05/20)	1.0 ----- 0.0	✓						0	0	0
(52) R. ALAN BUTLER ----- DIRECTOR	7.0 ----- 2.0	✓						0	0	0
(53) R. KENT SCHWAB ----- DIRECTOR	1.5 ----- 2.0	✓						0	0	0
(54) ROBERT F SCHOLZ, ESQ ----- DIRECTOR	3.0 ----- 0.0	✓						0	0	0
(55) RUSHERN L BAKER, III ----- DIRECTOR	1.5 ----- 0.0	✓						0	0	0
(56) THOMAS E SCOTT ----- DIRECTOR	3.0 ----- 0.0	✓						0	0	0
(57) THOMASINA ROGERS ----- DIRECTOR	3.5 ----- 0.0	✓						0	0	0
(58) WALTER A TILLEY, JR ----- DIRECTOR (ENDED 08/19)	1.0 ----- 0.0	✓						0	0	0
(59) WANDA Q DRAPER ----- DIRECTOR	3.5 ----- 0.0	✓						0	0	0

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vii)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

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

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>		
3b	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>		
3c	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>		
4b	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>		
4c	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>		
5b	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?		
5c	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>		
9b	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>		
9c	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>		
10b	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?	11a	
b A family member of a person described in (a) above?	11b	
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>	11c	

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

Section A—Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8		
Section B—Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		
Section C—Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		
7 <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

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

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number

52-1362793

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹/₃% 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 UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 76,948	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ 36,142	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	----- ----- -----	\$ 201,858	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	----- ----- -----	\$ 42,704	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	----- ----- -----	\$ 18,669	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	----- ----- -----	\$ 41,827,431	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

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
7	----- ----- -----	\$ ----- 186,851	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	----- ----- -----	\$ ----- 49,390	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	----- ----- -----	\$ ----- 151,406	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	----- ----- -----	\$ ----- 559,420	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	----- ----- -----	\$ ----- 65,617	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	----- ----- -----	\$ ----- 84,902	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

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
13	----- ----- -----	\$ 49,979,723	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	----- ----- -----	\$ 35,540	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15	----- ----- -----	\$ 4,470,445	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

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

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

Name of organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

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

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

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

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

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

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

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

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2019

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.**

Open to Public Inspection

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 UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52-1362793
--	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

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?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 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?		✓	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	✓		
c Media advertisements?		✓	
d Mailings to members, legislators, or the public?		✓	
e Publications, or published or broadcast statements?		✓	
f Grants to other organizations for lobbying purposes?		✓	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	✓		55,939
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?	✓		48,728
j Total. Add lines 1c through 1i			104,667
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

	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.

SEE NEXT PAGE

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.

Return Reference - Identifier	Explanation
SCHEDULE C, PART II-B, LINE 1 - DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	DIRECT LOBBYING EFFORTS RELATE TO FEDERAL, STATE AND LOCAL LEGISLATION AFFECTING HEALTH CARE ISSUES. THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE MARYLAND HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN HOSPITAL ASSOCIATION (AHA). MHA AND AHA ENGAGE IN MANY SUPPORT ACTIVITIES INCLUDING LOBBYING AND ADVOCATING FOR THEIR MEMBER HOSPITALS. THE MHA AND AHA REPORTED THAT 3.08% AND 23.32% OF MEMBER DUES WERE USED FOR LOBBYING PURPOSES AND AS SUCH, THE ORGANIZATION HAS REPORTED THIS AMOUNT ON SCHEDULE C, PART II-B AS LOBBYING ACTIVITIES.

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: UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION; Employer identification number: 52-1362793

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 number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

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

Table with 3 columns: Question number, Description, Held at the End of the Tax Year. Includes questions 1-9 regarding conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question number, Description, Amount. Includes questions 1a, 1b, 2, 2a, 2b regarding 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 |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 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:

- (i)** Unrelated organizations
- (ii)** Related organizations

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

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		78,313,109		78,313,109
b Buildings		1,146,275,985	656,914,484	489,361,501
c Leasehold improvements		12,614,652	5,322,063	7,292,589
d Equipment		876,979,426	664,715,632	212,263,794
e Other		496,362,513	1,277,590	495,084,923
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				1,282,315,916

Part VII Investments—Other Securities.

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

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

Part VIII Investments—Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) INVESTMENT IN SUBSIDIARIES	767,415,587
(2) AFFILIATE RECOVERY	23,599,000
(3) OTHER RECEIVABLES	83,915,036
(4) ECO. INT. ASSETS LIMITED TO USE	199,091,290
(5) ASSETS WHOSE USE IS LIMITED	64,026,301
(6) SELF INSURANCE TRUST FUNDS	172,386,732
(7) DUE FROM AFFILIATES	715,077,628
(8) ESCROW	22,443,660
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	2,983,493,215

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) INT. RATE SWAPS MARK TO MARKET	270,429,928
(3) OTHER MALPRACTICE	336,920,583
(4) LINE OF CREDIT	193,500,000
(5) ADVANCES FROM 3RD PARTY PAYORS	293,947,284
(6) CAPITAL LEASE	5,742,893
(7) OTHER LIABILITIES	66,741,614
(8) UMHV LT LIABILITY	0
(9) (SEE STATEMENT)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,282,522,250

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

Schedule D

Other Assets - Complete if the organization answered "Yes" to

Part IX

Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book values
LT ASSET	465,445,501
COLLATERAL FUNDS	147,584,718
CONSTRUCTION FUNDS	293,258,765
DEFERRED FINANCING COSTS	11,447,663
FINANCING LEASE	17,801,334

Schedule D

Other Liabilities - Complete if the organization answered "Yes" to

Part X

Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
CREDIT BALANCES	12,255,769
DUE FROM AFFILAITE	0
FINANCING LEASE	63,581,639
DEBT SERVICE FUND	39,402,540

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.

Return Reference - Identifier	Explanation
SCHEDULE D, PART X, LINE 2 - FIN 48 (ASC 740) FOOTNOTE	THE CORPORATION ADOPTED THE PROVISIONS OF ASC 740, ACCOUNTING FOR UNCERTAINTY IN THE INCOME TAXES (FIN 48) ON JULY 1, 2007. THE FOOTNOTE RELATED TO ASC 740 IN THE CORPORATION'S AUDITED FINANCIAL STATEMENTS IS AS FOLLOWS: THE CORPORATION FOLLOWS A THRESHOLD OF MORE-LIKELY-THAN-NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. MANAGEMENT DOES NOT BELIEVE THAT THERE ARE ANY UNRECOGNIZED TAX LIABILITIES OR BENEFITS THAT SHOULD BE RECOGNIZED.

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2019

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number

52-1362793

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

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
(1) CENTRAL AMERICA AND THE CARIBBEAN	0	0	PROGRAM SERVICES	CAPTIVE INSURANCE	35,777,000
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Subtotal	0	0			35,777,000
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			35,777,000

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

Cat. No. 50082W

Schedule F (Form 990) 2019

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

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

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

3 Enter total number of other organizations or entities ▶

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

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

Part IV Foreign Forms

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

- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* **Yes** **No**

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

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

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

- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* **Yes** **No**

Part V

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

Return Reference - Identifier	Explanation
SCHEDULE F, PART I, LINE 1 - SCHEDULE F, PART I, LINE 1	THE BOOK VALUE OF THE FILING ORGANIZATION'S INVESTMENT IN THE REGION AS OF 6/30/2020 WAS \$16,530,000. THE FILING ORGANIZATION'S SHARE OF EXPENSES IN THE REGION WAS \$19,247,000.
SCHEDULE F, PART I, LINE 3 - METHOD TO ACCOUNT FOR EXPENDITURES ON ORG'S FINANCIAL STATEMENTS	CENTRAL AMERICA AND THE CARIBBEAN: ACCRUAL

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2019

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION	Employer identification number 52 1362793
--	---

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	✓	
b If "Yes," was it a written policy?	✓	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free care</i> ? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____%	✓	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted care</i> ? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____%	✓	
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"?	✓	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		✓
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?	✓	
b If "Yes," did the organization make it available to the public?	✓	

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)			14,896,575	0	14,896,575	0.87
b Medicaid (from Worksheet 3, column a)					0	0.00
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0.00
d Total. Financial Assistance and Means-Tested Government Programs	0	0	14,896,575	0	14,896,575	0.87
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,645,915	460,121	2,185,794	0.13
f Health professions education (from Worksheet 5)			190,670,872	0	190,670,872	11.13
g Subsidized health services (from Worksheet 6)			17,136,940	9,897,508	7,239,432	0.42
h Research (from Worksheet 7)					0	0.00
i Cash and in-kind contributions for community benefit (from Worksheet 8)			270,151	0	270,151	0.02
j Total. Other Benefits	0	0	210,723,878	10,357,629	200,366,249	11.70
k Total. Add lines 7d and 7j	0	0	225,620,453	10,357,629	215,262,824	12.57

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing			328,802		328,802	0.02
2 Economic development			39,589		39,589	0.00
3 Community support					0	0.00
4 Environmental improvements					0	0.00
5 Leadership development and training for community members					0	0.00
6 Coalition building			40,605		40,605	0.00
7 Community health improvement advocacy					0	0.00
8 Workforce development			449,789		449,789	0.03
9 Other					0	0.00
10 Total	0	0	858,785	0	858,785	0.05

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1** Yes No
- 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount **2** | 39,195,395
- 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit. **3** | 0
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME) **5** | 486,852,243
- 6 Enter Medicare allowable costs of care relating to payments on line 5 **6** | 396,743,036
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall) **7** | 90,109,207
- 8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- 9a Did the organization have a written debt collection policy during the tax year? **9a** Yes No
- b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI **9b** Yes No

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

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

1 UNIVERSITY OF MARYLAND MEDICAL CENTER
 22 S. GREENE STREET, BALTIMORE, MD 21201
 WWW.UMMS.ORG STATE LICENSE NO. : 30-068

2

3

4

5

6

7

8

9

10

Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
✓	✓	✓	✓			✓			1

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 1

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?		✓
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		✓
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	✓	
If "Yes," indicate what the CHNA report describes (check all that apply):			
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>17</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	✓	
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	✓	
6b	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	✓	
7	Did the hospital facility make its CHNA report widely available to the public?	✓	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	<input checked="" type="checkbox"/> Hospital facility's website (list url): <u>https://www.umms.org/ummc/community</u>		
b	<input type="checkbox"/> Other website (list url): _____		
c	<input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d	<input type="checkbox"/> Other (describe in Section C)		
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	✓	
9	Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>17</u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	✓	
a	If "Yes," (list url): <u>https://www.umms.org/ummc/community</u>		
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		✓
12b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c	If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group 1

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	✓	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>2</u> <u>0</u> <u>0</u> % and FPG family income limit for eligibility for discounted care of <u>3</u> <u>0</u> <u>0</u> %		
b	<input checked="" 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 checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	✓	
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	✓	
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 type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	✓	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</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 1

	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?	✓	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		✓
If "Yes," check all actions in which the hospital facility or a third party engaged:		
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?	✓	
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 1

		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?	23	✓
	If "Yes," explain in Section C.		
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	✓
	If "Yes," explain in Section C.		

Part V, Section C

Supplemental Information. 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.

Return Reference - Identifier	Explanation
SCHEDULE H, PART V, SECTION B, LINE 3E - THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY	THE SIGNIFICANT HEALTH NEEDS ARE A PRIORITIZED DESCRIPTION OF THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY AND IDENTIFIED THROUGH THE CHNA.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED</p>	<p>FACILITY NAME: UNIVERSITY OF MARYLAND MEDICAL CENTER</p> <p>DESCRIPTION: THE UNIVERSITY OF MARYLAND MEDICAL CENTER DOWNTOWN CAMPUS (UMMC) UTILIZED TWO MAJOR FRAMEWORKS FOR COMPLETING ITS MOST RECENT COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN FISCAL YEAR 2018. TO COMPLETE THIS COMPREHENSIVE ASSESSMENT OF THE NEEDS OF THE COMMUNITY, THE ASSOCIATION FOR COMMUNITY HEALTH IMPROVEMENT'S (ACHI) 9-STEP COMMUNITY HEALTH ASSESSMENT PROCESS WAS UTILIZED AS AN ORGANIZING METHODOLOGY. AN ADDITIONAL 5-COMPONENT ASSESSMENT AND ENGAGEMENT STRATEGY WAS ALSO UTILIZED TO LEAD THE DATA COLLECTION METHODOLOGY. THE UMMC COMMUNITY HEALTH IMPROVEMENT TEAM (CHI TEAM) INCLUDED BOTH THE DOWNTOWN AND MIDTOWN CAMPUSES AND SERVED AS THE LEAD TEAM TO CONDUCT THE CHNA WITH INPUT FROM OTHER UNIVERSITY OF MARYLAND MEDICAL SYSTEM BALTIMORE CITY-BASED HOSPITALS, COMMUNITY LEADERS, THE ACADEMIC COMMUNITY, THE PUBLIC, HEALTH EXPERTS, AND THE BALTIMORE CITY HEALTH DEPARTMENT. DATA WAS COLLECTED FROM MULTIPLE SOURCES, GROUPS, AND INDIVIDUALS AND INTEGRATED INTO A COMPREHENSIVE DOCUMENT WHICH WAS UTILIZED AT A RETREAT ON JANUARY 22, 2018 OF THE UMMC DOWNTOWN/MIDTOWN CAMPUSES' COMMUNITY HEALTH IMPROVEMENT (CHI) TEAM. DURING THAT STRATEGIC PLANNING RETREAT, PRIORITIES WERE IDENTIFIED USING THE COLLECTED DATA AND AN ADAPTED VERSION OF THE CATHOLIC HEALTH ASSOCIATION'S (CHA) PRIORITY SETTING CRITERIA. THE IDENTIFIED PRIORITIES WERE ALSO VALIDATED BY A PANEL OF UM CLINICAL ADVISORS AND UNIVERSITY OF MARYLAND BALTIMORE (UMB) CAMPUS EXPERTS. UMMC USED PRIMARY AND SECONDARY SOURCES OF DATA AS WELL AS QUANTITATIVE AND QUALITATIVE DATA AND CONSULTED WITH NUMEROUS INDIVIDUALS AND ORGANIZATIONS DURING THE CHNA, INCLUDING OTHER UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) BALTIMORE CITY-BASED HOSPITALS (UNIVERSITY OF MARYLAND MEDICAL CENTER MIDTOWN CAMPUS, UNIVERSITY OF MARYLAND REHABILITATION AND ORTHOPEDIC INSTITUTE, COMMUNITY LEADERS, COMMUNITY PARTNERS, THE UNIVERSITY OF MARYLAND BALTIMORE (UMB) ACADEMIC COMMUNITY, THE GENERAL PUBLIC, LOCAL HEALTH EXPERTS, AND THE BALTIMORE CITY HEALTH DEPARTMENT.</p> <p>ADDITIONALLY, FOR THE FIRST TIME IN THE CITY'S HISTORY, NINE BALTIMORE CITY HOSPITALS JOINED TOGETHER IN FISCAL YEAR 2018 TO COLLABORATE ON SEVERAL KEY DATA COLLECTION STRATEGIES FOR A JOINT COMMUNITY HEALTH NEEDS ASSESSMENT. UMMC PARTNERED WITH UNIVERSITY OF MARYLAND MIDTOWN CAMPUS, UNIVERSITY OF MARYLAND REHABILITATION & ORTHOPEDIC INSTITUTE, JOHNS HOPKINS HOSPITAL, SINAI HOSPITAL (LIFEBRIDGE), MEDSTAR HEALTH, ST. AGNES HEALTH SYSTEM, AND MERCY MEDICAL CENTER. THE ABOVE HOSPITALS/HEALTH SYSTEMS HAD BEEN COLLABORATING ON SEVERAL INITIATIVES PRIOR TO THE CHNA YEAR AND AGREED THAT IT WOULD BE BENEFICIAL TO WORK ON A MORE DETAILED LEVEL ON A JOINT CITY-WIDE CHNA. THIS MULTI-HOSPITAL COLLABORATIVE WORKED ON THE FOLLOWING DATA COLLECTION COMPONENTS TOGETHER: -PUBLIC SURVEY OF BALTIMORE CITY RESIDENTS -KEY STAKEHOLDER INTERVIEWS -KEY POPULATION FOCUS GROUPS -KEY COMMUNITY PARTNER FOCUS GROUPS</p> <p>AFTER THE DATA WAS COLLECTED AND ANALYZED JOINTLY, EACH INDIVIDUAL HOSPITAL USED THE COLLECTED DATA FOR THEIR RESPECTIVE COMMUNITY BENEFIT SERVICE AREAS TO IDENTIFY THEIR UNIQUE PRIORITIES FOR THEIR COMMUNITIES. THE COLLABORATING HOSPITALS/HEALTH SYSTEMS DID AGREE TO JOINTLY FOCUS ON BEHAVIORAL HEALTH AS A KEY CITY-WIDE PRIORITY.</p> <p>THE FOLLOWING DESCRIBES THE INDIVIDUAL DATA COLLECTION STRATEGIES WITH THE ACCOMPANYING RESULTS.</p> <p>A) COMMUNITY PERSPECTIVE THE COMMUNITY'S PERSPECTIVE WAS OBTAINED THROUGH ONE SURVEY OFFERED TO THE PUBLIC USING SEVERAL METHODS THROUGHOUT BALTIMORE CITY. A 6-ITEM SURVEY QUERIED BALTIMORE CITY RESIDENTS TO IDENTIFY THEIR TOP HEALTH CONCERNS AND THEIR TOP BARRIERS IN ACCESSING HEALTH CARE.</p> <p>METHODS 6-ITEM SURVEY DISTRIBUTED IN FY2018 USING THE FOLLOWING METHODS: -CONDUCTED FROM LATE SEPTEMBER THROUGH NOVEMBER 2017 -PARTICIPATING HOSPITALS COLLECTED DATA THROUGHOUT THE CITY -DISTRIBUTED IN PERSON AND OFFERED ONLINE -OFFERED IN ENGLISH, SPANISH, AND RUSSIAN -COLLECTED 4,755 SURVEYS -ALL BALTIMORE CITY ZIP CODES WERE REPRESENTED IN THE RESPONSES</p> <p>ANALYSIS BY CBSA TARGETED ZIP CODES REVEALED THE SAME TOP HEALTH CONCERNS AND TOP HEALTH BARRIERS WITH LITTLE DEVIATION FROM THE OVERALL BALTIMORE CITY DATA. THE SAMPLE SIZE WAS 4,755 FOR ALL OF BALTIMORE CITY AND 1,324 FOR RESIDENTS FROM THE IDENTIFIED UMMC CBSA.</p> <p>RESULTS 1 - COMMUNITY'S TOP HEALTH CONCERNS (ALL BALTIMORE CITY) ALCOHOL/DRUG ADDICTION MENTAL HEALTH DIABETES/HIGH BLOOD SUGAR OVERWEIGHT/OBESITY HEART DISEASE/HIGH BLOOD PRESSURE SMOKING/TOBACCO USE</p> <p>1A - UMMC'S COMMUNITY BENEFIT SERVICE AREA TOP HEALTH CONCERNS ALCOHOL/DRUG ADDICTION DIABETES/HIGH BLOOD SUGAR MENTAL HEALTH SMOKING/TOBACCO USE OVERWEIGHT/OBESITY HEART DISEASE/HIGH BLOOD PRESSURE</p> <p>2 - COMMUNITY'S TOP SOCIAL/ENVIRONMENTAL ISSUES (ALL BALTIMORE CITY) NEIGHBORHOOD SAFETY/VIOLENCE</p>

Return Reference - Identifier	Explanation
	<p>LACK OF JOB OPPORTUNITIES HOUSING/HOMELESSNESS AVAILABILITY/ACCESS TO INSURANCE POVERTY LIMITED ACCESS TO HEALTHY FOODS</p> <p>2A - UMMC'S COMMUNITY BENEFIT SERVICE AREA TOP SOCIAL/ENVIRONMENTAL ISSUES LACK OF JOB OPPORTUNITIES NEIGHBORHOOD SAFETY/VIOLENCE HOUSING/HOMELESSNESS SCHOOL DROPOUT/POOR SCHOOLS ACCESS TO HEALTHY FOODS POVERTY</p> <p>3 - COMMUNITY'S TOP BARRIERS TO HEALTHCARE (ALL BALTIMORE CITY)</p> <p>COST/TOO EXPENSIVE/CAN'T AFFORD NO INSURANCE INSURANCE NOT ACCEPTED LACK OF TRANSPORTATION</p> <p>3A - UMMC'S COMMUNITY BENEFIT SERVICE AREA TOP BARRIERS TO HEALTHCARE COST/TOO EXPENSIVE/CAN'T AFFORD NO INSURANCE INSURANCE NOT ACCEPTED LACK OF TRANSPORTATION</p> <p>B) HEALTH EXPERTS</p> <p>METHODS REVIEWED & INCLUDED NATIONAL PREVENTION STRATEGY PRIORITIES, MARYLAND STATE HEALTH IMPROVEMENT PLAN (SHIP) INDICATORS, AND HEALTHY BALTIMORE 2020 PLAN FROM THE BALTIMORE CITY HEALTH DEPARTMENT REVIEWED HEALTHY BALTIMORE 2020: A BLUEPRINT FOR HEALTH REVIEWED BALTIMORE CITY HEALTH DEPARTMENT'S 2017 COMMUNITY HEALTH ASSESSMENT CONDUCTED CAMPUS-WIDE STAKEHOLDER RETREAT IN JANUARY 2018, INCLUDING UNIVERSITY OF MARYLAND SCHOOLS OF MEDICINE, NURSING, SOCIAL WORK AND UMB COMMUNITY AFFAIRS OFFICE</p> <p>RESULTS NATIONAL PREVENTION STRATEGY - 7 PRIORITY AREAS -TOBACCO FREE LIVING -PREVENTING DRUG ABUSE AND EXCESSIVE ALCOHOL USE -HEALTHY EATING -ACTIVE LIVING -INJURY AND VIOLENCE FREE LIVING -REPRODUCTIVE AND SEXUAL HEALTH -MENTAL AND EMOTIONAL WELL BEING SHIP: 39 OBJECTIVES IN 5 VISION AREAS FOR THE STATE, INCLUDES TARGETS FOR BALTIMORE CITY -WHILE PROGRESS HAS BEEN MADE SINCE 2012, MEASURES WITHIN BALTIMORE CITY HAVE NOT MET IDENTIFIED TARGETS; EVEN WIDER MINORITY DISPARITIES EXIST WITHIN THE CITY HEALTHY BALTIMORE 2020: FOUR PRIORITY AREAS FOR BALTIMORE CITY 1)STRATEGIC PRIORITY 1: BEHAVIORAL HEALTH 2)STRATEGIC PRIORITY 2: VIOLENCE PREVENTION 3)STRATEGIC PRIORITY 3: CHRONIC DISEASE PREVENTION 4)STRATEGIC PRIORITY 4: LIFE COURSE APPROACH AND CORE SERVICES HEALTH EXPERT UMB CAMPUS PANEL FOCUS GROUP TOP ACTION ITEMS INCLUDED: CONTINUE COLLABORATIVE WORK FROM THE UMMC/UMB STRATEGIC COMMUNITY PLAN IMPROVE COMMUNICATION AND SYNERGY ACROSS CAMPUS SCHOOLS AND UMMC IDENTIFY WAYS TO PARTNER AND SUPPORT EACH OTHER</p> <p>C) COMMUNITY LEADERS</p> <p>METHODS HOSTED TWO FOCUS GROUPS IN COLLABORATION WITH THE OTHER BALTIMORE-BASED HOSPITALS FOR 22 COMMUNITY-BASED ORGANIZATION PARTNERS TO SHARE THEIR PERSPECTIVES ON HEALTH NEEDS (NOVEMBER 2017)</p> <p>RESULTS CONSENSUS THAT SOCIAL DETERMINANTS OF HEALTH (AND "UPSTREAM FACTORS") ARE KEY ELEMENTS THAT DETERMINE HEALTH OUTCOMES TOP NEEDS AND BARRIERS WERE IDENTIFIED AS WELL POTENTIAL SUGGESTIONS FOR IMPROVEMENT AND COLLABORATION (SEE APPENDIX 4 FOR DETAILS) TOP NEEDS: HEALTH LITERACY EMPLOYMENT/POVERTY MENTAL/BEHAVIORAL HEALTH CARDIOVASCULAR HEALTH (OBESITY, HYPERTENSION, STROKE, & DIABETES) MATERNAL/CHILD HEALTH - FOCUSING ON PROMOTING A HEALTHY START FOR ALL CHILDREN</p> <p>TOP BARRIERS: FOCUSING ON THE OUTCOME AND NOT THE ROOT OF THE PROBLEMS (I.E. SDOH) LACK OF INTER-AGENCY COLLABORATION/WORKING IN SILOS</p> <p>SUGGESTIONS FOR IMPROVEMENT: LEVERAGE EXISTING RESOURCES INCREASE COLLABORATION</p>

Return Reference - Identifier	Explanation
	<p>FOCUS ON SOCIAL DETERMINANTS OF HEALTH ENHANCE BEHAVIORAL HEALTH RESOURCES</p> <p>D) SOCIAL DETERMINANTS OF HEALTH (SDOH)</p> <p>DEFINED BY THE WORLD HEALTH ORGANIZATION AS:THE CONDITIONS IN WHICH PEOPLE ARE BORN, GROW, LIVE, WORK AND AGE...</p> <p>METHODS REVIEWED DATA FROM BALTIMORE NEIGHBORHOOD INDICATOR ALLIANCE (DEMOGRAPHIC DATA AND SDOH DATA) REVIEWED DATA FROM IDENTIFIED 2011 BALTIMORE CITY HEALTH DEPARTMENT'S BALTIMORE CITY NEIGHBORHOOD PROFILES, REVIEWED BALTIMORE CITY FOOD DESERT MAP</p> <p>RESULTS BALTIMORE CITY SUMMARY OF CBSA TARGETED ZIP CODES TOP SDOHS: LOW EDUCATION ATTAINMENT (52.6% W/ LESS THAN HS DEGREE) HIGH POVERTY RATE (15.7%)/HIGH UNEMPLOYMENT RATE (11%) VIOLENCE POOR FOOD ENVIRONMENT HOUSING INSTABILITY</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 6A - CHNA CONDUCTED WITH ONE OR MORE OTHER HOSPITAL FACILITIES</p>	<p>FACILITY NAME: UNIVERSITY OF MARYLAND MEDICAL CENTER</p> <p>DESCRIPTION: UMMC CONDUCTED ITS FY'18 CHNA WITH THE UNIVERSITY OF MARYLAND MEDICAL CENTER MIDTOWN CAMPUS. ADDITIONALLY, MOST BALTIMORE CITY HOSPITALS COLLABORATED TOGETHER FOR THE FIRST TIME TO GATHER PRIMARY DATA TOGETHER. SO, THE ADDITIONAL HOSPITALS THAT COLLABORATED WITH UMMC INCLUDE: UMMC MIDTOWN CAMPUS, UM REHABILITATION AND ORTHOPEDIC INSTITUTE, JOHNS HOPKINS HOSPITAL (MAIN CAMPUS AND BAYVIEW), ST AGNES HOSPITAL, SINAI, MERCY MEDICAL CENTER, AND MEDSTAR HEALTH (GOOD SAMARITAN, UNION MEMORIAL, HARBOR HOSPITAL).</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 6B - CHNA CONDUCTED WITH ONE OR MORE ORGANIZATIONS OTHER THAN HOSPITAL FACILITIES</p>	<p>FACILITY NAME: UNIVERSITY OF MARYLAND MEDICAL CENTER</p> <p>DESCRIPTION: UMMC CONDUCTED ITS CHNA WITH ASSISTANCE FROM THE UNIVERSITY OF MARYLAND, BALTIMORE (UMB) ACADEMIC COMMUNITY AND THE BALTIMORE CITY HEALTH DEPARTMENT.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA</p>	<p>FACILITY NAME: UNIVERSITY OF MARYLAND MEDICAL CENTER</p> <p>DESCRIPTION: SEVERAL ADDITIONAL TOPIC AREAS WERE IDENTIFIED BY THE COMMUNITY HEALTH IMPROVEMENT TEAM DURING THE CHNA PROCESS INCLUDING: SAFE HOUSING, TRANSPORTATION, AND POVERTY, BEHAVIORAL HEALTH, AND SUBSTANCE ABUSE WERE LISTED AS HIGH PRIORITIES. WHILE THE MEDICAL CENTER WILL FOCUS THE MAJORITY OF OUR EFFORTS ON THE IDENTIFIED STRATEGIC PRIORITIES, WE WILL REVIEW THE COMPLETE SET OF NEEDS IDENTIFIED IN THE CHNA FOR FUTURE COLLABORATION AND WORK. THESE AREAS, WHILE STILL IMPORTANT TO THE HEALTH OF THE COMMUNITY, WILL BE MET THROUGH EITHER EXISTING PROGRAMS (I.E. WORKFORCE DEVELOPMENT FOR POVERTY) OR THROUGH COLLABORATION WITH OTHER HEALTH CARE AND SOCIAL SUPPORT ORGANIZATIONS AS NEEDED. FOR EXAMPLE, ALL THE BALTIMORE CITY HOSPITALS AGREED TO WORK TOGETHER ON BEHAVIORAL HEALTH AND TO POTENTIALLY LOOK AT HOUSING ISSUES THROUGHOUT THE CITY. THE ADDITIONAL UNMET NEEDS NOT ADDRESSED BY UMMC WILL ALSO CONTINUE TO BE ADDRESSED BY KEY BALTIMORE CITY GOVERNMENTAL AGENCIES AND EXISTING COMMUNITY-BASED ORGANIZATIONS. THE UMMC IDENTIFIED CORE PRIORITIES TARGET THE INTERSECTION OF THE IDENTIFIED COMMUNITY NEEDS AND THE ORGANIZATION'S KEY STRENGTHS AND MISSION.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 13B - ELIGIBILITY FOR DISCOUNTED CARE</p>	<p>FACILITY NAME: UNIVERSITY OF MARYLAND MEDICAL CENTER</p> <p>DESCRIPTION: THE FINANCIAL ASSISTANCE POLICY EXPLAINS SEVERAL ELIGIBILITY CRITERIA, INCLUDING PARTICIPATION IN MEDICAID/MEDICARE PROGRAMS AS WELL AS ELIGIBILITY UNDER VARIOUS STATE REGULATIONS. IN ADDITION TO FPG, THE INCOME LEVELS DEFINED BY THE MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (MD DHMH) ARE USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE. THE MD DHMH INCOME LEVELS ARE MORE GENEROUS THAN THE FPG INCOME LEVELS.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE</p>	<p>https://www.umms.org/ummc/community</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE</p>	<p>https://www.umms.org/ummc/community</p>

Return Reference - Identifier	Explanation
SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE	https://www.umms.org/ummc/community

Part V Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year? 1

Name and address	Type of Facility (describe)
1 UNIVERSITYCARE @ EDMONDSON VILLAGE 4538 EDMONDSON AVE BALTIMORE, MD 21229	HEALTHCARE CLINIC
2	
3	
4	
5	
6	
7	
8	
9	
10	

Provide the following information.

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

Return Reference - Identifier	Explanation
SCHEDULE H, PART I, LINE 3C - CRITERIA FOR FREE OR DISCOUNTED CARE	<p>UMMS IS COMMITTED TO PROVIDING FINANCIAL ASSISTANCE TO PERSONS WHO HAVE HEALTH CARE NEEDS AND ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR A GOVERNMENT PROGRAM, OR OTHERWISE UNABLE TO PAY, FOR MEDICALLY NECESSARY CARE BASED ON THEIR INDIVIDUAL FINANCIAL SITUATION. IN ADDITION TO FPG, THE INCOME LEVELS DEFINED BY THE MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE (MD DHMH) ARE USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE. THE MD DHMH INCOME LEVELS ARE MORE GENEROUS THAN THE FPG INCOME LEVELS.</p> <p>THE FAP ALSO USES A FINANCIAL HARDSHIP THRESHOLD WHEN DETERMINING ELIGIBILITY. A PATIENT WITH MEDICAL DEBT EXCEEDING 25% OF FAMILY ANNUAL HOUSEHOLD INCOME MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE.</p>
SCHEDULE H, PART I, LINE 6B - COMMUNITY BENEFIT REPORT	<p>THE ORGANIZATION ANNUALLY FILES A COMMUNITY BENEFIT REPORT AS REQUIRED BY THE MARYLAND HSCRC. THE REPORT CAN BE FOUND AT HTTPS://HSCRC.STATE.MD.US/PAGES/INIT_CB.ASPX.</p>
SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE	<p>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 UNCOMPENSATED CARE.</p> <p>COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. ADDITIONALLY, NET REVENUES FOR MEDICAID SHOULD REFLECT THE FULL IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT.</p>
SCHEDULE H, PART I, LINE 7, COL (F) - BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION	55,881,658
SCHEDULE H, PART II - DESCRIBE HOW COMMUNITY BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY	<p>COMMUNITY BUILDING ACTIVITIES INCLUDE THE NUMEROUS WORKFORCE/CAREER DEVELOPMENT PROGRAMS THAT ARE IN PLACE AT UMMC (UNIVERSITY AND MIDTOWN CAMPUSES). THESE PROGRAMS PROMOTE LITERACY, HEALTH LITERACY, AND JOB SKILLS TO PREPARE YOUNG ADULTS AND CURRENT EMPLOYEES FOR A VARIETY OF OSITIONS WITHIN EITHER THE MEDICAL CENTER OR IN THE HEALTHCARE INDUSTRY.</p> <p>THE HEALTH OF THE COMMUNITY IS IMPACTED BY HAVING INDIVIDUALS PREPARED FOR JOBS THAT ENABLE THEM TO OBTAIN HEALTH INSURANCE WHILE ALSO ASSISTING THEM TO BE MORE AWARE OF THEIR OWN HEALTHCARE NEEDS. WORKFORCE/CAREER DEVELOPMENT PROGRAMS INCLUDE:</p> <p>YOUTHWORKS BACH FELLOWS PROJECT SEARCH HEALTHCARE CAREER ALLIANCE PATIENT CARE TECHNICIAN TRAINING/SURGICAL TECH TRAINING BALTIMORE CITY SCHOOL PARTNERSHIPS (5 LOCAL SCHOOLS)</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT</p>	<p>THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) STARTED SETTING HOSPITAL RATES IN 1974. AT THAT TIME, THE HSCRC APPROVED RATES APPLIED ONLY TO COMMERCIAL INSURERS. IN 1977, THE HSCRC NEGOTIATED A WAIVER FROM MEDICARE HOSPITAL PAYMENT RULES FOR MARYLAND HOSPITALS TO BRING THE FEDERAL MEDICARE PAYMENTS UNDER HSCRC CONTROL.</p> <p>IN 2014, MARYLAND'S WAIVER WITH MEDICARE WAS RENEGOTIATED AND UPDATED TO REFLECT THE CURRENT HEALTHCARE ENVIRONMENT. UNDER THIS NEW WAIVER, SEVERAL CRITERIA WERE ESTABLISHED TO MONITOR THE SUCCESS OF THE SYSTEM IN CONTROLLING HEALTHCARE COSTS AND THE CONTINUANCE OF THE WAIVER ITSELF:</p> <ol style="list-style-type: none"> 1. REVENUE GROWTH PER CAPITA 2. MEDICARE HOSPITAL REVENUE PER BENEFICIARY 3. MEDICARE ALL PROVIDER REVENUE GROWTH PER BENEFICIARY 4. MEDICARE READMISSION RATES 5. HOSPITAL ACQUIRED CONDITION RATE <p>BECAUSE OF THIS SYSTEM, THE HOSPITAL IS UNABLE TO ESTIMATE HOW MUCH OF THE AMOUNT REPORTED IN LINE 2 IS ATTRIBUTED TO PATIENTS WHO WOULD APPLY UNDER THE FAP.</p>
<p>SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY</p>	<p>THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) STARTED SETTING HOSPITAL RATES IN 1974. AT THAT TIME, THE HSCRC APPROVED RATES APPLIED ONLY TO COMMERCIAL INSURERS. IN 1977, THE HSCRC NEGOTIATED A WAIVER FROM MEDICARE HOSPITAL PAYMENT RULES FOR MARYLAND HOSPITALS TO BRING THE FEDERAL MEDICARE PAYMENTS UNDER HSCRC CONTROL.</p> <p>IN 2014, MARYLAND'S WAIVER WITH MEDICARE WAS RENEGOTIATED AND UPDATED TO REFLECT THE CURRENT HEALTHCARE ENVIRONMENT. UNDER THIS NEW WAIVER, SEVERAL CRITERIA WERE ESTABLISHED TO MONITOR THE SUCCESS OF THE SYSTEM IN CONTROLLING HEALTHCARE COSTS AND THE CONTINUANCE OF THE WAIVER ITSELF:</p> <ol style="list-style-type: none"> 1. REVENUE GROWTH PER CAPITA 2. MEDICARE HOSPITAL REVENUE PER BENEFICIARY 3. MEDICARE ALL PROVIDER REVENUE GROWTH PER BENEFICIARY 4. MEDICARE READMISSION RATES 5. HOSPITAL ACQUIRED CONDITION RATE <p>BECAUSE OF THIS SYSTEM, THE HOSPITAL IS UNABLE TO ESTIMATE HOW MUCH OF THE AMOUNT REPORTED IN LINE 2 IS ATTRIBUTED TO PATIENTS WHO WOULD APPLY UNDER THE FAP.</p>
<p>SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT</p>	<p>THE CORPORATION RECORDS REVENUES AND ACCOUNTS RECEIVABLE FROM PATIENTS AND THIRD-PARTY PAYORS AT THEIR ESTIMATED NET REALIZABLE VALUE. REVENUE IS REDUCED FOR ANTICIPATED DISCOUNTS UNDER CONTRACTUAL ARRANGEMENTS AND FOR CHARITY CARE. AN ESTIMATED PROVISION FOR BAD DEBTS IS RECORDED IN THE PERIOD THE RELATED SERVICES ARE PROVIDED BASED UPON ANTICIPATED UNCOMPENSATED CARE, AND IS ADJUSTED AS ADDITIONAL INFORMATION BECOMES AVAILABLE.</p> <p>THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS. PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE MODIFICATIONS TO THE PROVISION FOR BAD DEBTS AND TO ESTABLISH AN ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES. AFTER COLLECTION OF AMOUNTS DUE FROM INSURERS, THE CORPORATION FOLLOWS INTERNAL GUIDELINES FOR PLACING CERTAIN PAST DUE BALANCES WITH COLLECTION AGENCIES.</p> <p>FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR BAD DEBTS, ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS, PROVISION FOR BAD DEBTS, AND CONTRACTUAL ADJUSTMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS OR WITH BALANCES REMAINING AFTER THE THIRD-PARTY COVERAGE HAD ALREADY PAID, THE CORPORATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS HISTORICAL COLLECTIONS, WHICH INDICATES THAT MANY PATIENTS ULTIMATELY DO NOT PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE DISCOUNTED RATES AND THE AMOUNTS COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.</p>
<p>SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED</p>	<p>THE ORGANIZATION FILES ANNUALLY A COMMUNITY BENEFIT REPORT WITH THE STATE OF MARYLAND'S HEALTH SERVICES COST REVIEW COMMISSION (HSCRC). THE HSCRC, WHICH OPERATES UNDER A MEDICARE WAIVER, DOES NOT CONSIDER MEDICARE SHORTFALL AS COMMUNITY BENEFIT. THE COSTING METHODOLOGY USED BY THE ORGANIZATION IS A COST-TO-CHARGE RATIO.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE</p>	<p>THE ORGANIZATION EXPECTS PAYMENT AT THE TIME THE SERVICE IS PROVIDED. OUR POLICY IS TO COMPLY WITH ALL STATE AND FEDERAL LAW AND THIRD PARTY REGULATIONS AND TO PERFORM ALL CREDIT AND COLLECTION FUNCTIONS IN A DIGNIFIED AND RESPECTFUL MANNER. EMERGENCY SERVICES WILL BE PROVIDED TO ALL PATIENTS REGARDLESS OF ABILITY TO PAY. FINANCIAL ASSISTANCE IS AVAILABLE FOR PATIENTS BASED ON FINANCIAL NEED AS DEFINED IN THE FINANCIAL ASSISTANCE POLICY. THE ORGANIZATION DOES NOT DISCRIMINATE ON THE BASIS OF AGE, RACE, CREED, SEX OR ABILITY TO PAY.</p> <p>PATIENTS WHO ARE UNABLE TO PAY MAY REQUEST A FINANCIAL ASSISTANCE APPLICATION AT ANY TIME PRIOR TO SERVICE OR DURING THE BILLING AND COLLECTION PROCESS, EVEN IN EXCESS OF 240 DAYS FOLLOWING THE FIRST POST-DISCHARGE BILLING STATEMENT. THE ORGANIZATION MAY REQUEST THE PATIENT TO APPLY FOR MEDICAL ASSISTANCE PRIOR TO APPLYING FOR FINANCIAL ASSISTANCE. THE ACCOUNT WILL NOT BE FORWARDED FOR COLLECTION DURING THE MEDICAL ASSISTANCE APPLICATION PROCESS OR THE FINANCIAL ASSISTANCE APPLICATION PROCESS. NO EXTRAORDINARY COLLECTION ACTIONS (ECAS) WILL OCCUR EARLIER THAN 120 DAYS FROM SUBMISSION OF FIRST BILL TO THE PATIENT AND WILL BE PRECEDED BY NOTICE 30 DAYS PRIOR TO COMMENCEMENT OF THE ACTION. AVAILABILITY OF FINANCIAL ASSISTANCE WILL BE COMMUNICATED TO THE PATIENT AND A PRESUMPTIVE ELIGIBILITY REVIEW WILL OCCUR PRIOR TO ANY ACTION BEING TAKEN. IF A PATIENT IS DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE AFTER AN ECA IS INITIATED, THE ORGANIZATION WILL TAKE REASONABLE MEASURES TO REVERSE THE ECAS AGAINST THE PATIENT ACCOUNT.</p>
<p>SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT</p>	<p>SINCE FISCAL YEAR 2012, THE UNIVERSITY OF MARYLAND MEDICAL CENTER DOWNTOWN CAMPUS HAS COMPLETED A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) EVERY THREE YEARS. TO COMPLETE THIS COMPREHENSIVE ASSESSMENT OF THE NEEDS OF THE COMMUNITY, THE ASSOCIATION FOR COMMUNITY HEALTH IMPROVEMENT'S (ACHI) 9-STEP COMMUNITY HEALTH ASSESSMENT PROCESS WAS UTILIZED AS AN ORGANIZING METHODOLOGY. AN ADDITIONAL 5-COMPONENT ASSESSMENT AND ENGAGEMENT STRATEGY WAS ALSO UTILIZED TO LEAD THE DATA COLLECTION METHODOLOGY. THE UMMC COMMUNITY HEALTH IMPROVEMENT TEAM (CHI TEAM) INCLUDED BOTH THE DOWNTOWN AND MIDTOWN CAMPUSES AND SERVED AS THE LEAD TEAM TO CONDUCT THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WITH INPUT FROM OTHER UNIVERSITY OF MARYLAND MEDICAL SYSTEM BALTIMORE CITY-BASED HOSPITALS, COMMUNITY LEADERS, THE ACADEMIC COMMUNITY, THE PUBLIC, HEALTH EXPERTS, AND THE BALTIMORE CITY HEALTH DEPARTMENT.</p> <p>DATA WAS COLLECTED FROM THE MAJOR AREAS OF THE COMMUNITY'S PERSPECTIVE, HEALTH EXPERTS' OPINIONS, AND COMMUNITY LEADERS' PERSPECTIVES ALONG WITH A REVIEW OF SOCIAL DETERMINANTS OF HEALTH AND EPIDEMIOLOGIC DATA TO COMPLETE A COMPREHENSIVE ASSESSMENT OF THE COMMUNITY'S NEEDS. DATA INCLUDES PRIMARY AND SECONDARY SOURCES OF DATA. THIS COMMUNITY HEALTH NEEDS ASSESSMENT REPORT WAS APPROVED BY THE UMMC BOARD OF DIRECTORS COMMUNITY ENGAGEMENT COMMITTEE ON JUNE 4, 2018.</p>
<p>SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION</p>	<p>PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - PATIENTS ARE INFORMED OF THEIR ELIGIBILITY FOR ASSISTANCE THROUGH SIGNAGE IN ADMITTING AND REGISTRATION AREAS, ONLINE, IN THE PATIENT HANDBOOKS, IN LOCAL NEWSPAPERS, AND WITH PATIENT INFORMATION SHEETS.</p> <p>LANGUAGE TRANSLATIONS A.REQUIREMENT: THE 501(R) REGULATIONS LOWERED THE LANGUAGE TRANSLATION THRESHOLD FOR LIMITED ENGLISH PROFICIENT (LEP) POPULATIONS TO THE LOWER OF 5% OF LEP INDIVIDUALS IN THE COMMUNITY SERVED/1000-LEP INDIVIDUALS. UMMC TRANSLATED ITS FINANCIAL ASSISTANCE POLICY INTO THE FOLLOWING LANGUAGES: ENGLISH, SPANISH, FRENCH, AND CHINESE.</p> <p>PLAIN LANGUAGE SUMMARY REQUIREMENT: THE 501(R) REGULATIONS REQUIRE A PLAIN LANGUAGE SUMMARY OF THE FAP THAT IS CLEAR, CONCISE, AND EASY FOR A PATIENT TO UNDERSTAND. UMMC CREATED A PLAIN LANGUAGE SUMMARY OF ITS FINANCIAL ASSISTANCE POLICY IN ADDITION TO ITS ALREADY-EXISTING PATIENT INFORMATION SHEET.</p>
<p>SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION</p>	<p>DESPITE THE LARGER REGIONAL PATIENT MIX OF UMMC FROM THE METROPOLITAN AREA, STATE, AND REGION, FOR PURPOSES OF COMMUNITY BENEFITS PROGRAMMING AND THIS REPORT, THE COMMUNITY BENEFIT SERVICE AREA (CBSA) OF UMMC IS WITHIN BALTIMORE CITY, SPECIFICALLY WEST BALTIMORE.</p> <p>THE TOP EIGHT ZIP CODES WITHIN BALTIMORE CITY REPRESENT THE TOP 60% OF ALL BALTIMORE CITY ADMISSIONS IN FY'17. THESE EIGHT TARGETED ZIP CODES (21201, 21215, 21216, 21217, 21218, 21223, 21229, AND 21230) ARE THE PRIMARY COMMUNITY BENEFIT SERVICE AREA (CBSA) AND COMPRISE THE GEOGRAPHIC SCOPE OF THE ASSESSMENT. THESE ZIP CODES ARE SHARED WITH THE UMMC MIDTOWN CAMPUS AS WELL. BOTH THE CHNA AND PROGRAMMING FOR BOTH CAMPUSES ARE TARGETED TO THESE IDENTIFIED WEST BALTIMORE COMMUNITIES.</p> <p>THE RESIDENTS IN THESE IDENTIFIED COMMUNITIES HAVE LIFE EXPECTANCY RATES OF NEARLY 20 YEARS LESS THAN RESIDENTS IN OTHER PARTS OF BALTIMORE CITY. HIGH RATES OF UNEMPLOYMENT, POVERTY, HEALTHY FOOD ACCESS ISSUES, SUBSTANCE USE, AND VIOLENCE ARE MAJOR SOCIAL BARRIERS TO HEALTH. RESIDENTS IN THESE COMMUNITIES HAVE SOME OF THE WORST HEALTH OUTCOMES WHEN COMPARED TO THE CITY AND THE STATE OF MARYLAND.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>ANALYSIS OF ALL QUANTITATIVE AND QUALITATIVE DATA DESCRIBED IN THE ABOVE SECTION IDENTIFIED THESE TOP SIX AREAS OF NEED WITHIN BALTIMORE CITY. THESE TOP PRIORITIES REPRESENT THE INTERSECTION OF DOCUMENTED UNMET COMMUNITY HEALTH NEEDS AND THE ORGANIZATION'S KEY STRENGTHS AND MISSION. THESE PRIORITIES WERE IDENTIFIED AND APPROVED BY THE UMMC/MIDTOWN CHI TEAM AND VALIDATED WITH THE HEALTH EXPERTS FROM THE UMB CAMPUS PANEL AND ULTIMATELY APPROVED BY THE BOARD. PROGRAMMING IS BASED ON THESE STRATEGIC PRIORITIES AS IDENTIFIED IN THE CHNA.</p> <p>1)MENTAL HEALTH (IN COLLABORATION WITH CITY HOSPITALS) 2)SUBSTANCE ABUSE 3)CHRONIC DISEASE MANAGEMENT (CVD, DIABETES, HIV) 4)MATERNAL/CHILD HEALTH 5)VIOLENCE PREVENTION 6)WORKFORCE DEVELOPMENT</p> <p>THE UNIVERSITY OF MARYLAND MEDICAL CENTER HAS COMMUNITY HEALTH PROGRAMMING IN EACH OF THE ABOVE STRATEGIC COMMUNITY PRIORITIES. THE FOLLOWING IS AN EXAMPLE OF KEY INITIATIVES FROM THREE OF THE ABOVE PRIORITIES.</p> <p>IDENTIFIED NEED/PRIORITY: CHRONIC DISEASE PREVENTION</p> <p>IDENTIFIED NEED: CARDIOVASCULAR DISEASE PREVENTION CURRENTLY, THERE IS AT LEAST A 40% PREVALENCE RATE OF HYPERTENSION IN THE TARGETED POPULATION AND MUCH HIGHER RATES IN SPECIFIC NEIGHBORHOODS.</p> <p>HOSPITAL INITIATIVE: MARYLAND HEALTHY MEN</p> <p>PRIMARY OBJECTIVES OF INITIATIVE: 1) DECREASE THE ED VISIT RATE DUE TO HYPERTENSION (MARYLAND SHIP) 2) ENGAGE AND EDUCATE AT LEAST 400 AFRICAN AMERICAN MEN WITH HYPERTENSION (HTN) AND REFER AS NEEDED TO ADDITIONAL TREATMENT.</p> <p>SINGLE OR MULTI-YEAR PLAN: THIS PROGRAM IS A MULTI-YEAR, ONGOING INITIATIVE.</p> <p>KEY COLLABORATORS IN DELIVERY: UMMC MIDTOWN CAMPUS UMMC MOBILE MARKET HUNGRY HARVEST SHOPPERS FOOD WAREHOUSE MAC, INC.</p> <p>IMPACT OF HOSPITAL INITIATIVE: HYPERTENSION AFFECTS OVER 40% OF THE AFRICAN AMERICAN COMMUNITY AND FREQUENTLY LEADS TO STROKE, CARDIAC FAILURE, KIDNEY DISEASE, ETC. THIS PROGRAM EDUCATES AND ENGAGES AA MEN TO TAKE CONTROL OF THEIR HEALTH AND TAKE ACTIVE STEPS TO LOWER THEIR BLOOD PRESSURE AND PREVENT ED VISITS DUE TO HTN.</p> <p>METRICS: # OF BP SCREENINGS OF ALL BALTIMORE CITY RESIDENTS # OF AA MEN WITH HTN # OF AA MEN EDUCATED % OF SELF-REPORTED BEHAVIORS - MEN TAKING THEIR BPS AND MEN KNOWING THEIR BPS # OF MEN WITH DECREASED BP AFTER THE PROGRAM</p> <p>EVALUATION OF OUTCOMES IN FY20: - 1,584 BP SCREENINGS IN THE COMMUNITY - 1,123 PEOPLE REFERRED TO CLASSES AND OTHER RESOURCES AFTER SCREENINGS</p> <p>CONTINUATION OF INITIATIVE: UMMC WILL CONTINUE TO MONITOR PERFORMANCE AND OUTCOME MEASURES ANNUALLY. THIS PRIORITY AND THE ACCOMPANYING INITIATIVES WILL CONTINUE UNTIL THE FY18 CHNA IS COMPLETED AND AS LONG AS THERE CONTINUES TO BE AN IDENTIFIED COMMUNITY NEED.</p> <p>IDENTIFIED NEED/PRIORITY: MATERNAL/CHILD HEALTH</p> <p>IDENTIFIED NEED: MATERNAL/CHILD HEALTH - INFANT MORTALITY CURRENTLY, THERE IS AN INFANT MORTALITY RATE (# PER LIVE BIRTHS) OF 10 BALTIMORE CITY WIDE WITH 13.9 AND 20 IN SEVERAL NEIGHBORHOODS OF THE TARGETED POPULATION.</p> <p>HOSPITAL INITIATIVE: STORK'S NEST</p> <p>PRIMARY OBJECTIVES OF INITIATIVE: 1) INCREASE % OF BABIES BORN > 37 WEEKS GESTATION 2) REDUCE THE PERCENTAGE OF BIRTHS THAT ARE LOW BIRTH WEIGHT 3) INCREASE THE % OF WOMEN BREASTFEEDING AT DISCHARGE AFTER DELIVERY</p> <p>SINGLE OR MULTI-YEAR PLAN: THIS PROGRAM IS A MULTI-YEAR, ONGOING INITIATIVE.</p> <p>KEY COLLABORATORS IN DELIVERY: ZETA PHI BETA SORORITY MARCH OF DIMES B'MORE FOR HEALTHY BABIES</p> <p>IMPACT OF HOSPITAL INITIATIVE: BABIES BORN AT FULL-TERM AND AT HEALTHY BIRTH WEIGHTS ARE LESS LIKELY TO DIE IN THE FIRST YEAR OF LIFE (INFANT MORTALITY REDUCTION). BABIES WHO ARE BREASTFED HAVE FEWER INFECTIONS IN THE FIRST YEAR OF LIFE.</p> <p>METRICS: # OF WOMEN ENROLLED</p>

Return Reference - Identifier	Explanation
	<p>% OF BABIES BORN > 37 WEEKS GESTATION % OF BABIES BORN AT > 2500 GRAMS % OF WOMEN BREASTFEEDING AT DISCHARGE</p> <p>EVALUATION OF OUTCOMES IN FY20: -90 WOMEN ENROLLED - 71% OF BABIES BORN > 37 WEEKS GESTATION - 70% OF BABIES BORN > 2500 GRAMS - 86% OF WOMEN WERE BREASTFEEDING AT DISCHARGE</p> <p>CONTINUATION OF INITIATIVE: UMMC WILL CONTINUE TO MONITOR PERFORMANCE AND OUTCOME MEASURES ANNUALLY. THIS PRIORITY AND THE ACCOMPANYING INITIATIVES WILL CONTINUE UNTIL THE FY18 CHNA IS COMPLETED AND AS LONG AS THERE CONTINUES TO BE AN IDENTIFIED COMMUNITY NEED.</p> <p>IDENTIFIED NEED/PRIORITY: VIOLENCE PREVENTION</p> <p>IDENTIFIED NEED: VIOLENCE PREVENTION CURRENTLY, THERE IS AN OVERALL HOMICIDE RATE OF 3.9 (# OF HOMICIDES/10,000 POPULATION) RATE IN BALTIMORE CITY. WITHIN THE TARGETED POPULATION, THERE ARE RATES OF 7.7 AND 8.2 IN SOME OF THE NEIGHBORHOODS.</p> <p>HOSPITAL INITIATIVE: VIOLENCE INTERVENTION PROGRAM (VIP)</p> <p>PRIMARY OBJECTIVES OF INITIATIVE: 1) REDUCE THE RATE OF RECIDIVISM DUE TO VIOLENT INJURY</p> <p>SINGLE OR MULTI-YEAR PLAN: THIS PROGRAM IS A MULTI-YEAR, ONGOING INITIATIVE.</p> <p>KEY COLLABORATORS IN DELIVERY: BALTIMORE CITY POLICE DEPARTMENT BALTIMORE CITY HEALTH DEPARTMENT UNIVERSITY OF MARYLAND BALTIMORE</p> <p>IMPACT OF HOSPITAL INITIATIVE: THE PARTICIPANTS IN THE VIP PROGRAM RECEIVE EDUCATION AND SOCIAL SUPPORT AND RETURN TO THE WORKFORCE AND/OR HIGH SCHOOL OR COLLEGE. THE PARTICIPANTS GET OUT OF THE CYCLE OF VIOLENCE AND THEREFORE REDUCE THE NUMBER OF RETURN ADMISSIONS TO SHOCK TRAUMA AND HAVE AN IMPROVED QUALITY OF LIFE.</p> <p>METRICS: -# OF PEOPLE IN THE VIP PROGRAM - RECIDIVISM RATE</p> <p>EVALUATION OF OUTCOMES IN FY20: - 432 INDIVIDUALS IN THE VIP PROGRAM - 0.5% RECIDIVISM RATE</p> <p>CONTINUATION OF INITIATIVE: UMMC WILL CONTINUE TO MONITOR PERFORMANCE AND OUTCOME MEASURES ANNUALLY. THIS PRIORITY AND THE ACCOMPANYING INITIATIVES WILL CONTINUE UNTIL THE FY18 CHNA IS COMPLETED AND AS LONG AS THERE CONTINUES TO BE AN IDENTIFIED COMMUNITY NEED.</p> <p>UMMC OPERATES UNDER A UNIQUE REGULATORY SYSTEM THAT CAPS HOSPITAL REVENUES AND PROVIDES ADJUSTMENTS TO ALLOW FOR POPULATION HEALTH IMPROVEMENT INVESTMENTS. UNDER MARYLAND'S GLOBAL BUDGET REVENUE MODEL, UMMC REPORTS ON A REGULAR BASIS HOW IT IS INVESTING IN EFFORTS TO IMPROVE POPULATION HEALTH. UMMC PROVIDES ON-GOING SERVICES THAT ARE FUNDAMENTAL TO ADDRESSING THE IDENTIFIED COMMUNITY HEALTH NEEDS THAT DEMONSTRATE THE EXTENT TO WHICH OUR COMMITMENT TO SERVE OUR COMMUNITY IS INTEGRATED INTO OUR CARE DELIVERY MODEL.</p> <p>WE HAVE A STRONG FOCUS ON TREATING PATIENTS WITH CHRONIC CONDITIONS. UNIVERSITY OF MARYLAND MEDICAL CENTER WORKS TO COORDINATE CARE, ENSURE SMOOTH TRANSITIONS AND PROMOTE DISEASE SELF-MANAGEMENT STRATEGIES AT EVERY STEP OF A PATIENT'S JOURNEY - WHETHER AT HOME, IN THE COMMUNITY, OR WITHIN OUR HOSPITAL.</p> <p>WE OPERATE SPECIALIZED CLINICS TO ENABLE ACCESS TO ROUTINE OUTPATIENT CARE. OUR TRANSITIONAL CARE SERVICES HELP PATIENTS NEWLY DIAGNOSED OR THOSE THAT HAVE HAD A RECENT HOSPITALIZATION TRANSITION SAFELY BACK TO THE COMMUNITY. TRANSITIONAL NURSE NAVIGATORS PROVIDE PATIENTS WITH DISEASE EDUCATION AND SELF-MANAGEMENT STRATEGIES, CONNECT THEM TO PRIMARY CARE PROVIDERS AND SPECIALISTS, AND HELP THEM OVERCOME ANY BARRIERS TO MAKING FOLLOW UP APPOINTMENTS.</p> <p>AN URGENT CARE CENTER TO ADDRESS OFF HOURS VISITS AND LOW ACUITY EMERGENCIES IS ALSO AVAILABLE.</p> <p>OUR COUDAMIN CLINIC PROVIDES ANTICOAGULATION MEDICATION MANAGEMENT, SPECIFICALLY MANAGING AND MONITORING WARFARIN (COUMADIN®) THERAPY UPON PHYSICIAN REFERRAL. IT ALSO PROVIDES PATIENTS WITH ONGOING MONITORING OF THEIR ANTICOAGULATION THERAPY TO ENSURE DESIRED OUTCOMES AND DECREASE ADVERSE EVENTS. UMMC'S CONGESTIVE HEART FAILURE CLINIC PROVIDES SIMILAR DISEASE-SPECIFIC SERVICES. ADDITIONALLY, OUR BEHAVIORAL HEALTH CLINIC PROVIDES A COMMUNITY ACCESS POINT FOR THOSE IN NEED OF OUTPATIENT MENTAL HEALTH SERVICES.</p> <p>RESOURCES ARE EMBEDDED THROUGHOUT THE HOSPITAL AND IN THE COMMUNITY SO THAT EVERY PATIENT RECEIVES THE SAME LEVEL OF CARE COORDINATION. CARE MANAGERS ARE EMBEDDED WITHIN OUR EMERGENCY DEPARTMENT, COMMUNITY AND HOSPITALS, AND PROVIDE IN-HOME VISITS AS NEEDED. COMMUNITY HEALTH WORKERS REACH OUT TO PATIENTS WHO ARE IDENTIFIED AS BEING HIGH RISK FOR READMISSION OR IN NEED OF CRITICAL RESOURCES. CLOSE RELATIONSHIPS ARE MAINTAINED WITH SKILLED NURSING FACILITIES AND HOME HEALTH AGENCIES SO THAT TRANSFERS FROM THE HOSPITAL TO</p>

Return Reference - Identifier	Explanation
	<p>THESE FACILITIES ARE SMOOTH, AND THE HIGHEST QUALITY OF CARE IS CONSTANTLY DELIVERED.</p> <p>STRONG RELATIONSHIPS EXIST WITH LOCAL EMERGENCY MEDICAL SERVICE (EMS) PROVIDERS THROUGH OUR MOBILE INTEGRATED HEALTH PROGRAM, WHICH DELIVERS EFFECTIVE AND EFFICIENT CARE TO PATIENTS OUTSIDE OF THE HOSPITAL. NURSES AND COMMUNITY HEALTH WORKERS FUNCTION OUTSIDE TRADITIONAL EMERGENCY RESPONSE ROLES, WITH A FOCUS ON MAINTAINING INDIVIDUALS' HEALTH AT THEIR HOMES WHILE ALSO PROVIDING CONVENIENT ACCESS TO CARE IN THE COMMUNITY. ADDITIONAL CARE PARTNERS INCLUDE PRIMARY CARE PROVIDERS, SPECIALISTS, LOCAL DEPARTMENT OF HEALTH, OFFICE ON AGING AND OTHER COMMUNITY BASED PARTNERS.</p> <p>WE ARE PROUDLY PARTNERED WITH LYFT, PROVIDING RIDES TO PATIENT FOLLOW UP APPOINTMENTS. WE ALSO PROVIDE HOUSING ASSISTANCE TO THOSE IN NEED BECAUSE WE KNOW THAT STABLE HOUSING LEADS TO BETTER HEALTH.</p>
SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH	WE ARE PROUD TO SERVE OUR COMMUNITY AND APPRECIATE OUR PARTNERS WHO ALLOW US TO FULFILL OUR MISSION. WE WILL ALWAYS DO WHAT IS RIGHT FOR THE PATIENT, NO MATTER WHERE THEY ARE IN THEIR HEALTH JOURNEY, AND WILL ALWAYS STRIVE TO HAVE OUR PATIENTS RECEIVE CARE IN THE COMMUNITY THEY RESIDE. AS A PART OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) WE ARE SHAPING A NEW PARADIGM IN CARE DELIVERY THAT WE BELIEVE SHOULD BE THE FUTURE STANDARD OF CARE.
SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP	THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS) IS A PRIVATE, NOT-FOR-PROFIT CORPORATION PROVIDING COMPREHENSIVE HEALTHCARE SERVICES THROUGH AN INTEGRATED REGIONAL NETWORK OF HOSPITALS AND RELATED CLINICAL ENTERPRISES. UMMS WAS CREATED IN 1984 WHEN ITS FOUNDING HOSPITAL WAS PRIVATIZED BY THE STATE OF MARYLAND. OVER ITS 30-YEAR HISTORY, UMMS EVOLVED INTO A MULTI-HOSPITAL SYSTEM WITH ACADEMIC, COMMUNITY AND SPECIALTY SERVICE MISSIONS REACHING PRIMARILY ACROSS MARYLAND. AS PART OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS), THE UNIVERSITY OF MARYLAND MEDICAL CENTER UNDERSTANDS THAT HEALTH CARE GOES BEYOND THE WALLS OF THE HOSPITAL AND INTO THE COMMUNITY IT SERVES. UMMS HOSPITALS ARE COMMITTED TO STRENGTHENING THEIR NEIGHBORING COMMUNITIES. IN DOING SO, THE UMMC ASSESSES THE COMMUNITY'S HEALTH NEEDS, IDENTIFIES KEY PRIORITIES, AND RESPONDS WITH SERVICES, PROGRAMS AND INITIATIVES WHICH MAKE A POSITIVE, SUSTAINED IMPACT ON THE HEALTH OF THE COMMUNITY. WITH REPRESENTATION FROM ALL UMMS HOSPITALS, THE MEDICAL SYSTEM'S COMMUNITY HEALTH IMPROVEMENT COUNCIL COORDINATES THE EFFECTIVE AND EFFICIENT UTILIZATION AND DEPLOYMENT OF RESOURCES FOR COMMUNITY-BASED ACTIVITIES AND EVALUATES HOW SERVICES AND ACTIVITIES MEET TARGETED COMMUNITY NEEDS WITHIN DEFINED GEOGRAPHIC AREAS. THE UMMC IS COMMITTED TO HEALTH EDUCATION, ADVOCACY, COMMUNITY PARTNERSHIPS, AND ENGAGING PROGRAMS WHICH FOCUS ON PROMOTING HEALTH AND WELLNESS IN AN EFFORT TO ELIMINATE HEALTH DISPARITIES FOR THE WEST BALTIMORE COMMUNITY.
SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	MD
SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	AS REQUIRED BY MARYLAND STATUTE FOR ALL HOSPITALS, UNIVERSITY OF MARYLAND MEDICAL CENTER SUBMITS A DETAILED, ANNUAL COMMUNITY BENEFIT REPORT, WHICH PROVIDES INFORMATION RELATED TO PROGRAMS, SERVICES, CONTRIBUTIONS, ETC. THAT THE HOSPITAL MAKES WITH NO OR LITTLE EXPECTATION OF FINANCIAL RETURN, TO THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION (HSCRC), A STATE REGULATORY AGENCY, BY DECEMBER 15 EACH YEAR.

**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

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number

52-1362793

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
(1) BALTIMORE AREA COUNCIL 701 WYMAN PARK DRIVE, BALTIMORE, MD 21211	52-0591572	501C(3)	7,500				GENERAL ASSISTANCE
(2) (SEE STATEMENT)	52-1813656	501C(3)	10,000				GENERAL ASSISTANCE
(3) (SEE STATEMENT)	52-2310500	501C(3)	11,250				GENERAL ASSISTANCE
(4) (SEE STATEMENT)	52-1414564	501C(3)	10,150				GENERAL ASSISTANCE
(5) (SEE STATEMENT)	52-0645650	501C(3)	26,900				GENERAL ASSISTANCE
(6) MT. WASHINGTON PEDIATRIC HOSPITAL 1708 W. ROGERS AVENUE, BALTIMORE, MD 21209	52-0591483	501C(3)	10,500				GENERAL ASSISTANCE
(7) (SEE STATEMENT)	31-1678679	501C(3)	15,000				GENERAL ASSISTANCE
(8) (SEE STATEMENT)	52-1299547	501C(3)	10,000				GENERAL ASSISTANCE
(9) RONALD MCDONALD HOUSE MARYLAND 1 AISQUIT STREET, BALTIMORE, MD 21202	52-1184957	501C(3)	20,000				GENERAL ASSISTANCE
(10) AMERICAN HEART ASSOCIATION P.O. BOX 4002906, DES MOINES, IA 50340	13-5613797	501C(3)	27,735				GENERAL ASSISTANCE
(11) (SEE STATEMENT)	52-1212473	501C(3)	199,175				GENERAL ASSISTANCE
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 11

3 Enter total number of other organizations listed in the line 1 table ▶ 0

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

Cat. No. 50055P

Schedule I (Form 990) (2019)

Return Reference - Identifier	Explanation
SCHEDULE I, PART I, LINE 2 - PROCEDURES FOR MONITORING USE OF GRANT FUNDS.	UMMS FOLLOWS STANDARD PROCEDURES TO PERIODICALLY COMMUNICATE WITH GRANTEEES TO MONITOR HOW GRANT MONEY IS UTILIZED FOR THEIR INTENDED PURPOSE.
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	BALTIMORE WASHINGTON MEDICAL CENTER FOUNDATION 300 HOSPITAL DRIVE, SUITE 231, GLEN BURNIE, MD 21061
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	CAL RIPKEN SENIOR FOUNDATION 1427 CLARKVIEW RD, SUITE 100, BALTIMORE, MD 21209
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	CHARLES REGIONAL MEDICAL CENTER FOUNDATION P.O. BOX 1701, LA PLATA, MD 20646
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	GREATER BALTIMORE COMMITTEE 111 S. CALVERT ST, SUITE 1700, BALTIMORE, MD 21202
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	UNIVERSITY OF BALTIMORE FOUNDATION 220 ARCH STREET, 13TH FLOOR, BALTIMORE, MD 21201
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	UNIVERSITY OF MARYLAND CAP REGION HEALTH FOUNDATION 7300 VAN DUSEN ROAD, LAUREL, MD 20707
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	BALTIMORE CITY FOUNDATION 7E REDWOOD ST, 9TH FLOOR, BALTIMORE, MD 21202

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Compensation Information

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

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Employer identification number

52-1362793

Part I Questions Regarding Compensation

	Yes	No
<p>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.</p> <p> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Travel for companions <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) </p>		
<p>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</p>	1b	
<p>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?</p>	2	
<p>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.</p> <p> <input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Compensation survey or study <input type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Approval by the board or compensation committee </p>		
<p>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:</p>		
<p>a Receive a severance payment or change-of-control payment?</p>	4a	✓
<p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p>	4b	✓
<p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.</p>	4c	✓
<p>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.</p>		
<p>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:</p>		
<p>a The organization?</p>	5a	✓
<p>b Any related organization?</p> <p>If "Yes" on line 5a or 5b, describe in Part III.</p>	5b	✓
<p>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:</p>		
<p>a The organization?</p>	6a	✓
<p>b Any related organization?</p> <p>If "Yes" on line 6a or 6b, describe in Part III.</p>	6b	✓
<p>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</p>	7	✓
<p>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</p>	8	✓
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9	

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

For each individual whose compensation must be reported 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 MOHAN SUNTHA, MD PRESIDENT AND CEO	(i)	1,414,919	421,551	266,415	11,200	29,702	2,143,787	0
	(ii)	0	0	0	0	0	0	0
2 JOHN W ASHWORTH, III INTERIM PRESIDENT AND CEO (ENDED 11/19)	(i)	899,601	664,660	153,229	11,200	25,955	1,754,645	0
	(ii)	0	0	0	0	0	0	0
3 ROBERT A CHRENCIK FORMER PRESIDENT AND CEO	(i)	876,297	0	619,695	11,200	22,423	1,529,615	0
	(ii)	0	0	0	0	0	0	0
4 KEITH D PERSINGER SVP AND CHIEF PERFORMANCE IMPROV OFFICER	(i)	539,951	0	874,725	11,200	11,819	1,437,695	0
	(ii)	0	0	0	0	0	0	0
5 STEPHEN T BARTLETT, MD FORMER EVP AND CMO	(i)	10,097	100,000	1,247,858	1,918	84	1,359,957	139,022
	(ii)	0	0	0	0	0	0	0
6 HENRY J FRANNEY FORMER EVP, CFO AND TREASURER	(i)	826,320	178,286	239,646	11,200	21,423	1,276,875	0
	(ii)	0	0	0	0	0	0	0
7 JOSEPH E HOFFMAN, III EVP AND CFO - UMMC	(i)	509,025	139,023	339,396	11,200	19,080	1,017,724	0
	(ii)	0	0	0	0	0	0	0
8 S. MICHELLE LEE SVP, CFO, TREASURER AND SECRETARY	(i)	647,308	119,498	123,157	11,200	16,592	917,755	0
	(ii)	0	0	0	0	0	0	0
9 JON P BURNS SVP AND CIO	(i)	568,364	128,976	108,856	11,200	21,192	838,588	0
	(ii)	0	0	0	0	0	0	0
10 GERALD L WOLLMAN SVP CORP OPERATIONS	(i)	389,207	0	376,951	11,200	25,714	803,072	0
	(ii)	0	0	0	0	0	0	0
11 AARON J RABINOWITZ SVP, GEN COUNSEL AND SECTY	(i)	0	0	0	0	0	0	0
	(ii)	374,249	64,611	322,849	11,200	25,532	798,441	0
12 MICHELLE GOURDINE, MD SVP & INTERIM CMO, UMMS	(i)	547,551	134,255	25,290	78,778	746	786,620	0
	(ii)	0	0	0	0	0	0	0
13 MICHAEL R JABLONOVER, MD SVP & CMO, UMMC	(i)	485,204	133,361	97,415	11,200	31,757	758,937	0
	(ii)	0	0	0	0	0	0	0
14 ALISON G BROWN INTERIM PRESIDENT, UMMC	(i)	434,515	181,038	98,018	11,200	21,526	746,297	0
	(ii)	0	0	0	0	0	0	0
15 LISA C ROWEN, RN SVP AND CNO	(i)	456,525	129,218	92,324	11,200	22,122	711,389	0
	(ii)	0	0	0	0	0	0	0
16 (SEE STATEMENT)	(i)							
	(ii)							

Part II

Officers, Directors, Trustees, Key Employees and Highest Compensated Employees (continued)

(a) Name		(b) Breakdown of W-2 and/or 1099-MISC compensation			(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
⁽¹⁶⁾ MEGAN M ARTHUR FORMER SVP, GEN COUNSEL AND SEC'TY	(i)	342,706	0	323,850	11,200	15,402	693,158	0
	(ii)	0	0	0	0	0	0	0
⁽¹⁷⁾ KATHLEEN M MCCANN SVP, CHIEF HUMAN RESOURCE OFFICER	(i)	437,407	103,747	71,741	11,200	21,454	645,549	0
	(ii)	0	0	0	0	0	0	0
⁽¹⁸⁾ KEVIN A STIERER SVP PERIOPERATIVE AND PROCEDURAL SVCS	(i)	426,604	121,063	18,258	62,671	2,895	631,491	0
	(ii)	0	0	0	0	0	0	0
⁽¹⁹⁾ MARK WASSERMAN SVP EXTERNAL AFFAIRS	(i)	416,829	86,569	70,741	11,200	21,978	607,317	0
	(ii)	0	0	0	0	0	0	0
⁽²⁰⁾ REX HUBER CRNA	(i)	244,200	185,260	76,913	18,582	11,463	536,418	0
	(ii)	0	0	0	0	0	0	0
⁽²¹⁾ ALICIA CUNNINGHAM SVP CORPORATE FINANCE	(i)	318,866	83,007	74,689	11,200	31,268	519,030	0
	(ii)	0	0	0	0	0	0	0

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.

Return Reference - Identifier	Explanation
<p>SCHEDULE J, PART I, LINE 4A - SEVERANCE OR CHANGE-OF-CONTROL PAYMENT</p>	<p>DURING THE FISCAL YEAR-ENDED JUNE 30, 2020, CERTAIN OFFICERS AND KEY EMPLOYEES HAVE RECEIVED SEVERANCE PAYMENTS. THESE AMOUNTS ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION. THE INDIVIDUALS AND AMOUNTS ARE LISTED BELOW:</p> <p>MEGAN M. ARTHUR, \$245,980. STEPHEN T. BARTLETT, \$1,247,858. ROBERT A. CHRENCIK, \$422,881. KEITH D. PERSINGER, \$274,615. GERALD L. WOLLMAN, \$292,000.</p>
<p>SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN</p>	<p>DURING THE FISCAL YEAR- ENDED JUNE 30, 2020, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UMMS SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE INDIVIDUAL LISTED BELOW HAS NOT VESTED IN THE PLAN THEREFORE THE ACCRUED CONTRIBUTION TO THE PLAN FOR THE FISCAL YEAR IS REPORTED ON SCHEDULE J, PART II, COLUMN C, RETIREMENT AND OTHER DEFERRED COMPENSATION:</p> <p>MICHELLE GOURDINE, MD</p> <p>DURING THE FISCAL YEAR ENDED JUNE 30, 2020, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UMMS SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE INDIVIDUAL LISTED BELOW HAS VESTED IN THE PLAN IN THE REPORTING TAX YEAR, THEREFORE THE FULL VALUE OF THE PLAN, INCLUDING ANY CONTRIBUTIONS TO THE PLAN FOR THE CURRENT FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B(III), OTHER REPORTABLE COMPENSATION. PRIOR YEAR CONTRIBUTIONS TO THE PLAN WERE PREVIOUSLY REPORTED ON FORM 990 AND ARE INDICATED ON SCHEDULE J, PART II, COLUMN (F).</p> <p>STEPHEN T. BARTLETT, MD, \$143,420</p> <p>DURING THE FISCAL YEAR-ENDED JUNE 30, 2020, CERTAIN OFFICERS AND KEY EMPLOYEES PARTICIPATED IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (UMMS) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE INDIVIDUALS LISTED BELOW HAVE VESTED IN THE PLAN IN A PRIOR YEAR, THEREFORE THE CONTRIBUTIONS TO THE PLAN FOR THE FISCAL YEAR ARE REPORTED AS TAXABLE COMPENSATION AND REPORTED ON SCHEDULE J, PART II, LINE B (III), OTHER REPORTABLE COMPENSATION:</p> <p>JOHN W. ASHWORTH, III ALISON G. BROWN ROBERT A. CHRENCIK HENRY J. FRANEY MEGAN M. ARTHUR S. MICHELLE LEE JON P. BURNS MICHAEL R. JABLONOVER, MD KEITH D. PERSINGER MOHAN SUNTHA, MD JOSEPH E. HOFFMAN III KATHLEEN MCCANN GERALD L. WOLLMAN ALICIA CUNNINGHAM REX HUBER AARON RABINOWITZ LISA C. ROWEN</p>
<p>SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS</p>	<p>BONUSES PAID ARE BASED ON A NUMBER OF VARIABLES INCLUDING BUT NOT LIMITED TO INDIVIDUAL GOAL ACHIEVEMENTS AS WELL AS ORGANIZATION OPERATION ACHIEVEMENTS. THE FINAL DETERMINATION OF THE BONUS AMOUNT IS DETERMINED AND APPROVED BY THE BOARD AS PART OF THE OVERALL COMPENSATION REVIEW OF THE OFFICERS AND KEY EMPLOYEES.</p>

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number

52-1362793

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	MHHEFA (SERIES 2007A&B)	52-0936091	574217G74	09/12/2007	137,795,000	(SEE STATEMENT)	✓			✓		✓
B	MHHEFA (SERIES 2008A-E)	52-0936091	574217U78	05/21/2008	280,000,000	CURRENT REFUNDING- 2006B-F BONDS	✓			✓		✓
C	MHHEFA (SERIES 2008F)	52-0936091	574217Y66	07/10/2008	89,764,001	CURRENT REFUNDING- 2006B-F BONDS		✓		✓		✓
D	MHHEFA (SERIES 2010)	52-0936091	5742175D3	01/07/2010	241,441,656	(SEE STATEMENT)		✓		✓		✓

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	20,195,000				66,787,005		104,321,695	
2	Amount of bonds legally defeased	41,175,000		175,000,000					
3	Total proceeds of issue	137,849,502		280,000,000		89,951,422		243,598,715	
4	Gross proceeds in reserve funds							17,980,097	
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	1,120,731		1,586,410		792,457		2,656,305	
8	Credit enhancement from proceeds	19,824		188,590					
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds							130,000,000	
11	Other spent proceeds	136,708,947		278,225,000		89,158,965		92,962,313	
12	Other unspent proceeds								
13	Year of substantial completion							2012	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?		✓	✓		✓		✓	
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?	✓			✓		✓		✓
16	Has the final allocation of proceeds been made?	✓		✓		✓		✓	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓		✓	

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

Cat. No. 50193E

Schedule K (Form 990) 2019

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓		✓		✓		✓
2 Are there any lease arrangements that may result in private business use of bond-financed property?		✓		✓		✓		✓
3a Are there any management or service contracts that may result in private business use of bond-financed property?		✓		✓		✓		✓
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		✓		✓		✓		✓
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . ▶		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶		%		%		%		%
6 Total of lines 4 and 5		0.00 %		0.00 %		0.00 %		0.00 %
7 Does the bond issue meet the private security or payment test?		✓		✓		✓		✓
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		✓		✓		✓		✓
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓		✓		✓		✓	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		✓		✓		✓		✓
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		✓		✓		✓		✓
b Exception to rebate?		✓		✓		✓		✓
c No rebate due?	✓		✓		✓		✓	
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed	07/01/2017		07/01/2017		07/01/2018		04/01/2019	
3 Is the bond issue a variable rate issue?	✓		✓			✓		✓

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

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

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization
UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number
52-1362793

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	MHHEFA (SERIES 2013A)	52-0936091	574218MH3	03/08/2013	265,377,428	(SEE STATEMENT)		✓		✓		✓
B	MHHEFA (SERIES 2015)	52-0936091	574218WD1	05/21/2015	86,603,677	(SEE STATEMENT)		✓		✓		✓
C	MHHEFA (SERIES 2016A-D)	52-0936091		09/27/2016	212,785,000	REFUNDING OF SERIES- 2012A-D BONDS		✓		✓		✓
D	MHHEFA (SERIES 2016E&F)	52-0936091		10/13/2016	108,730,000	REFUNDING OF SERIES 2011B/C (UCHS) BONDS		✓		✓		✓

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	27,514,245		6,892,832		3,735,000		8,280,000	
2	Amount of bonds legally defeased								
3	Total proceeds of issue	265,449,715		86,607,173		212,785,000		108,730,000	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	2,662,975		9,475		720,000		310,000	
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	173,100,000							
11	Other spent proceeds	89,686,740		86,597,698		212,065,000		108,420,000	
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	✓			✓	✓		✓	
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?	✓		✓			✓		✓
16	Has the final allocation of proceeds been made?	✓		✓		✓		✓	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓		✓	

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

Cat. No. 50193E

Schedule K (Form 990) 2019

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓		✓		✓		✓
2 Are there any lease arrangements that may result in private business use of bond-financed property?		✓	✓			✓		✓
3a Are there any management or service contracts that may result in private business use of bond-financed property?	✓			✓		✓		✓
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	✓							
c Are there any research agreements that may result in private business use of bond-financed property?	✓			✓		✓		✓
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	✓							
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶	%		%		%		%	
6 Total of lines 4 and 5	0.00 %		0.00 %		0.00 %		0.00 %	
7 Does the bond issue meet the private security or payment test?		✓		✓		✓		✓
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		✓		✓		✓		✓
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓		✓		✓		✓	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		✓		✓		✓		✓
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		✓	✓		✓		✓	
b Exception to rebate?		✓		✓		✓		✓
c No rebate due?	✓			✓		✓		✓
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed	07/01/2017							
3 Is the bond issue a variable rate issue?		✓	✓			✓		✓

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

**Open to Public
Inspection**

Name of the organization

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number

52-1362793

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	MHHEFA (SERIES 2017A)	52-0936091		01/01/2017	44,010,000	REFUNDING OF SERIES 2011A (UCHS) BONDS		✓		✓		✓
B	MHHEFA (SERIES 2017B)	52-0936091	574218V75	02/02/2017	165,070,579	(SEE STATEMENT)		✓		✓		✓
C	MHHEFA (SERIES 2017D)	52-0936091	5742184J9	12/19/2017	147,182,498	(SEE STATEMENT)		✓		✓		✓
D												

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	3,380,000		6,620,534					
2	Amount of bonds legally defeased								
3	Total proceeds of issue	44,010,000		165,076,538		150,171,629			
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows			164,998,598					
7	Issuance costs from proceeds			77,940		1,570,898			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds					148,600,731			
11	Other spent proceeds	44,010,000							
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	✓			✓		✓		
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		✓	✓			✓		
16	Has the final allocation of proceeds been made?	✓		✓			✓		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓			

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

Cat. No. 50193E

Schedule K (Form 990) 2019

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓		✓		✓		
2 Are there any lease arrangements that may result in private business use of bond-financed property?		✓	✓			✓		
3a Are there any management or service contracts that may result in private business use of bond-financed property?		✓		✓		✓		
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		✓		✓		✓		
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . ▶								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶								
6 Total of lines 4 and 5		0.00 %		0.00 %		0.00 %		
7 Does the bond issue meet the private security or payment test?		✓		✓		✓		
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		✓		✓		✓		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓		✓		✓			

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		✓		✓		✓		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	✓		✓		✓			
b Exception to rebate?		✓		✓		✓		
c No rebate due?		✓		✓		✓		
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	✓			✓		✓		

Return Reference - Identifier	Explanation
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MHHEFA (SERIES 2013A)	ACQUISITION COSTS RELATED TO ST. JOSEPH MEDICAL CENTER; FINANCE CAPITAL PROJECTS; AND REFUND SERIES 1998, SERIES 2004B AND SERIES 2005.
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MHHEFA (SERIES 2017D)	BONDS TO FINANCE A PORTION OF ACQUISITION COSTS RELATED TO UM CAPITAL REGION AND CONSTRUCTION COSTS OF NEW REGIONAL MEDICAL CENTER AND NEW FREESTANDING MEDICAL FACILITY.
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MHHEFA (SERIES 2007A&B)	ADVANCED REFUNDING OF SERIES 2002 BONDS, AND SERIES 2001 BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MHHEFA (SERIES 2010)	FINANCE 2010 FACILITY COSTS; AND REFUND SERIES 2008G, SERIES 2008H AND SERIES 2004A BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MHHEFA (SERIES 2015)	ADVANCED REFUNDING OF SERIES 2006A BONDS AND SERIES 2008C (UCHS) BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MHHEFA (SERIES 2017B)	ADVANCED REFUNDING OF SER. 1991B BONDS, A PORTION OF SER. 2005 BONDS & A PORTION OF SER. 2010 BONDS
SCHEDULE K, PART II, LINE 3 - MHHEFA (SERIES 2007A&B)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$54,502.
SCHEDULE K, PART II, LINE 3 - MHHEFA (SERIES 2010)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$2,157,059.
SCHEDULE K, PART II, LINE 3 - MHHEFA (SERIES 2013A)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$72,288.
SCHEDULE K, PART II, LINE 3 - MHHEFA (SERIES 2015)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$3,496.
SCHEDULE K, PART II, LINE 3 - MHHEFA (SERIES 2017B)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$5,958.
SCHEDULE K, PART II, LINE 3 - MHHEFA (SERIES 2017D)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$2,989,131.
SCHEDULE K, PART II, LINE 3 - MMHEFA (SERIES 2008F)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS OF ISSUE IS INVESTMENT EARNINGS IN THE AMOUNT OF \$187,421.
SCHEDULE K, PART IV, LINE 2C - COLUMN A	ISSUER NAME: MHHEFA (SERIES 2007A&B) THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2017
SCHEDULE K, PART IV, LINE 2C - COLUMN A	ISSUER NAME: MHHEFA (SERIES 2013A) THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2017
SCHEDULE K, PART IV, LINE 2C - COLUMN B	ISSUER NAME: MHHEFA (SERIES 2008A-E) THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2017
SCHEDULE K, PART IV, LINE 2C - COLUMN C	ISSUER NAME: MHHEFA (SERIES 2008F) THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2018
SCHEDULE K, PART IV, LINE 2C - COLUMN D	ISSUER NAME: MHHEFA (SERIES 2010) THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 04/01/2019
SCHEDULE K, PART IV, COLUMN (A) - LINE 4B	JP MORGAN, BANK OF AMERICA
SCHEDULE K, PART IV, COLUMN (B) - LINE 4B	JP MORGAN, BANK OF AMERICA

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2019

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization

UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number

52-1362793

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV**Business Transactions Involving Interested Persons** (continued)

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MATTHEW IRBY	SEE PART V	\$139,759	SEE PART V		✓
(2) HOME PARAMOUNT PEST CONTROL COMPANY	SEE PART V	\$162,644	SEE PART V		✓

Part V**Supplemental Information.** Provide additional information for responses to questions on Schedule L (see instructions).

Return Reference - Identifier	Explanation
SCHEDULE L, PART IV - LINE 2, COLUMN B AND COLUMN D	MATTHEW IRBY IS A FAMILY MEMBER OF JOHN ASHWORTH III, AN OFFICER OF THE FILING ORGANIZATION UNTIL NOVEMBER 2019. MATTHEW IRBY WAS PAID REASONABLE COMPENSATION AS AN EMPLOYEE OF THE FILING ORGANIZATION.
SCHEDULE L, PART IV - LINE 3, COLUMN B AND COLUMN D	HOME PARAMOUNT PEST CONTROL COMPANY IS OWNED BY WALTER TILLEY, A DIRECTOR OF THE FILING ORGANIZATION UNTIL AUGUST 2019. HOME PARAMOUNT WAS PAID REASONABLE FEES AT OR BELOW FAIR MARKET VALUE FOR SERVICES PROVIDED.

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

Department of 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
UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer Identification Number
52-1362793

Return Reference - Identifier	Explanation
FORM 990, PART I, LINE 1 - BRIEF MISSION	MARYLAND AREA REGARDLESS OF THEIR ABILITY TO PAY. REVENUES ARE USED TO HELP DEFRAY THE COSTS OF SERVICES.

Return Reference - Identifier	Explanation
<p>FORM 990, PART III, LINE 2 - NEW PROGRAM SERVICES</p>	<p>THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM'S ("UMMS" OR "MEDICAL SYSTEM") FORMAL RESPONSE TO THE COVID-19 PANDEMIC BEGAN ON FEBRUARY 17, 2020 WHEN MEDICAL SYSTEM LEADERSHIP RECOGNIZED THE IMPORTANCE OF COORDINATING A SYSTEM-WIDE CLINICAL AND OPERATIONAL RESPONSE TO THE THREAT. BY FEBRUARY 25, 2020, A FORMAL UMMS INCIDENT COMMAND STRUCTURE WAS CREATED TO GUIDE THE SYSTEM-WIDE PLANNING, PREPARATIONS, AND RESPONSE EFFORTS. THE UMMS INCIDENT COMMAND IS LED BY A PHYSICIAN EXECUTIVE WHO HAS HELD POSITIONS WITHIN THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES ("HHS"), INCLUDING THE DIRECTOR OF THE NATIONAL HEALTHCARE PREPAREDNESS PROGRAMS WITHIN THE OFFICE OF THE ASSISTANT SECRETARY FOR PREPAREDNESS AND RESPONSE. THE UMMS INCIDENT COMMAND INCLUDES PHYSICIAN LEADERS AND SENIOR EXECUTIVES FROM ACROSS THE MEDICAL SYSTEM SUPPORTING CLINICAL OPERATIONS, PLANNING, FINANCE, LOGISTICS, INFORMATION SYSTEMS, COMMUNICATIONS, INFECTION PREVENTION, LEGAL, CHIEF MEDICAL OFFICER LIAISON AND A UMAB LIAISON. THIS STRUCTURE ALIGNS THE SYSTEM-WIDE RESPONSE WITH GOVERNMENT, PUBLIC HEALTH AND SAFETY, AND OTHER COMMUNITY-BASED HEALTH CARE ORGANIZATIONS. CERTAIN COVID-19 RESPONSES ARE DISCUSSED BELOW:</p> <p>PROTECTING THE JOBS OF UMMS CAREGIVERS - THE MEDICAL SYSTEM IMPLEMENTED A TEMPORARY REDEPLOYMENT AND EXPANDED PAID TIME OFF PROGRAM DESIGNED TO PROTECT THE JOBS, INCOMES, AND BENEFITS OF ITS EMPLOYEES AND PHYSICIANS SO THEY COULD FOCUS ON PROVIDING CARE TO PATIENTS AND COMMUNITIES. THE MEDICAL SYSTEM ALSO ENCOURAGED TELEWORK FOR ALL NON-CLINICAL STAFF AND ENACTED SPECIAL LEAVE POLICIES TO REDUCE THE BURDEN OF EMPLOYEES CARING FOR THEMSELVES OR OTHER FAMILY MEMBERS AT HOME. FOR HEALTH CARE PROVIDERS WITH SMALL CHILDREN, THE MEDICAL SYSTEM COORDINATED ARRANGEMENTS WITH CHILD CARE CENTERS ACROSS THE STATE FOR EMPLOYEES TO USE DURING THEIR WORK SHIFT, THE COST OF WHICH WAS BORNE ENTIRELY BY THE MEDICAL SYSTEM.</p> <p>PREPARING FOR A POTENTIAL SURGE - AS PART OF THE UMMS INCIDENT COMMAND STRUCTURE, THE MEDICAL SYSTEM ANALYTICS TEAM BEGAN WORKING WITH MEDICAL SPECIALISTS, OPERATIONS, PLANNING, AND OTHER INTERNAL GROUPS TO DEVELOP A REAL-TIME DASHBOARD TO TRACK INPATIENT CAPACITY BY HOSPITAL, BY UNIT AND BY BED. THE DASHBOARD ALSO TRACKS THE NUMBERS OF COVID-19 POSITIVE PATIENTS, PATIENTS UNDER INVESTIGATION, PATIENTS IN THE ICUS AND PATIENTS ON VENTILATION SUPPORT AT ALL HOSPITALS, DRILLABLE TO PATIENT-LEVEL DETAIL. THE DASHBOARD ALSO TRACKS THE USE AND AVAILABILITY OF CRITICAL CLINICAL EQUIPMENT, INCLUDING, BUT NOT LIMITED TO, VENTILATORS, HIGH FLOW OXYGEN SYSTEMS AND CONTINUOUS RENAL REPLACEMENT THERAPY MACHINES. FURTHERMORE, THE ANALYTICS TEAM BEGAN TO DEVELOP INTERNAL SCENARIOS FOR THE PROJECTIONS OF SURGES IN PATIENT VOLUME TO ENSURE THE MEDICAL SYSTEM IS PREPARED WITH CRITICAL NEEDS SUCH AS PERSONAL PROTECTIVE EQUIPMENT ("PPE"), VENTILATORS, ICU BEDS AND STAFFING. THE SURGE PROJECTIONS ARE BASED ON DAILY INSIGHT FROM EXTERNAL SURGE PROJECTION MODELS AS WELL AS ACTUAL EXPERIENCE WITHIN THE MEDICAL SYSTEM HOSPITALS.</p> <p>THE SURGE PROJECTIONS HAVE LED TO THE DEVELOPMENT OF HOSPITAL BASED PLANNING SCENARIOS WHICH INCLUDE A FLEXIBLE STEP-BASED APPROACH TO ADAPT TO SURGE SCENARIOS. HEALTH CARE PROVIDERS HAVE BEEN AND CONTINUE TO BE CROSS-TRAINED, AND REDEPLOYMENT PROCESSES ARE IN PLACE TO ENSURE ADEQUATE STAFFING DURING A SURGE IN PATIENT VOLUMES.</p> <p>SUPPLY CHAIN - UMMS' SUPPLY CHAIN TEAM CONTINUES TO WORK DILIGENTLY TO SECURE ADDITIONAL PPE, LABORATORY MATERIALS, AND OTHER SUPPLIES FROM RELIABLE SOURCES. SUPPLY CHAIN, LABORATORY AND CLINICAL ENGINEERING LEADERS HAVE DEVELOPED A RESPONSE PLAN TO COVID-19 BY FOCUSING ON FIVE GUIDING THEMES: SUPPLY SOURCING, SUPPLY STAGING, SUPPLY UTILIZATION, FINANCIAL DILIGENCE AND EQUIPMENT UTILIZATION. ALL NEW SUPPLY CHAIN SOURCES, BOTH DOMESTIC AND INTERNATIONAL, HAVE BEEN EXAMINED WITH THE APPROPRIATE LEGAL, FINANCIAL AND TREASURY TEAMS. GUIDELINES HAVE BEEN DEVELOPED FOR THE USE AND CONSERVATION OF PPE. INVENTORY LEVELS OF CRITICAL EQUIPMENT, SUCH AS VENTILATOR, LABORATORY EQUIPMENT, HOSPITAL BEDS AND OTHER CRITICAL RESPIRATORY EQUIPMENT ARE CLOSELY MONITORED AND MAINTAINED USING A REAL-TIME DASHBOARD.</p> <p>IN EARLY MARCH, UMMS CREATED A CENTRALIZED SUPPLY CHAIN DISTRIBUTION HUB WHICH SERVES AS A LOCATION TO STAGE AND STORE THE APPROPRIATE INVENTORIES AND TO ENSURE THEIR AVAILABILITY AT THE MEDICAL SYSTEM HOSPITALS. FINALLY, IN COLLABORATION WITH INFECTION PREVENTION AND CLINICAL EXPERTS, THE MEDICAL SYSTEM IMPLEMENTED STRATEGIES TO CONSERVE CRITICAL PPE EQUIPMENT AND TO LIMIT UNNECESSARY EXPOSURE DURING THE PANDEMIC, INCLUDING THE USE OF ULTRAVIOLET GERMICIDAL IRRADIATION FOR DECONTAMINATION OF PPE, CLUSTERING OF PATIENT CARE, AND EXPANDED USE OF TELEHEALTH IN INPATIENT UNITS FOR CLINICAL, SOCIAL WORK, CLERGICAL AND MENTAL HEALTH PROVIDERS.</p> <p>POSTPONING AND RESUMING ELECTIVE PROCEDURES - BEGINNING ON MARCH 16, 2020, CONSISTENT WITH RECOMMENDATIONS FROM THE U.S. SURGEON GENERAL, THE AMERICAN COLLEGE OF SURGEONS AND THE GOVERNOR OF MARYLAND'S EXECUTIVE ORDER, THE MEDICAL SYSTEM MADE THE DECISION TO POSTPONE CERTAIN ELECTIVE AND NON-URGENT SURGERIES, PROCEDURES AND APPOINTMENTS. SHORTLY THEREAFTER, ADDITIONAL SERVICES IN CLINICS AND OTHER OUTPATIENT SETTINGS WERE POSTPONED. IN CONNECTION WITH MARYLAND'S STAGED ROADMAP TO RECOVERY, STARTING MAY 7, 2020, THE MEDICAL SYSTEM BEGAN RESCHEDULING SOME OUTPATIENT SURGICAL PROCEDURES WHICH COULD BE COMPLETED WHILE KEEPING PATIENTS AND PROVIDERS SAFE AND PRESERVING APPROPRIATE LEVELS OF PPE AND AVAILABLE CAPACITY FOR A POTENTIAL COVID-19 SURGE. A WEEK LATER, THE MEDICAL SYSTEM BEGAN SCHEDULING ADDITIONAL AMBULATORY CARE AND CLINICAL SERVICES.</p> <p>EXPANDING TELEHEALTH SERVICES - THE MEDICAL SYSTEM OFFERED SOME LIMITED TELEHEALTH SERVICES BEFORE THE COVID-19 PANDEMIC BEGAN. THOSE EXISTING SERVICES HAVE BEEN EXPANDED DURING THE PANDEMIC TO ALLOW PATIENTS TO CONSULT WITH DOCTORS AND OTHER PROVIDERS REMOTELY, WHICH HAS PROVIDED SAFER, FASTER, AND LESS EXPENSIVE CARE</p>

Return Reference - Identifier	Explanation
	<p>DELIVERY. TELEHEALTH SERVICES HAVE PROVIDED A FIRST LINE OF DEFENSE AGAINST UNNECESSARY EXPOSURE IN OUR FACILITIES AS PROVIDERS IN A VIRTUAL SETTING CARRY OUT ASSESSMENTS OF POTENTIAL COVID-19 PATIENTS. THE MEDICAL SYSTEM INTENDS TO CONTINUE MAKING INVESTMENTS IN TELEHEALTH IN THE COMING FISCAL YEAR.</p> <p>PROVIDING EARLY AND WIDESPREAD TESTING - THE MEDICAL SYSTEM HAS PROVIDED RAPID AND ACCESSIBLE TESTING AT ALL HOSPITAL-BASED, OUTPATIENT AND URGENT CARE LOCATIONS. FURTHERMORE, THE MEDICAL SYSTEM IN COOPERATION WITH THE SCHOOL OF MEDICINE AND THE STATE OF MARYLAND ARE CONTINUING TO SUPPORT THE EXPANSION OF TESTING THROUGHOUT THE STATE BY PROVIDING LABORATORY CAPACITY AND CLINICAL INFORMATION SYSTEM SUPPORT FOR THE TESTING SITES AND MOBILE TESTING SITES DEPLOYED TO UNDERSERVED POPULATIONS AND HOT SPOT AREAS.</p> <p>PARTNERING WITH GOVERNOR HOGAN TO STRENGTHEN MARYLAND'S PREPAREDNESS - THE MEDICAL SYSTEM IS ENGAGED IN MANY FACETS OF THE STATE'S COVID-19 RESPONSE. AT THE HIGHEST LEVEL, THE UMMS INCIDENT COMMAND PHYSICIAN EXECUTIVE SERVES ON THE MARYLAND GOVERNOR'S CORONAVIRUS RESPONSE ADVISORY TEAM WHICH INCLUDES SCIENTIFIC AND MEDICAL ADVISORS AS WELL AS BUSINESS AND COMMUNITY LEADERS WHO DEVELOPED THE "MARYLAND STRONG: ROADMAP TO RECOVERY" PLAN.</p> <p>AS PART OF THE GOVERNOR'S FOUR BUILDING BLOCKS OF THE RECOVERY PLAN, THE MEDICAL SYSTEM ASSISTED IN EXPANDING INPATIENT HOSPITAL CAPACITY IN PREPARATION FOR A POTENTIAL SURGE IN PATIENT VOLUMES. ON MARCH 16, 2020, THE GOVERNOR DIRECTED THE MARYLAND HEALTH DEPARTMENT ("MDH") TO INCREASE STATEWIDE SURGE CAPACITY BY UP TO 6,000 BEDS. IN JUST OVER A MONTH, THE MDH IN COLLABORATION WITH LOCAL HOSPITALS, OPENED THOUSANDS OF NEW BEDS, NOTABLY BY CREATING A 250-BED FIELD HOSPITAL IN THE BALTIMORE CONVENTION CENTER AND OPENING 135 INPATIENT BEDS AT UM LAUREL. FOR THE BALTIMORE CONVENTION CENTER FIELD HOSPITAL, THE STATE COLLABORATED WITH UMMS AND JOHNS HOPKINS TO OPEN 250 BEDS THAT PROVIDE A STEP-DOWN TO ACUTE HOSPITAL CARE FOR PATIENTS PRIOR TO DISCHARGE TO A PATIENT'S HOME OR ALTERNATIVE CARE FACILITY. UMMS ALSO OBTAINED APPROVAL FROM THE HEALTH CARE COMMISSION TO RE-OPEN UP TO 135 INPATIENT BEDS AT UM LAUREL IN LAUREL, MARYLAND, WHICH HAD BEEN CONVERTED IN JANUARY 2019 TO AN FMF. BEGINNING IN LATE APRIL 2020, UM LAUREL OPENED ACUTE AND ICU LEVEL BEDS TO PROVIDE EXPANDED INPATIENT CAPACITY TO PRINCE GEORGE'S AND MONTGOMERY COUNTIES BOTH OF WHICH HAVE HAD HIGH VOLUMES OF COVID-19 CASES. THE STATE IS REIMBURSING THE MEDICAL SYSTEM FOR COSTS ASSOCIATED WITH OPERATING THESE EXPANDED BEDS, AND AS WELL AS FOR CERTAIN CAPITAL, EQUIPMENT, AND START-UP COSTS TO OPEN THE BEDS. THE MEDICAL SYSTEM HAS ALSO RECEIVED APPROVAL FROM THE MARYLAND HEALTH CARE COMMISSION TO TEMPORARILY EXPAND INPATIENT CAPACITY AT UM PRINCE GEORGE'S AND UM UPPER CHESAPEAKE TO PREPARE FOR POTENTIAL SURGES IN PATIENT VOLUMES DUE TO COVID-19.</p>

Return Reference - Identifier	Explanation
FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS	<p>IN MAY 2020, UMMS' BOARD APPROVED ARTICLES OF AMENDMENT AND RESTATEMENT, AND ADOPTED CHANGES TO ITS BYLAWS.</p> <p>SIGNIFICANT CHANGES TO THE ORGANIZATION'S ARTICLES</p> <p>SECOND: THE CORPORATION IS FORMED EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC AND EDUCATIONAL PURPOSES, AND THE BUSINESS AND OBJECTS TO BE CARRIED ON AND PROMOTED BY IT ARE:</p> <p>(1) TO OWN, LEASE, MANAGE, AND OPERATE THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, INCLUDING SUCH COMPONENTS OR HEALTH SERVICES AS THE BOARD OF DIRECTORS MAY DETERMINE OR AGREE TO UNDERTAKE FROM TIME TO TIME AND SHALL HAVE ALL POWERS OF A MARYLAND CORPORATION WHICH ARE NOT EXPRESSLY LIMITED BY SUBTITLE 3, TITLE 13 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND.</p> <p>(2) TO CONVEY, LEASE, MORTGAGE, ENCUMBER, AND OTHERWISE DEAL WITH ALL ITS ASSETS, WITHOUT LIMITATION OR REGARD TO THEIR SOURCE, UNLESS A GRANTOR OR DONOR RESTRICTS THE USE OF SUCH ASSETS.</p> <p>(3) TO PROVIDE FOR AND MAINTAIN, CONSISTENT WITH THE POLICIES OF THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION OR OTHER RELEVANT AUTHORITY, COMPREHENSIVE SERVICES FOR PATIENT POPULATIONS NATURALLY SERVED BY UNIVERSITY HOSPITAL, INCLUDING UNCOMPENSATED CARE AND OUTPATIENT CARE.</p> <p>(4) TO MAINTAIN, CREATE, AND DEVELOP SPECIALTY CARE SERVICES APPROPRIATE TO AN ACADEMIC MEDICAL INSTITUTION AT THE UNIVERSITY OF MARYLAND MEDICAL CENTER AND ELSEWHERE AS APPROPRIATE TO MEET THE NEEDS OF THE STATE OF MARYLAND AND THE GEOGRAPHIC REGION IN WHICH IT IS LOCATED.</p> <p>(5) TO PROVIDE, AT THE UNIVERSITY OF MARYLAND MEDICAL CENTER AND ELSEWHERE AS APPROPRIATE, A CLINICAL CONTEXT FOR EDUCATION AND RESEARCH CONDUCTED BY THE FACULTY OF THE UNIVERSITY OF MARYLAND, AND TO SERVE AS THE PRIMARY CLINICAL SETTING FOR UNIVERSITY OF MARYLAND STUDENTS IN HEALTH CARE FIELDS TO RECEIVE EDUCATIONAL AND RESEARCH EXPERIENCES.</p> <p>(6) TO PERFORM ANY AND ALL ACTIVITIES NECESSARY TO EFFECTUATE THE CORPORATION'S PURPOSES, AS SUCH PURPOSES ARE DESCRIBED IN SUBTITLE 3, TITLE 13 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND.</p> <p>(7) TO PERFORM OTHER ACTIVITIES PERMITTED CORPORATIONS UNDER THE GENERAL LAWS OF THE STATE OF MARYLAND, TO THE EXTENT SUCH ACTIVITIES ARE PERMITTED TO BE CARRIED ON BY ORGANIZATIONS WHICH ARE EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE) AND CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTIONS 170(C)(2), 2055(A)(2) AND 2522(A)(2) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE), INCLUDING THE MAKING OF DISTRIBUTIONS FOR CHARITABLE, SCIENTIFIC AND EDUCATIONAL PURPOSES TO ORGANIZATIONS WHICH ARE EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE) AND CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTIONS 170(C)(2), 2055(A)(2) AND 2522(A)(2) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>SEVENTH: IN ACCORDANCE WITH SECTION 13-304 OF THE EDUCATION ARTICLE OF THE MARYLAND ANNOTATED CODE, THE BOARD OF DIRECTORS SHALL CONSIST OF SIX NONVOTING MEMBERS AND NOT LESS THAN 22 AND NOT MORE THAN 28 VOTING MEMBERS; PROVIDED, HOWEVER, THAT THE GOVERNOR ALSO MAY APPOINT AN ADDITIONAL VOTING MEMBER WHO IS A REPRESENTATIVE FROM EACH HOSPITAL THAT AFFILIATES WITH THE CORPORATION ON OR AFTER JUNE 1, 2019. THE APPOINTMENT, TENURE, CONDITIONS OF OFFICE AND QUALIFICATIONS OF THE BOARD OF DIRECTORS OF THE CORPORATION ARE AS FOLLOWS:</p> <p>(1) EACH MEMBER SHALL BE A RESIDENT OF THE STATE OF MARYLAND.</p> <p>(2) A MEMBER MAY NOT BE AN ELECTED OFFICIAL OF THE GOVERNMENT OF THE STATE OF MARYLAND OR OF ANY LOCAL JURISDICTION WITHIN THE STATE OF MARYLAND.</p> <p>(3) A MEMBER MAY NOT INTENTIONALLY USE THE PRESTIGE OF OFFICE OR PUBLIC POSITION FOR THAT MEMBER'S PRIVATE GAIN OR THAT OF ANOTHER.</p> <p>(4) THREE VOTING MEMBERS SHALL BE MEMBERS OF THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND.</p> <p>(5) ONE VOTING MEMBER SHALL BE APPOINTED BY THE PRESIDENT OF THE SENATE OF MARYLAND AND ONE VOTING MEMBER SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES.</p> <p>(6) ONE VOTING MEMBER SHALL BE THE GOVERNOR'S DESIGNEE.</p> <p>(7) AT LEAST ONE VOTING MEMBER SHALL BE APPOINTED BY THE GOVERNOR, UPON NOMINATION BY THE MEMBERSHIP OF THE COMMUNITY ADVISORY COUNCIL TO THE CORPORATION (AS PROVIDED FOR IN ARTICLE NINTH HEREOF) FROM THE MEMBERSHIP OF THE COMMUNITY ADVISORY COUNCIL.</p> <p>(8) AT LEAST ONE VOTING MEMBER SHALL HAVE EXPERTISE IN THE HOSPITAL FIELD.</p> <p>(9) IN APPOINTING THE VOTING MEMBERS OF THE BOARD OF DIRECTORS, THE GOVERNOR OF THE STATE OF MARYLAND SHALL ENSURE THAT THE COMPOSITION OF THE BOARD OF DIRECTORS FAIRLY REPRESENTS THE MINORITY COMPOSITION OF THE STATE OF MARYLAND.</p> <p>(10) THE NONVOTING MEMBERS OF THE BOARD OF DIRECTORS SHALL BE, EX OFFICIO, THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, THE PRESIDENT OF THE UNIVERSITY OF MARYLAND, BALTIMORE, THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION, THE DEAN OF THE SCHOOL OF MEDICINE OF THE UNIVERSITY OF MARYLAND, THE PRESIDENT OF THE MEDICAL STAFF ORGANIZATION OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM (AS DEFINED IN §13-301(K) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND), AND THE ASSOCIATE DIRECTOR OF NURSING SERVICES FOR THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM.</p> <p>(11) THE TERM OF EACH VOTING MEMBER OF THE BOARD OF DIRECTORS IS FIVE YEARS AND BEGINS ON THE FIRST MONDAY IN JUNE OF THE YEAR OF APPOINTMENT. THE TERMS OF VOTING MEMBERS OF THE BOARD OF DIRECTORS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR VOTING MEMBERS OF THE BOARD OF DIRECTORS ON THE TRANSFER DATE. AT THE END OF A TERM, A VOTING MEMBER OF THE BOARD OF DIRECTORS CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES. A VOTING MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED TERM SERVES ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES. A VOTING MEMBER APPOINTED TO FILL A VACANCY</p>

Return Reference - Identifier	Explanation
	<p>IN AN UNEXPIRED TERM SERVES ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES. A VOTING MEMBER OF THE BOARD OF DIRECTORS MAY BE REAPPOINTED, BUT MAY NOT SERVE MORE THAN TWO CONSECUTIVE FULL TERMS. NOMINATIONS OF VOTING MEMBERS OF THE BOARD OF DIRECTORS WILL BE MADE BY THE BOARD OF DIRECTORS AND SUBMITTED TO THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND FOR COMMENT AND TO THE GOVERNOR FOR CONSIDERATION. EACH MEMBER OF THE BOARD OF DIRECTORS SERVES WITHOUT COMPENSATION, AND IS ENTITLED TO REIMBURSEMENT FOR EXPENSES AS PROVIDED BY THE BOARD OF DIRECTORS.</p> <p>(12) WITH THE EXCEPTION OF VOTING DIRECTORS INITIALLY APPOINTED BY THE GOVERNOR AS A REPRESENTATIVE OF AN AFFILIATE HOSPITAL THAT FIRST AFFILIATES WITH THE CORPORATION ON OR AFTER JUNE 1, 2019, AND THE VOTING DIRECTORS APPOINTED BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, EACH VOTING DIRECTOR SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE IN ACCORDANCE WITH THE PROVISIONS OF SUBTITLE 3 OF TITLE 13 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND.</p> <p>EIGHTH: THE TOTAL NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS SERVING AS OF THE DATE OF THE BOARD'S APPROVAL OF THIS AMENDMENT AND RESTATEMENT OF THE CHARTER IS 31. THE NUMBER OF VOTING MEMBERS OF THE BOARD OF DIRECTORS IS CURRENTLY 25, WHICH NUMBER MAY BE INCREASED OR DECREASED FROM TIME TO TIME PURSUANT TO THE CHARTER OR THE BYLAWS OF THE CORPORATION, BUT WHICH SHALL NEVER BE LESS THAN 22. THE TOTAL NUMBER OF NON-VOTING MEMBERS OF THE BOARD OF DIRECTORS IS CURRENTLY SIX.</p>

Return Reference - Identifier	Explanation
<p>FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS (CONTINUED)</p>	<p>NINTH: IN ACCORDANCE WITH SUBTITLE 3, TITLE 13 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE FOLLOWING PROVISIONS ARE HEREBY ADOPTED FOR DEFINING, ADOPTING, LIMITING AND REGULATING THE POWERS OF THE CORPORATION AND OF THE DIRECTORS AND THE MEMBERS:</p> <p>(1) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL OPERATE THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM WITHOUT DISCRIMINATION BASED UPON AGE, ANCESTRY/NATIONAL ORIGIN, COLOR, DISABILITY, GENDER IDENTITY/EXPRESSION, MARITAL STATUS, POLITICAL AFFILIATION, RACE, RELIGION, SEX, OR SEXUAL ORIENTATION.</p> <p>(2) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL CONDUCT PROCUREMENT ACTIVITIES CONSISTENT WITH MINORITY PURCHASING STANDARDS APPLICABLE TO MARYLAND STATE GOVERNMENT AGENCIES.</p> <p>(3) THE CORPORATION MAY NOT (I) USE SOLE SOURCE PROCUREMENT TO AWARD A CONTRACT TO A MEMBER OF THE BOARD OF DIRECTORS OR A BUSINESS ENTITY THAT EMPLOYS OR HAS AN AFFILIATION WITH A MEMBER OF THE BOARD OF DIRECTORS, OR (II) PROVIDE A PREFERENCE FOR THE AWARD OF A CONTRACT TO A MEMBER OF THE BOARD OF DIRECTORS OR A BUSINESS ENTITY THAT EMPLOYS OR HAS AN AFFILIATION WITH A MEMBER OF THE BOARD OF DIRECTORS.</p> <p>(4) THE AWARD OF A CONTRACT OR THE MAKING OF A PAYMENT TO A MEMBER OF THE BOARD OF DIRECTORS OR AN ASSOCIATED BUSINESS OF A MEMBER OF THE BOARD OF DIRECTORS SHALL BE SUBJECT TO THE APPROVAL OF THE FULL BOARD OF DIRECTORS. BEFORE THE CORPORATION AWARDS A CONTRACT OR MAKES A PAYMENT TO A MEMBER OF THE BOARD OF DIRECTORS, THE CHIEF COMPLIANCE OFFICER OF THE CORPORATION SHALL (I) REVIEW THE CONTRACT OR PAYMENT AND ADVISE THE MEMBER OF THE BOARD OF DIRECTORS WHO IS TO BE THE PARTY TO THE CONTRACT OR RECIPIENT OF THE PAYMENT, OR WHOSE ASSOCIATED BUSINESS IS TO BE A PARTY TO THE CONTRACT OR THE RECIPIENT OF THE PAYMENT, AS TO WHETHER THE CONTRACT OR PAYMENT IS APPROPRIATE AND CONSISTENT WITH THE POLICIES OF THE CORPORATION, AND (II) MAKE A RECOMMENDATION TO THE BOARD OF DIRECTORS AS TO WHETHER THE CONTRACT OR PAYMENT SHOULD BE APPROVED OR DISAPPROVED BY THE FULL BOARD OF DIRECTORS.</p> <p>(5) THE FISCAL YEAR OF THE CORPORATION WILL BE THE SAME AS THE FISCAL YEAR OF THE STATE OF MARYLAND UNLESS OTHERWISE APPROVED BY THE BOARD OF PUBLIC WORKS OF THE STATE OF MARYLAND.</p> <p>(6) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL CAUSE ANNUAL AUDITED FINANCIAL STATEMENTS OF THE CORPORATION TO BE PREPARED AND FILED WITH THE GOVERNOR OF THE STATE OF MARYLAND, THE JOINT BUDGET AND AUDIT COMMITTEE OF THE GENERAL ASSEMBLY, AND THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AS SOON AS PRACTICABLE FOLLOWING THE CLOSE OF ITS FISCAL YEAR.</p> <p>(7) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL PREPARE AN ANNUAL REPORT DESCRIBING OPERATIONS OF THE CORPORATION IN THE IMMEDIATELY PRECEDING FISCAL YEAR, WHICH SHALL BE DELIVERED TO THE GOVERNOR OF THE STATE OF MARYLAND, THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND, AND, SUBJECT TO SECTION 2-1246 OF THE STATE GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE GENERAL ASSEMBLY OF THE STATE OF MARYLAND AS SOON AS PRACTICABLE FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. THE REPORT SHALL INCLUDE INFORMATION ABOUT THE AMOUNT OF UNCOMPENSATED CARE PROVIDED, THE NUMBER OF AMBULATORY CARE VISITS, THE NUMBER OF MEDICAID (AKA MEDICAL ASSISTANCE) PATIENT VISITS, THE NUMBER OF PATIENT VISITS BY SUBDIVISION DURING THE YEAR, AND ANY OTHER INFORMATION RELEVANT TO SECTION §13-303 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND.</p> <p>(8) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL COORDINATE WITH UNIVERSITY OF MARYLAND FUNDRAISING EFFORTS, ALL CORPORATION CAMPAIGNS AND SOLICITATIONS FOR PRIVATE GIFTS, AND PROPOSALS FOR PRIVATE OR FEDERAL GRANTS. REQUESTS TO THE GENERAL ASSEMBLY OF THE STATE OF MARYLAND FOR GRANTS FROM THE STATE OF MARYLAND FOR THE CORPORATION SHALL BE SUBMITTED ONLY WITH THE APPROVAL OF THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND.</p> <p>(9) THE BOARD OF DIRECTORS OF THE CORPORATION SHALL ESTABLISH A NONPROFIT FOR THE PURPOSE OF OPERATING ALL OR PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER, TO THE EXTENT APPROVED BY THE UNIVERSITY OF MARYLAND IN THE ANNUAL CONTRACT THAT SHALL (I) HAVE ALL POWERS AVAILABLE UNDER THE LAWS GOVERNING THE FORMATION OF THE SUBSIDIARY; AND (II) BE FORMED IN A MANNER SO THAT THE SUBSIDIARY, FOR THE PURPOSES OF MEETING THE JURISDICTIONAL REQUIREMENTS OF THE NATIONAL LABOR RELATIONS BOARD (A) DOES NOT CONSTITUTE A DEPARTMENT OR ADMINISTRATIVE ARM OF THE STATE OF MARYLAND OR ANY AGENCY, POLITICAL SUBDIVISION, PUBLIC BODY, PUBLIC CORPORATION, OR MUNICIPAL CORPORATION; AND (B) IS NOT ADMINISTERED BY INDIVIDUALS WHO ARE RESPONSIBLE TO PUBLIC OFFICIALS OR TO THE GENERAL ELECTORATE.</p> <p>(10) THE BOARD OF DIRECTORS SHALL ENSURE THAT THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM SHALL CONTINUE TO MAKE AVAILABLE MEDICAL SERVICES TO RESIDENTS OF VARIOUS STATE OF MARYLAND INSTITUTIONS WHOSE RESIDENTS PRIOR TO THE CREATION OF THE CORPORATION WERE SERVED BY UNIVERSITY HOSPITAL, INCLUDING STATE OF MARYLAND RESIDENTIAL CENTERS FOR THE INDIVIDUALS WITH AN INTELLECTUAL DISABILITY, STATE OF MARYLAND MENTAL HYGIENE FACILITIES AND FACILITIES RUN BY THE STATE DIVISION OF CORRECTION, AS LONG AS THE ADMINISTRATORS OF THOSE INSTITUTIONS CONTINUE TO SEEK CARE FROM THE CORPORATION FOR THEIR RESIDENTS IN ACCORDANCE WITH POLICIES AND LEGISLATIVE INTENT INCORPORATED IN THE STATE OF MARYLAND BUDGET. THE CORPORATION IS TO BE COMPENSATED BY THE INSTITUTIONS OR OTHER PAYORS FOR THIS CARE IN ACCORDANCE WITH POLICIES OF THE STATE HEALTH SERVICES COST REVIEW COMMISSION OR OTHER RELEVANT AUTHORITY.</p> <p>(11) THE BOARD OF DIRECTORS OF THE CORPORATION MAY ADOPT AND AMEND BYLAWS.</p> <p>(12) THE BOARD OF DIRECTORS SHALL DETERMINE THE TIME AND PLACE OF ITS MEETINGS AND MAY ADOPT RULES FOR THE CONDUCT OF ITS MEETINGS.</p> <p>(13) ELEVEN VOTING DIRECTORS CONSTITUTE A QUORUM FOR TRANSACTING BUSINESS AT ANY MEETING, AND ACTION BY A MAJORITY OF VOTING DIRECTORS PRESENT AT A MEETING SHALL BE THE ACT OF THE BOARD OF DIRECTORS UNLESS THIS CHARTER OR THE BYLAWS REQUIRE A GREATER NUMBER.</p> <p>(14) EACH YEAR, THE BOARD OF DIRECTORS SHALL ELECT FROM AMONG ITS MEMBERS A CHAIRMAN AND ANY OTHER OFFICER IT REQUIRES. THE BOARD OF DIRECTORS SHALL ELECT A CHIEF EXECUTIVE OFFICER WHO SHALL ALSO BE APPOINTED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AS VICE PRESIDENT OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, AND WHO SHALL BEGIN SERVICE IN THIS</p>

Return Reference - Identifier	Explanation
	<p>JOINT OFFICE AFTER THE APPOINTMENT IS APPROVED BY BOTH BOARDS, AND A CHIEF COMPLIANCE OFFICER WHO SHALL NOT BE THE CHIEF EXECUTIVE OFFICER. THE CHIEF EXECUTIVE OFFICER AND THE CHIEF COMPLIANCE OFFICER EACH SHALL SERVE AT THE PLEASURE OF THE BOARD OF DIRECTORS. IN THE EVENT OF A VACANCY OF THE CHIEF EXECUTIVE OFFICER, NOMINEES WILL BE SELECTED BY A PROCESS TO BE DETERMINED JOINTLY BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE BOARD OF DIRECTORS OF THE CORPORATION. THE CHIEF EXECUTIVE OFFICER AND THE CHIEF COMPLIANCE OFFICER SHALL HAVE THE DUTIES, POWERS AND RESPONSIBILITIES PROVIDED IN THIS CHARTER AND IN SUBTITLE 3 OF TITLE 13 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND ANY OTHER DUTIES, POWERS AND RESPONSIBILITIES AS MAY BE PROVIDED IN THE BYLAWS.</p> <p>(15) THE CHAIRMAN OF THE BOARD OF DIRECTORS SHALL APPOINT REPRESENTATIVES FROM THE COMMUNITY NATURALLY SERVED BY THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM HAVING INTEREST IN THE SERVICES OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM TO THREE YEAR TERMS AS MEMBERS OF A COMMUNITY ADVISORY COUNCIL. THE BOARD OF DIRECTORS OF THE CORPORATION SHALL DESIGNATE AT LEAST ONE OF ITS MEMBERS TO MEET WITH THE COMMUNITY ADVISORY COUNCIL AND ADVISE THE COMMUNITY ADVISORY COUNCIL OF MATTERS OF POTENTIAL INTEREST. RECOMMENDATIONS OF THIS COMMUNITY ADVISORY COUNCIL CONCERNING SERVICES OFFERED BY THE CORPORATION AND ITS COMMUNITY RELATIONSHIPS SHALL BE CONSIDERED BY THE BOARD OF DIRECTORS OF THE CORPORATION.</p> <p>(16) PRIOR TO THE FIRST DAY OF EACH FISCAL YEAR, THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE BOARD OF DIRECTORS OF THE CORPORATION SHALL APPROVE AN ANNUAL CONTRACT WHICH SHALL STATE ALL FINANCIAL OBLIGATIONS, EXCHANGES OF SERVICES, AND ANY OTHER AGREED RELATIONSHIPS BETWEEN THE UNIVERSITY OF MARYLAND BALTIMORE AND THE CORPORATION FOR THE ENSUING FISCAL YEAR. THE ANNUAL CONTRACT SHALL IDENTIFY ALL SERVICES TO BE PROVIDED AND THE AGREED COST OF SUCH SERVICES. THE ANNUAL CONTRACT WILL BE DEVELOPED BY THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION, THE DEAN OF THE SCHOOL OF MEDICINE OF THE UNIVERSITY OF MARYLAND, AND OTHER UNIVERSITY OF MARYLAND OFFICIALS AS DETERMINED BY THE PRESIDENT OF THE UNIVERSITY OF MARYLAND AT, BALTIMORE CITY.</p>

Return Reference - Identifier	Explanation
<p>FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS (CONTINUED)</p>	<p>THE ANNUAL CONTRACT SHALL BE SUBMITTED TO THE PRESIDENT OF THE UNIVERSITY OF MARYLAND BALTIMORE AND, UPON THE RECOMMENDATION OF THE PRESIDENT, TO THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND FOR CONSIDERATION, MODIFICATION, AND, APPROVAL. THE BOARD OF DIRECTORS OF THE CORPORATION AND THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND MAY ESTABLISH PROCEDURES FOR THE APPROVAL OF THE ANNUAL CONTRACT. IF THE UNIVERSITY OF MARYLAND AND THE CORPORATION DO NOT ENTER INTO AN ANNUAL CONTRACT FOR ANY FISCAL YEAR, THE ANNUAL CONTRACT FOR THE PREVIOUS YEAR SHALL REMAIN IN FORCE UNTIL ANOTHER ANNUAL CONTRACT IS APPROVED.</p> <p>(17) NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTABLE TO, ITS MEMBERS, DIRECTORS, OFFICERS, OR OTHER PRIVATE PERSONS, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES SET FORTH IN ARTICLE SECOND HEREOF. NO SUBSTANTIAL PART OF THE ACTIVITIES OF THE CORPORATION SHALL BE THE CARRYING ON OF PROPAGANDA, OR OTHERWISE ATTEMPTING, TO INFLUENCE LEGISLATION, AND THE CORPORATION SHALL NOT PARTICIPATE IN, OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTION OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF OR IN OPPOSITION TO ANY CANDIDATE FOR PUBLIC OFFICE. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CHARTER, THE CORPORATION SHALL NOT CARRY ON ANY OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON (A) BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE) OR (B) BY A CORPORATION, CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTIONS 170(C)(2), 2055(A)(2) AND 2522(A)(2) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>(18) THE CORPORATION SHALL INDEMNIFY (A) ITS DIRECTORS TO THE FULLEST EXTENT PERMITTED BY THE GENERAL LAWS OF THE STATE OF MARYLAND NOW OR HEREAFTER IN FORCE, INCLUDING THE ADVANCE OF EXPENSES UNDER THE PROCEDURES PROVIDED BY SUCH LAWS; (B) ITS OFFICERS TO THE SAME EXTENT IT SHALL INDEMNIFY ITS DIRECTORS; AND (C) ITS OFFICERS WHO ARE NOT DIRECTORS TO SUCH FURTHER EXTENT AS SHALL BE AUTHORIZED BY THE BOARD OF DIRECTORS AND BE CONSISTENT WITH LAW; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT LIMIT THE AUTHORITY OF THE CORPORATION TO INDEMNIFY OTHER EMPLOYEES AND AGENTS CONSISTENT WITH LAW AND THAT INDEMNIFICATION SHALL ONLY BE TO THE EXTENT PERMITTED TO BE CARRIED ON BY ORGANIZATIONS WHICH ARE EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE) AND CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTIONS 170(C)(2), 2055(A)(2) AND 2522(A)(2) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>(19) DURING ANY FISCAL YEAR OF THE CORPORATION THAT IT IS DETERMINED TO BE A PRIVATE FOUNDATION AS DEFINED IN SECTION 509(A) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE):</p> <p>A. THE CORPORATION SHALL DISTRIBUTE ITS INCOME FOR SUCH TAXABLE YEAR AT SUCH TIME AND IN SUCH MANNER AS NOT TO BECOME SUBJECT TO THE TAX ON UNDISTRIBUTED INCOME IMPOSED BY SECTION 4942 OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>B. THE CORPORATION SHALL NOT ENGAGE IN ANY ACT OF SELF-DEALING AS DEFINED IN SECTION 4941(D) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>C. THE CORPORATION SHALL NOT RETAIN ANY EXCESS BUSINESS HOLDINGS AS DEFINED IN SECTION 4943(C) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>D. THE CORPORATION SHALL NOT MAKE ANY INVESTMENTS IN SUCH MANNER AS TO SUBJECT IT TO TAX UNDER SECTION 4944 OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>E. THE CORPORATION SHALL NOT MAKE ANY TAXABLE EXPENDITURES AS DEFINED IN SECTION 4945(D) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE).</p> <p>(20) THE BOARD OF DIRECTORS SHALL ENSURE THAT THE CORPORATION CONTINUES TO BE A PRIVATE, NONPROFIT, NONSTOCK CORPORATION THAT IS INDEPENDENT FROM ANY AGENCY OF THE GOVERNMENT OF THE STATE OF MARYLAND.</p> <p>(21) THE ENUMERATION AND DEFINITION OF PARTICULAR POWERS OF THE BOARD OF DIRECTORS INCLUDED IN THIS CHARTER SHALL IN NO WAY BE LIMITED OR RESTRICTED BY REFERENCE TO OR INFERENCE FROM THE TERMS OF ANY OTHER CLAUSE OF THIS OR ANY OTHER ARTICLE OF THE CHARTER OF THE CORPORATION, OR CONSTRUED AS OR DEEMED BY INFERENCE OR OTHERWISE IN ANY MANNER TO EXCLUDE OR LIMIT ANY POWERS CONFERRED UPON THE BOARD OF DIRECTORS UNDER THE GENERAL LAWS OF THE STATE OF MARYLAND NOW OR HEREAFTER IN FORCE, EXCEPT TO THE EXTENT (I) THAT THE GENERAL LAWS OF THE STATE OF MARYLAND PERMIT ACTIVITIES WHICH ARE NOT PERMITTED UNDER FEDERAL LAW FOR ANY ORGANIZATION WHICH IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS OF ANY FUTURE FEDERAL TAX CODE) AND CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTIONS 170(C)(2), 2055(A)(2) AND 2522 (A)(2) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISIONS UNDER ANY FUTURE FEDERAL TAX CODE) OR (II) PROVIDED IN PARAGRAPH (17) OF ARTICLE NINTH.</p> <p>TENTH: IN ACCORDANCE WITH SECTION 13-311 OF THE EDUCATION ARTICLE OF THE MARYLAND CODE, THE CORPORATION AND ITS CORPORATE EXISTENCE SHALL CONTINUE UNTIL TERMINATED IN ACCORDANCE WITH LAW; PROVIDED, HOWEVER, THAT NO SUCH LAW OR TERMINATION SHALL TAKE EFFECT SO LONG AS THE CORPORATION SHALL HAVE BONDS, NOTES, OR OTHER OBLIGATIONS OUTSTANDING, UNLESS ADEQUATE PROVISION HAS BEEN MADE FOR THE PAYMENT THEREOF. UPON TERMINATION OF THE EXISTENCE OF THE CORPORATION, ALL ITS RIGHTS AND PROPERTIES SHALL PASS TO AND BE VESTED IN THE STATE OF MARYLAND, BUT SUBJECT IN ALL CASES TO ANY MORTGAGES, LIENS, OR OTHER ENCUMBRANCES OR ANY OTHER RIGHTS OR INTERESTS OF CREDITORS OF THE CORPORATION OR OTHER THIRD PARTIES. THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE BOARD OF PUBLIC WORKS OF THE STATE OF MARYLAND MAY DETERMINE THAT THE CORPORATION HAS FAILED TO REALIZE THE PURPOSES SET FORTH IN SUBTITLE 3, TITLE 13 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF</p>

Return Reference - Identifier	Explanation
	<p>MARYLAND; IN THE EVENT OF SUCH A DETERMINATION, THE BOARD OF DIRECTORS OF THE CORPORATION .SHALL BE REQUIRED TO UNDERTAKE APPROPRIATE LEGAL PROCEEDINGS TO RETURN ALL ASSETS OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM THEN HELD BY THE CORPORATION TO THE STATE OF MARYLAND, BUT ONLY IF ADEQUATE PROVISION HAS BEEN MADE FOR THE PAYMENT OF ANY OUTSTANDING BONDS, NOTES, OR OTHER OBLIGATIONS OF THE CORPORATION.</p> <p>SIGNIFICANT CHANGES TO THE ORGANIZATION'S BYLAWS:</p> <p>SECTION 2.02. NUMBER OF DIRECTORS. THE CORPORATION SHALL HAVE SIX NONVOTING AND NOT LESS THAN 22 AND NOT MORE THAN 28 VOTING DIRECTORS; PROVIDED, HOWEVER, THAT THE GOVERNOR ALSO MAY APPOINT AN ADDITIONAL VOTING MEMBER WHO IS A REPRESENTATIVE FROM EACH HOSPITAL THAT AFFILIATES WITH THE CORPORATION ON OR AFTER JUNE 1, 2019.</p> <p>SECTION 2.03. QUALIFICATION AND TENURE OF DIRECTORS. EACH DIRECTOR OF THE CORPORATION SHALL SATISFY THE QUALIFICATIONS CONTAINED IN THE CHARTER OF THE CORPORATION. EACH VOTING DIRECTOR WHO DOES NOT SERVE EX-OFFICIO SHALL BE APPOINTED IN ONE OF THE FOLLOWING WAYS: (I) BY THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE OF THE STATE OF MARYLAND, (II) INITIALLY BY THE GOVERNOR, IF SUCH VOTING DIRECTOR IS A REPRESENTATIVE FROM AN AFFILIATE HOSPITAL THAT FIRST AFFILIATES WITH THE CORPORATION ON OR AFTER JUNE 1, 2019, AND THEREAFTER BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE OF THE STATE OF MARYLAND; (III) BY THE GOVERNOR UNDER SECTION 13-304(C)(4) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND; (IV) BY THE PRESIDENT OF THE SENATE IF SUCH DIRECTOR IS TO BE APPOINTED UNDER SECTION 13-304(C)(5)(I) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND; OR (V) BY THE SPEAKER OF THE HOUSE OF DELEGATES IF SUCH DIRECTOR IS TO BE APPOINTED UNDER SECTION 13-304(C)(5)(II) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND. EACH DIRECTOR SHALL SERVE FOR A TERM OF FIVE YEARS, BEGINNING ON THE FIRST MONDAY IN JUNE OF THE YEAR OF APPOINTMENT. AT THE END OF A TERM, A VOTING DIRECTOR CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES. A VOTING DIRECTOR APPOINTED TO FILL A VACANCY IN AN UNEXPIRED TERM SHALL SERVE ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES. A VOTING DIRECTOR MAY BE REAPPOINTED BUT MAY NOT SERVE MORE THAN TWO CONSECUTIVE FIVE-YEAR TERMS.</p>

Return Reference - Identifier	Explanation
<p>FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS (CONTINUED)</p>	<p>SECTION 2.04. NONVOTING DIRECTORS. THE NONVOTING DIRECTORS OF THE CORPORATION SHALL BE, EX-OFFICIO, THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, THE PRESIDENT OF THE UNIVERSITY OF MARYLAND, BALTIMORE, THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION, THE DEAN OF THE SCHOOL OF MEDICINE OF THE UNIVERSITY OF MARYLAND, THE PRESIDENT OF THE MEDICAL STAFF ORGANIZATION OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER (FORMERLY AND STATUTORILY REFERRED TO AS THE PRESIDENT OF THE MEDICAL STAFF ORGANIZATION OF THE MEDICAL SYSTEM) AND THE CHIEF NURSING OFFICER OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER (FORMERLY AND STATUTORILY REFERRED TO AS THE ASSOCIATE DIRECTOR OF NURSING SERVICES FOR THE MEDICAL SYSTEM). NONVOTING DIRECTORS SHALL BE ENTITLED TO NOTICE OF AND TO ATTEND ALL MEETINGS OF THE BOARD OF DIRECTORS, BUT SHALL NOT BE ENTITLED TO VOTE ON ANY MATTER PRESENTED TO THE BOARD OF DIRECTORS. NONVOTING DIRECTORS MAY SERVE ON COMMITTEES OF THE BOARD OF DIRECTORS.</p> <p>SECTION 2.05. REMOVAL OR RESIGNATION OF DIRECTOR. A DIRECTOR MAY BE REMOVED WITH OR WITHOUT CAUSE UPON THE AFFIRMATIVE VOTE OF TWO-THIRDS OF THE DIRECTORS PRESENT. UPON RECOMMENDATION OF THE BOARD OF DIRECTORS, THE GOVERNOR, THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE OF DELEGATES, AS TO HIS OR HER RESPECTIVE APPOINTEE, MAY REMOVE ANY VOTING DIRECTOR NOT SERVING EX-OFFICIO THAT PREVIOUSLY WAS APPOINTED BY THE GOVERNOR, THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE OF DELEGATES, RESPECTIVELY. IF ANY MEMBER OF THE BOARD OF DIRECTORS HAS BENEFITED FROM A SOLE SOURCE PROCUREMENT IN VIOLATION OF APPLICABLE LAW OR THE GOVERNOR DETERMINES THAT A MEMBER OF THE BOARD OF DIRECTORS HAS WILLFULLY FILED A FALSE STATEMENT WITH THE STATE HEALTH SERVICES COST REVIEW COMMISSION ON HIS OR HER FINANCIAL INTEREST DISCLOSURE REQUIRED BY SECTION 13-304(L)(1)(I) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE GOVERNOR SHALL REMOVE SUCH MEMBER FROM THE BOARD OF DIRECTORS. ANY DIRECTOR MAY RESIGN AT ANY TIME. SUCH RESIGNATION SHALL BE MADE IN WRITING AND SHALL TAKE EFFECT AT THE TIME SPECIFIED THEREIN, OR IF NO TIME BE SPECIFIED, AT THE TIME OF ITS RECEIPT BY THE CHAIR OF THE BOARD OR THE SECRETARY. THE ACCEPTANCE OF A RESIGNATION SHALL NOT BE NECESSARY TO MAKE IT EFFECTIVE.</p> <p>SECTION 2.09. ACTION BY DIRECTORS. UNLESS A GREATER PROPORTION IS OTHERWISE SPECIFICALLY REQUIRED IN THESE BYLAWS, BY STATUTE OR BY THE CHARTER, THE ACTION OF A MAJORITY OF THE VOTING DIRECTORS PRESENT AT A MEETING AT WHICH A QUORUM IS PRESENT IS ACTION OF THE BOARD OF DIRECTORS. A MAJORITY OF THE VOTING DIRECTORS SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT ANY MEETING. A DESIGNEE OF A BOARD MEMBER MAY NOT ATTEND A BOARD MEETING ON BEHALF OF THE BOARD MEMBER. IN THE ABSENCE OF A QUORUM, THE VOTING DIRECTORS PRESENT BY MAJORITY VOTE AND WITHOUT NOTICE OTHER THAN BY ANNOUNCEMENT MAY ADJOURN THE MEETING FROM TIME TO TIME UNTIL A QUORUM SHALL ATTEND. AT ANY SUCH RECONVENED MEETING AT WHICH A QUORUM SHALL BE PRESENT, ANY BUSINESS MAY BE TRANSACTED WHICH MIGHT HAVE BEEN TRANSACTED AT THE MEETING AS ORIGINALLY NOTIFIED. ANY ACTION REQUIRED OR PERMITTED TO BE TAKEN AT A MEETING OF THE BOARD OF DIRECTORS MAY BE TAKEN WITHOUT A MEETING, IF A UNANIMOUS WRITTEN CONSENT WHICH SETS FORTH THE ACTION IS SIGNED BY EACH VOTING MEMBER OF THE BOARD AND FILED WITH THE MINUTES OF PROCEEDINGS OF THE BOARD.</p> <p>SECTION 2.12. NOMINATIONS FOR VOTING DIRECTOR. EXCEPT WITH RESPECT TO THE MEMBERS OF THE BOARD OF DIRECTORS TO BE APPOINTED BY THE GOVERNOR UNDER SECTION 13-304(C)(4) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, BY THE PRESIDENT OF THE SENATE UNDER SECTION 13-304(C)(5)(I) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES UNDER SECTION 13-304(C)(5)(II) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, BY THE GOVERNOR UPON NOMINATION OF THE COMMUNITY ADVISORY COUNCIL UNDER SECTION 13-304(C)(6) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND INITIALLY BY THE GOVERNOR UNDER SECTION 13-304(B)(3) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE BOARD OF DIRECTORS ANNUALLY SHALL NOMINATE PERSONS TO FILL VACANCIES CREATED BY (I) THE EXPIRATION OF THE TERM OF EACH VOTING DIRECTOR WHOSE TERM IS TO EXPIRE WITHIN ONE YEAR AND (II) THE RESIGNATION, REMOVAL, INCAPACITATION OR DEATH OF A VOTING DIRECTOR. TO THE EXTENT PERMITTED BY STATUTE AND THE CHARTER OF THE CORPORATION, A PERSON MAY BE NOMINATED TO FILL A VACANCY CREATED BY THE EXPIRATION OF HIS OR HER OWN TERM AS A VOTING DIRECTOR, EXCEPT THAT NO PERSON MAY SERVE MORE THAN TWO CONSECUTIVE FULL FIVE-YEAR TERMS AS A MEMBER OF THE BOARD OF DIRECTORS REGARDLESS OF THE BASIS UPON WHICH SUCH MEMBER OF THE BOARD OF DIRECTORS WAS APPOINTED. TO THE EXTENT A NOMINATION IS TO BE MADE BY THE MEMBERS OF THE BOARD OF DIRECTORS, THE GOVERNANCE AND NOMINATING COMMITTEE SHALL RECOMMEND SUCH NOMINEES TO THE FULL BOARD OF DIRECTORS AND THE NAMES OF THOSE NOMINEES APPROVED BY THE BOARD SHALL BE SUBMITTED TO THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND FOR COMMENT AND TO THE GOVERNOR OF THE STATE OF MARYLAND FOR CONSIDERATION.</p> <p>SECTION 2.13. CONFLICT OF INTEREST POLICY. THE BOARD OF DIRECTORS SHALL ADOPT A CONFLICT OF INTEREST POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS THAT INCLUDES:</p> <ul style="list-style-type: none"> (A) STANDARDS FOR THE DISCLOSURE OF FINANCIAL INTERESTS; (B) STANDARD FOR MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATION IN CONTRACTS WITH THE CORPORATION IN ACCORDANCE WITH §13-303 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, INCLUDING AN ATTESTATION THAT THE MEMBER OF THE BOARD OF DIRECTORS HAS COMPLIED WITH THE CONFLICT OF INTEREST STANDARDS ADOPTED BY THE BOARD OF DIRECTORS; (C) STANDARDS FOR RECUSAL FROM VOTING; (D) A REQUIREMENT THAT A BOARD MEMBER MAY NOT USE THE BOARD MEMBER'S POSITION ON THE BOARD OF DIRECTORS FOR PERSONAL GAIN WHEN CONTRACTING WITH THE CORPORATION; AND (E) A REQUIREMENT THAT A BOARD MEMBER PROVIDE AN ATTESTATION OF ANY BUSINESS RELATIONSHIP WITH THE CORPORATION OR ANY AFFILIATE OF THE CORPORATION. THE BOARD OF DIRECTORS SHALL SEND A COPY OF THE CONFLICT OF INTEREST POLICY ADOPTED UNDER THIS SECTION 2.13 TO THE GOVERNOR OF THE STATE OF MARYLAND, THE PRESIDENT OF THE SENATE,

Return Reference - Identifier	Explanation
	<p>AND THE SPEAKER OF THE HOUSE OF DELEGATES (I) AFTER THE POLICY IS INITIALLY ADOPTED AND (II) EACH TIME A CHANGE IS MADE TO THE POLICY.</p> <p>SECTION 2.14. ANNUAL DIRECTOR DISCLOSURE. IN ADDITION TO ANY OTHER FILINGS REQUIRED BY APPLICABLE LAW, IN ACCORDANCE WITH § 13-304(L)(1)(I) OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF MARYLAND, EACH DIRECTOR SHALL ANNUALLY SUBMIT A DISCLOSURE OF FINANCIAL INTEREST, INCLUDING ANY POTENTIAL OR CURRENT CONFLICTS OF INTEREST (AS DEFINED IN THE CONFLICT OF INTEREST POLICY ADOPTED IN ACCORDANCE WITH SECTION 2.13), TO THE STATE OF MARYLAND HEALTH SERVICES COST REVIEW COMMISSION. ALL NEWLY APPOINTED DIRECTORS SHALL SUBMIT A DISCLOSURE OF FINANCIAL INTEREST WITHIN 60 DAYS AFTER SUCH DIRECTOR'S APPOINTMENT TO THE BOARD OF DIRECTORS. IF THE GOVERNOR DETERMINES THAT A DIRECTOR HAS WILLFULLY FILED A FALSE DISCLOSURE OF FINANCIAL INTEREST, THE GOVERNOR SHALL REMOVE SUCH DIRECTOR FROM THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS AND THE COMPLIANCE OFFICER SHALL REVIEW EACH SUCH STATEMENT SUBMITTED HEREUNDER FOR COMPLIANCE WITH THE BOARD OF DIRECTORS' CONFLICT OF INTEREST POLICY ADOPTED IN ACCORDANCE WITH SECTION 2.13.</p> <p>SECTION 2.15. CONTRACT AND PAYMENT POLICY. THE BOARD OF DIRECTORS SHALL DEVELOP A POLICY GOVERNING CONTRACTS WITH AND PAYMENTS TO A MEMBER OF THE BOARD OF DIRECTORS OR MEMBERS OF THE BOARD OF DIRECTORS OF HOSPITALS AFFILIATED WITH THE CORPORATION BY: (I) THE CORPORATION OR (II) THE AFFILIATED HOSPITAL. ON OR BEFORE DECEMBER 1ST OF EACH YEAR, THE BOARD OF DIRECTORS SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §2-1257 OF THE STATE GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE, THE JOINT AUDIT COMMITTEE, THE SENATE FINANCE COMMITTEE, AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON: (A) THE POLICY ADOPTED UNDER THIS SECTION 2.15 AND (B) HOW THE BOARD OF DIRECTORS HAS ENSURED COMPLIANCE WITH THE POLICY BY THE AFFILIATED HOSPITALS AND THE MEMBERS OF THE BOARD OF DIRECTORS OF THE AFFILIATED HOSPITALS.</p>

Return Reference - Identifier	Explanation
<p>FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS (CONTINUED)</p>	<p>SECTION 3.01. BOARD COMMITTEES. THERE SHALL BE AN EXECUTIVE COMMITTEE, A PATIENT SAFETY AND QUALITY COMMITTEE, AN AUDIT AND A COMPLIANCE COMMITTEE, A DIVERSITY AND INCLUSION COMMITTEE, A FINANCE COMMITTEE, A GOVERNANCE AND NOMINATING COMMITTEE AND SUCH OTHER BOARD COMMITTEES AS THE BOARD OF DIRECTORS MAY APPOINT FROM AMONG ITS MEMBERS FROM TIME TO TIME. ALL BOARD COMMITTEES SHALL BE COMPOSED OF TWO OR MORE VOTING DIRECTORS, AND NONVOTING DIRECTORS ALSO MAY BE APPOINTED TO ANY BOARD COMMITTEE. WHEN SERVING ON A BOARD COMMITTEE, A NONVOTING DIRECTOR SHALL NOT BE ENTITLED TO VOTE ON ANY MATTER PRESENTED TO THE COMMITTEE. A DIRECTOR MAY NOT SERVE AS CHAIR OF A COMMITTEE FOR MORE THAN FIVE (5) CONSECUTIVE YEARS, WITH A BREAK OF AT LEAST ONE YEAR REQUIRED BEFORE THE DIRECTOR IS ELIGIBLE TO SERVE AS CHAIR AGAIN. THE PRESIDENT OF THE CORPORATION SHALL SERVE EX-OFFICIO ON ALL BOARD COMMITTEES AND SHALL BE NONVOTING IN THAT CAPACITY.</p> <p>SECTION 3.02. EXECUTIVE COMMITTEE. (A) MEMBERSHIP. THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE CHAIR OF THE BOARD, THE VICE CHAIR OF THE BOARD, THE CHAIRMEN OF THE FINANCE COMMITTEE, THE CHAIR OF THE PATIENT SAFETY AND QUALITY COMMITTEE, AND AT LEAST THREE VOTING DIRECTORS SELECTED ANNUALLY BY THE CHAIR OF THE BOARD. THE PRESIDENT OF THE UNIVERSITY OF MARYLAND, BALTIMORE, THE DEAN OF THE SCHOOL OF MEDICINE OF THE UNIVERSITY OF MARYLAND, AND THE PRESIDENT OF THE CORPORATION SHALL SERVE EX-OFFICIO AND SHALL BE NONVOTING MEMBERS. THE CHAIR OF THE BOARD MAY APPOINT OTHER EXOFFICIO NONVOTING MEMBERS TO SERVE ON THE EXECUTIVE COMMITTEE. (B) DUTIES. THE EXECUTIVE COMMITTEE IS EMPOWERED, BETWEEN THE MEETINGS OF THE BOARD OF DIRECTORS, TO PERFORM ANY OF THE POWERS OF THE BOARD OF DIRECTORS, EXCEPT THOSE POWERS RESERVED TO THE BOARD OF DIRECTORS BY LAW OR BY RESOLUTION OF THE BOARD. IN ADDITION, THE EXECUTIVE COMMITTEE MAY REVIEW THE COMMITTEES OF THE CORPORATION, AND IS RESPONSIBLE FOR THE ESTABLISHMENT OF EXECUTIVE COMPENSATION. THE PRESIDENT OF THE CORPORATION OR ANY OTHER OFFICER SERVING ON THE EXECUTIVE COMMITTEE SHALL EXCUSE HIMSELF OR HERSELF FROM ANY DELIBERATIONS OF THE EXECUTIVE COMMITTEE RELATING TO AN EVALUATION OF OR COMPENSATION FOR THE PRESIDENT OF THE CORPORATION OR SUCH OFFICER. THE CHAIR OF THE BOARD SHALL REPORT AT THE NEXT REGULAR MEETING OF THE BOARD ALL ACTIONS TAKEN BY THE EXECUTIVE COMMITTEE SINCE THE LAST REGULAR BOARD MEETING.</p> <p>SECTION 3.03. PATIENT SAFETY AND QUALITY COMMITTEE. (A) MEMBERSHIP. THE PATIENT SAFETY AND QUALITY COMMITTEE SHALL CONSIST OF MEMBERS SELECTED BY THE CHAIR OF THE BOARD. THE DEAN OF THE SCHOOL OF MEDICINE OF THE UNIVERSITY OF MARYLAND SHALL SERVE EX-OFFICIO. (B) DUTIES. THE PATIENT SAFETY AND QUALITY COMMITTEE SHALL BE RESPONSIBLE, IN ADDITION TO ANY RESPONSIBILITIES ASSIGNED TO IT BY THE BOARD OF DIRECTORS, FOR OVERSEEING THE PROVISION OF HIGH-QUALITY CARE THROUGHOUT THE MEDICAL SYSTEM. THE COMMITTEE DRIVES CONTINUOUS IMPROVEMENT IN QUALITY, SAFETY, AND PATIENT EXPERIENCE BY DEVELOPING ORGANIZATIONAL GOALS RELATED TO QUALITY, SAFETY, AND PATIENT EXPERIENCE, MONITORING THE PROGRESS OF SENIOR MANAGEMENT AND CLINICAL LEADERS TOWARD ACHIEVING THEM, AND RECOMMENDING ALLOCATION OF RESOURCES THAT PROMOTE PATIENT QUALITY AND SAFETY.</p> <p>SECTION 3.04. AUDIT AND COMPLIANCE COMMITTEE. (A) MEMBERSHIP. THE AUDIT AND COMPLIANCE COMMITTEE SHALL CONSIST OF MEMBERS SELECTED BY THE CHAIR OF THE BOARD. (B) DUTIES. THE AUDIT AND COMPLIANCE COMMITTEE SHALL BE RESPONSIBLE, IN ADDITION TO ANY RESPONSIBILITIES ASSIGNED TO IT BY THE BOARD OF DIRECTORS, FOR OVERSIGHT OF FINANCIAL REPORTING SYSTEMS, INTERNAL CONTROLS, AND INTERNAL AND EXTERNAL AUDIT PROCESSES. THE COMMITTEE SHALL ALSO OVERSEE AND MONITOR THE COMPLIANCE PROGRAM.</p> <p>SECTION 3.05. DIVERSITY AND INCLUSION COMMITTEE. (A) MEMBERSHIP. THE DIVERSITY AND INCLUSION COMMITTEE SHALL CONSIST OF MEMBERS SELECTED BY THE CHAIR OF THE BOARD. (B) DUTIES. THE DIVERSITY AND INCLUSION COMMITTEE SHALL BE RESPONSIBLE, IN ADDITION TO ANY RESPONSIBILITIES ASSIGNED TO IT BY THE BOARD OF DIRECTORS, FOR EVALUATING, FOSTERING, AND ADVANCING THE MEDICAL SYSTEM'S VISION, MISSION, AND CORE VALUES WITH REGARD TO CULTURAL COMPETENCY, DIVERSITY, AND INCLUSION. AS PART OF THESE RESPONSIBILITIES, THE COMMITTEE WILL REVIEW MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE PRACTICES WITHIN THE MEDICAL SYSTEM.</p> <p>SECTION 3.06. FINANCE COMMITTEE. (A) MEMBERSHIP. THE FINANCE COMMITTEE SHALL CONSIST OF MEMBERS SELECTED BY THE CHAIR OF THE BOARD. THE PRESIDENT OF THE UNIVERSITY OF MARYLAND, BALTIMORE SHALL SERVE EX-OFFICIO. (B) DUTIES. THE FINANCE COMMITTEE SHALL BE RESPONSIBLE, IN ADDITION TO ANY RESPONSIBILITIES ASSIGNED TO IT BY THE BOARD OF DIRECTORS, FOR REVIEW AND APPROVAL OF OPERATING AND CAPITAL BUDGETS, REVIEW OF FINANCIAL PLANNING, INCLUDING REIMBURSEMENT POLICIES, AND REVIEW AND APPROVAL OF PROCUREMENT POLICIES.</p> <p>SECTION 3.07. GOVERNANCE AND NOMINATING COMMITTEE. (A) MEMBERSHIP. THE GOVERNANCE AND NOMINATING COMMITTEE SHALL CONSIST OF MEMBERS SELECTED BY THE CHAIR OF THE BOARD. (B) DUTIES. THE GOVERNANCE AND NOMINATING COMMITTEE SHALL BE RESPONSIBLE, IN ADDITION TO ANY RESPONSIBILITIES ASSIGNED TO IT BY THE BOARD OF DIRECTORS, FOR ENSURING THAT THE GOVERNANCE OF THE MEDICAL SYSTEM IS EFFECTIVE, EFFICIENT, AND CONSISTENT WITH LEGAL AND REGULATORY GUIDELINES, INCLUDING OVERSIGHT OF THE BOARD CONFLICTS OF INTEREST POLICY. THE COMMITTEE SHALL ALSO BE RESPONSIBLE FOR THE NOMINATION OF PERSONS TO FILL VACANCIES CREATED BY THE RESIGNATION, REMOVAL, INCAPACITATION, OR DEATH OF A VOTING MEMBER OF THE BOARD OF DIRECTORS.</p> <p>SECTION 4.01. EXECUTIVE OFFICERS. THE BOARD OF DIRECTORS ANNUALLY SHALL ELECT A CHAIR OF THE BOARD AND A VICE CHAIR OF THE BOARD, BOTH OF WHOM SHALL BE DIRECTORS OF THE</p>

Return Reference - Identifier	Explanation
	<p>CORPORATION, A PRESIDENT, WHO SHALL ALSO SERVE AS THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION, A SECRETARY, A TREASURER, AND A COMPLIANCE OFFICER. THE PRESIDENT OF THE CORPORATION MAY BE A VOTING DIRECTOR OF THE CORPORATION AT THE TIME OF ELECTION BUT UPON HIS OR HER ELECTION AS PRESIDENT SHALL RESIGN AS A VOTING DIRECTOR AND THEN SHALL BECOME, EX-OFFICIO, A NONVOTING MEMBER OF THE BOARD OF DIRECTORS. THE CORPORATION ALSO MAY HAVE ONE OR MORE VICE-PRESIDENTS, ONE OR MORE ASSISTANT VICE-PRESIDENTS, ONE OR MORE ASSISTANT SECRETARIES AND ONE OR MORE ASSISTANT TREASURERS. A PERSON MAY HOLD MORE THAN ONE OFFICE IN THE CORPORATION BUT MAY NOT SERVE CONCURRENTLY AS BOTH PRESIDENT OF THE CORPORATION AND VICE-PRESIDENT OF THE CORPORATION, OR AS CHAIR OF THE BOARD AND VICE CHAIR OF THE BOARD, OR AS PRESIDENT, CHAIR OF THE BOARD, VICE CHAIR OF THE BOARD, OR CHIEF EXECUTIVE OFFICER AND AS COMPLIANCE OFFICER OF THE CORPORATION.</p> <p>SECTION 4.02. CHAIR OF THE BOARD. THE CHAIR OF THE BOARD SHALL PRESIDE AT ALL MEETINGS OF THE BOARD OF DIRECTORS AT WHICH HE OR SHE SHALL BE PRESENT. HE OR SHE SHALL HAVE AND MAY EXERCISE SUCH POWERS AS ARE FROM TIME TO TIME ASSIGNED BY THE BOARD OF DIRECTORS. A DIRECTOR MAY NOT SERVE AS CHAIR OF THE BOARD FOR MORE THAN FIVE (5) CONSECUTIVE YEARS.</p> <p>SECTION 4.03. VICE CHAIR OF THE BOARD. IN THE ABSENCE OF THE CHAIR OF THE BOARD, THE VICE CHAIR OF THE BOARD SHALL PRESIDE AT ALL MEETINGS OF THE BOARD OF DIRECTORS AT WHICH HE OR SHE SHALL BE PRESENT. HE OR SHE SHALL HAVE AND EXERCISE SUCH POWERS AS ARE FROM TIME TO TIME ASSIGNED BY THE BOARD OF DIRECTORS.</p> <p>SECTION 4.04. PRESIDENT OF THE CORPORATION AND CHIEF EXECUTIVE OFFICER. IN THE ABSENCE OF THE CHAIR OF THE BOARD AND THE VICE CHAIR OF THE BOARD, THE PRESIDENT OF THE CORPORATION SHALL PRESIDE AT ALL MEETINGS OF THE BOARD OF DIRECTORS AT WHICH HE OR SHE SHALL BE PRESENT; HE OR SHE SHALL HAVE GENERAL CHARGE AND SUPERVISION OF THE ASSETS AND AFFAIRS OF THE CORPORATION; HE OR SHE MAY SIGN AND EXECUTE, IN THE NAME OF THE CORPORATION, ALL AUTHORIZED DEEDS, MORTGAGES, BONDS, CONTRACTS OR OTHER INSTRUMENTS, EXCEPT IN CASES IN WHICH THE SIGNING AND EXECUTION THEREOF SHALL HAVE BEEN EXPRESSLY DELEGATED SOLELY TO SOME OTHER OFFICER OR AGENT OF THE CORPORATION; AND, IN GENERAL, HE OR SHE SHALL PERFORM ALL DUTIES INCIDENT TO THE OFFICE OF CHIEF EXECUTIVE OFFICER AND PRESIDENT OF A CORPORATION, AND SUCH OTHER DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO HIM BY THE BOARD OF DIRECTORS.</p>

Return Reference - Identifier	Explanation
<p>FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS (CONTINUED)</p>	<p>SECTION 4.05. EXECUTIVE VICE PRESIDENTS. THE EXECUTIVE VICE-PRESIDENTS, AT THE REQUEST OF THE PRESIDENT OF THE CORPORATION, OR IN HIS OR HER ABSENCE OR DURING HIS OR HER INABILITY TO ACT, SHALL PERFORM THE DUTIES AND EXERCISE THE FUNCTIONS OF THE PRESIDENT OF THE CORPORATION, AND WHEN SO ACTING SHALL HAVE THE POWERS OF THE PRESIDENT OF THE CORPORATION. IF THERE BE MORE THAN ONE EXECUTIVE VICE PRESIDENT, THE BOARD OF DIRECTORS MAY DETERMINE WHICH ONE OR MORE OF THEM SHALL PERFORM ANY OF SUCH DUTIES OR EXERCISE ANY OF SUCH FUNCTIONS, OR IF SUCH DETERMINATION IS NOT MADE BY THE BOARD OF DIRECTORS, THE PRESIDENT OF THE CORPORATION MAY MAKE SUCH DETERMINATION. THE EXECUTIVE VICE-PRESIDENTS SHALL HAVE SUCH OTHER POWERS AND PERFORM SUCH OTHER DUTIES, AND HAVE SUCH ADDITIONAL DESCRIPTIVE DESIGNATIONS IN THEIR TITLES (IF ANY), AS ARE FROM TIME TO TIME ASSIGNED TO THEM BY THE BOARD OF DIRECTORS OR THE PRESIDENT OF THE CORPORATION.</p> <p>SECTION 4.06. SECRETARY. THE SECRETARY SHALL KEEP THE MINUTES OF THE MEETINGS OF THE BOARD OF DIRECTORS AND OF ANY COMMITTEES IN BOOKS PROVIDED FOR THAT PURPOSE; HE OR SHE SHALL SEE THAT ALL NOTICES ARE DULY GIVEN IN ACCORDANCE WITH THE PROVISIONS OF THE BYLAWS OR AS REQUIRED BY LAW; HE OR SHE SHALL BE CUSTODIAN OF THE RECORDS OF THE CORPORATION; HE OR SHE SHALL WITNESS ALL DOCUMENTS ON BEHALF OF THE CORPORATION, THE EXECUTION OF WHICH IS DULY AUTHORIZED, SEE THAT THE CORPORATE SEAL IS AFFIXED WHERE SUCH DOCUMENT IS REQUIRED OR DESIRED TO BE UNDER ITS SEAL, AND, WHEN SO AFFIXED, MAY ATTEST THE SAME; AND, IN GENERAL, HE OR SHE SHALL PERFORM ALL DUTIES INCIDENT TO THE OFFICE OF A SECRETARY OF A CORPORATION, AND SUCH OTHER DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO HIM OR HER BY THE BOARD OF DIRECTORS OR THE PRESIDENT OF THE CORPORATION.</p> <p>SECTION 4.07. TREASURER. THE TREASURER SHALL HAVE CHARGE OF AND BE RESPONSIBLE FOR ALL FUNDS, SECURITIES, RECEIPTS AND DISBURSEMENTS OF THE CORPORATION, AND SHALL DEPOSIT, OR CAUSE TO BE DEPOSITED, IN THE NAME OF THE CORPORATION, ALL MONEYS OR OTHER VALUABLE EFFECTS IN SUCH BANKS, TRUST COMPANIES OR OTHER DEPOSITORIES AS SHALL, FROM TIME TO TIME, BE SELECTED BY THE BOARD OF DIRECTORS; HE OR SHE SHALL RENDER TO THE PRESIDENT OF THE CORPORATION AND TO THE BOARD OF DIRECTORS, WHENEVER REQUESTED, AN ACCOUNT OF THE FINANCIAL CONDITION OF THE CORPORATION; AND, IN GENERAL, HE OR SHE SHALL PERFORM ALL THE DUTIES INCIDENT TO THE OFFICE OF A TREASURER OF A CORPORATION, AND SUCH OTHER DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO HIM OR HER BY THE BOARD OF DIRECTORS OR THE PRESIDENT OF THE CORPORATION.</p> <p>SECTION 4.08. COMPLIANCE OFFICER. THE COMPLIANCE OFFICER SHALL PERFORM ALL DUTIES INCIDENT TO THE OFFICE OF A COMPLIANCE OFFICER OF A CORPORATION, AND SUCH OTHER DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO HIM OR HER BY THE BOARD OF DIRECTORS OR THE PRESIDENT OF THE CORPORATION. BEFORE THE CORPORATION AWARDS A CONTRACT OR MAKES A PAYMENT TO A MEMBER OF THE BOARD OF DIRECTORS, THE COMPLIANCE OFFICER OF THE CORPORATION SHALL (I) REVIEW THE CONTRACT OR PAYMENT AND ADVISE THE MEMBER OF THE BOARD OF DIRECTORS WHO IS TO BE THE PARTY TO THE CONTRACT OR RECIPIENT OF THE PAYMENT, OR WHOSE ASSOCIATED BUSINESS IS TO BE A PARTY TO THE CONTRACT OR THE RECIPIENT OF THE PAYMENT, AS TO WHETHER THE CONTRACT OR PAYMENT IS CONSISTENT WITH THE POLICIES OF THE CORPORATION, AND (II) MAKE A RECOMMENDATION TO THE BOARD OF DIRECTORS AS TO WHETHER THE CONTRACT OR PAYMENT SHOULD BE APPROVED OR DISAPPROVED BY THE FULL BOARD OF DIRECTORS.</p> <p>SECTION 4.09. ASSISTANT OFFICERS. THE ASSISTANT VICE PRESIDENTS SHALL HAVE SUCH DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO THEM BY THE BOARD OF DIRECTORS OR THE PRESIDENT OF THE CORPORATION. THE ASSISTANT SECRETARIES SHALL HAVE SUCH DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO THEM BY THE BOARD OF DIRECTORS OR THE SECRETARY. THE ASSISTANT TREASURERS SHALL HAVE SUCH DUTIES AS ARE FROM TIME TO TIME ASSIGNED TO THEM BY THE BOARD OF DIRECTORS OR THE TREASURER.</p> <p>SECTION 4.10. SUBORDINATE OFFICERS. THE CORPORATION MAY HAVE SUCH OFFICERS BELOW THE LEVEL OF EXECUTIVE VICE PRESIDENT AS THE PRESIDENT OF THE CORPORATION MAY FROM TIME TO TIME DEEM DESIRABLE. EACH SUCH OFFICER SHALL HOLD OFFICE FOR SUCH PERIOD AND PERFORM SUCH DUTIES AS THE PRESIDENT OF THE CORPORATION MAY PRESCRIBE.</p> <p>SECTION 4.11. COMPENSATION. THE BOARD OF DIRECTORS SHALL HAVE POWER TO FIX THE SALARIES AND OTHER COMPENSATION AND REMUNERATION, OF WHATEVER KIND, OF ALL OFFICERS OF THE CORPORATION. IT MAY AUTHORIZE ANY COMMITTEE OR OFFICER, UPON WHOM THE POWER OF APPOINTING SUBORDINATE OFFICERS MAY HAVE BEEN CONFERRED, TO FIX THE SALARIES, COMPENSATION AND REMUNERATION OF SUCH SUBORDINATE OFFICERS.</p> <p>SECTION 4.12. ELECTION, TENURE AND REMOVAL OF OFFICERS.</p> <p>(A) THE BOARD OF DIRECTORS ANNUALLY SHALL ELECT THE CHAIR OF THE BOARD, VICE CHAIR OF THE BOARD, SECRETARY, TREASURER, AND PRESIDENT OF THE CORPORATION. EACH OF THESE OFFICERS SERVES FOR ONE YEAR AND UNTIL HIS OR HER SUCCESSOR IS ELECTED AND QUALIFIES. THE BOARD OF DIRECTORS MAY FILL A VACANCY THAT OCCURS IN ANY OF THESE OFFICES, EXCEPT THE OFFICE OF PRESIDENT OF THE CORPORATION, FOR THE UNEXPIRED PORTION OF THE TERM. IN THE EVENT OF A VACANCY IN THE OFFICE OF PRESIDENT OF THE CORPORATION, NOMINEES TO FILL THE VACANCY SHALL BE SELECTED BY A PROCESS DETERMINED JOINTLY BY THE BOARD OF DIRECTORS AND THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND.</p> <p>(B) THE BOARD OF DIRECTORS SHALL AUTHORIZE THE CREATION OF ANY EXECUTIVE VICE PRESIDENT POSITION, AND SHALL ELECT ANY EXECUTIVE VICE PRESIDENT WHEN SUCH A POSITION IS VACANT.</p> <p>(C) THE BOARD OF DIRECTORS MAY FROM TIME TO TIME AUTHORIZE ANY COMMITTEE OR OFFICER TO APPOINT SUBORDINATE OFFICERS.</p> <p>(D) IF THE BOARD OF DIRECTORS IN ITS JUDGMENT FINDS THAT THE BEST INTERESTS OF THE CORPORATION WILL BE SERVED, IT MAY REMOVE ANY OFFICER OR AGENT OF THE CORPORATION.</p> <p>(E) ANY OFFICER MAY RESIGN AT ANY TIME UPON WRITTEN NOTICE TO THE CORPORATION.</p>

Return Reference - Identifier	Explanation
	<p>SECTION 7.07. AMENDMENTS. THE BOARD OF DIRECTORS SHALL HAVE THE POWER, AT ANY REGULAR OR SPECIAL MEETING THEREOF, TO MAKE AND ADOPT NEW BYLAWS, OR TO AMEND, ALTER OR REPEAL ANY OF THE BYLAWS OF THE CORPORATION, PROVIDED THAT ANY SUCH NEW BYLAWS OR AMENDMENT, ALTERATION OR REPEAL OF THE BYLAWS OF THE CORPORATION ARE CONSISTENT WITH APPLICABLE LAW AND THE CHARTER OF THE CORPORATION, AND NOTICE OF SUCH ACTION ON THE BYLAWS WAS PROVIDED IN ADVANCE OF THE MEETING. THE GOVERNANCE AND NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS SHALL ESTABLISH AN AD HOC BOARD OR MANAGEMENT COMMITTEE AT LEAST EVERY FIVE YEARS TO REVIEW THE BYLAWS OF THE CORPORATION AT LEAST EVERY THREE YEARS, AND TO SHALL RECOMMEND TO THE BOARD OF DIRECTORS ANY APPROPRIATE REVISIONS OR AMENDMENTS.</p>
<p>FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY</p>	<p>THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM ("UMMS") PREPARES THE IRS FORM 990 FOR UMMS AND ITS AFFILIATES. INFORMATION NEEDED TO COMPLETE THE RETURN IS GATHERED BY ACCOUNTING PERSONNEL IN THE FINANCE SHARED SERVICES DEPARTMENT UNDER THE SUPERVISION OF THE UMMS TAX DIRECTOR. DRAFT RETURNS ARE PREPARED USING IRS-APPROVED TAX SOFTWARE.</p> <p>ONCE A DRAFT RETURN IS PREPARED, IT UNDERGOES MULTIPLE LEVELS OF REVIEW BOTH INTERNALLY BY UMMS TAX & FINANCE PERSONNEL, AND EXTERNALLY BY ERNST & YOUNG LLP. FOLLOWING ANY NECESSARY CHANGES TO THE RETURN, A FINAL DRAFT IS REVIEWED BY EACH AFFILIATE'S VICE PRESIDENT OF FINANCE AND/OR CFO.</p> <p>PRIOR TO FILING THE IRS FORM 990, THE ORGANIZATION'S BOARD CHAIRMAN, TREASURER, GOVERNANCE COMMITTEE CHAIRMAN, FINANCE COMMITTEE CHAIRMAN OR OTHER MEMBER OF THE BOARD WITH SIMILAR AUTHORITY WILL REVIEW THE IRS FORM 990. ALL BOARD MEMBERS ARE PROVIDED WITH A COPY OF THE FINAL IRS FORM 990 BEFORE FILING.</p>

Return Reference - Identifier	Explanation
<p>FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY</p>	<p>THE ORGANIZATION REQUIRES THAT ALL COVERED PERSONS DISCLOSE CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST BETWEEN THEIR PERSONAL INTERESTS AND THE INTERESTS OF THE ORGANIZATION, OR ANY ENTITY CONTROLLED BY OR OWNED IN SUBSTANTIAL PART BY THE ORGANIZATION. COVERED PERSONS MEANS ANY MEMBER OF THE ORGANIZATION'S BOARD OF DIRECTORS, A MEMBER OF A COMMITTEE OF THE BOARD, AN OFFICER, OR AN EMPLOYEE OF ORGANIZATION (INCLUDING SUBSIDIARIES) AT THE VP LEVEL OR ABOVE.</p> <p>THE GOVERNANCE COMMITTEE OF THE BOARD IS RESPONSIBLE FOR ADMINISTERING AND ENFORCING THE CONFLICTS OF INTEREST POLICY (POLICY). THE CHAIR OF THE GOVERNANCE COMMITTEE, HAVING REVIEWED ANY AND ALL CONFLICTS WITH THE COMMITTEE, SHALL REPORT ANNUALLY TO THE FULL BOARD ON THE ADMINISTRATION, INFRACTIONS, AND ENFORCEMENT OF THE POLICY AND SHALL REPORT AT THE EARLIEST OPPORTUNITY ALL MATTERS OF CONCERN TO THE FULL BOARD IN EXECUTIVE SESSION WHILE INTERESTED PARTIES ARE RECUSED.</p> <p>THE ORGANIZATION'S COMPLIANCE OFFICER IS THE RESPONSIBLE ADMINISTRATIVE AUTHORITY TO ASSIST THE BOARD IN ADMINISTERING AND ENFORCING THE CONFLICTS OF INTEREST POLICY AND BRINGING CONCERNS TO THE GOVERNANCE COMMITTEE. A QUESTIONNAIRE WHICH DISCLOSES POTENTIAL CONFLICTS OF INTEREST IS DISTRIBUTED ANNUALLY TO COVERED PERSONS. THE CHIEF COMPLIANCE OFFICER OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION (UMMS) DISTRIBUTES AND COLLECTS THE RESPONSES FOR UMMS AND OTHER AFFILIATES.</p> <p>THE CHIEF COMPLIANCE OFFICER REVIEWS ALL DISCLOSURE STATEMENTS FOR COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY AND ANY/ALL RELATED UMMS POLICIES TO IDENTIFY ALL ACTUAL OR POTENTIAL CONFLICTS OF INTEREST. THE CHIEF COMPLIANCE OFFICER PREPARES AND SUBMITS TO THE GOVERNANCE COMMITTEE ANNUAL AND UPDATED (WHERE APPLICABLE) REPORTS SUMMARIZING ALL RELEVANT INFORMATION CONTAINED IN THE DISCLOSURE STATEMENTS. WITH RESPECT TO THE OTHER ENTITIES IN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM, THE CHIEF COMPLIANCE OFFICER MAY BE CALLED FOR CONSULT.</p> <p>IF THE GOVERNANCE COMMITTEE DETERMINES THAT A CONFLICT OF INTEREST EXISTS, THE GOVERNANCE COMMITTEE SHALL NOTIFY THE COVERED PERSON, THE UMMS CHIEF EXECUTIVE OFFICER, AND THE UMMS BOARD CHAIR AND FURTHER WILL NOTIFY THE FULL BOARD AT ITS NEXT MEETING. FURTHERMORE, IN THE EVENT THE GOVERNANCE COMMITTEE DETERMINES THAT AN ACTUAL OR PERCEIVED CONFLICT OF INTEREST EXISTS, THE COMMITTEE SHALL DECIDE HOW TO ADDRESS THE CONFLICT OF INTEREST. IF THE GOVERNANCE COMMITTEE DETERMINES THAT A CONFLICT OF INTEREST EXISTS BUT THAT UMMS MAY ENTER INTO THE SUBJECT TRANSACTION OR ARRANGEMENT, THE INTERESTED COVERED PERSON SHALL BE RECUSED FROM ALL DELIBERATIONS AND DECISIONS CONCERNING SAID TRANSACTION OR ARRANGEMENT, ANY ARRANGEMENTS WITH THAT ENTITY, AND COMPENSATION OR BENEFITS FOR OFFICERS, DIRECTORS, AND TRUSTEES. FURTHERMORE, THE CHAIR OF THE BOARD AND THE CHAIRS OF THE GOVERNANCE COMMITTEE AND THE AUDIT AND COMPLIANCE COMMITTEE SHALL NOT HAVE ANY BUSINESS TRANSACTIONS WITH UMMS, NOR SHALL THEIR FAMILY MEMBERS.</p> <p>IF THE GOVERNANCE COMMITTEE DETERMINES THAT A COVERED PERSON HAS USED THEIR POSITION TO ACCRUE EXCESS BENEFITS OR TO KNOWINGLY ASSIST OTHERS IN ACCRUING EXCESS BENEFITS IN ANY WAY AT THE EXPENSE OF UMMS, THE GOVERNANCE COMMITTEE SHALL RECOMMEND TO THE EXECUTIVE COMMITTEE APPROPRIATE CORRECTIVE ACTION TO BE TAKEN.</p> <p>ALL INVITATIONS FOR BIDS, PROPOSALS OR SOLICITATIONS FOR OFFERS INCLUDE THE FOLLOWING PROVISION:</p> <p>ANY VENDOR, SUPPLIER OR CONTRACTOR MUST DISCLOSE ANY ACTUAL OR POTENTIAL TRANSACTION WITH ANY ORGANIZATION OFFICER, DIRECTOR, EMPLOYEE OR MEMBER OF THE MEDICAL STAFF, INCLUDING FAMILY MEMBERS WITHIN FIVE DAYS OF THE TRANSACTION. FAILURE TO COMPLY WITH THIS PROVISION IS A MATERIAL BREACH OF AGREEMENT.</p> <p>IN ADDITION, A BOARD DISCLOSURE REPORT IS FILED WITH THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION ON AN ANNUAL BASIS SHOWING ANY BUSINESS TRANSACTIONS TOTALING IN EXCESS OF \$10,000 BETWEEN THE BOARD MEMBERS AND/OR THEIR RELATED ENTITIES AND THE ORGANIZATION.</p>
<p>FORM 990, PART VI, LINE 15A - PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL</p>	<p>THE ORGANIZATION DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER PRESCRIBED IN THE IRS REGULATIONS:</p> <p>EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMMITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTEREST. THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATION PACKAGES OF SIMILARLY SITUATED EXECUTIVES. THE COMMITTEE CAREFULLY REVIEWS THAT DATA, THE EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKING PROCESS. THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND ADOPTED AT THE NEXT-FOLLOWING MEETING.</p> <p>THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HAS MET THE REQUIREMENTS OF THE IRS INTERMEDIATE SANCTIONS REGULATIONS. THIS PROCESS IS USED TO DETERMINE THE COMPENSATION PACKAGES FOR ALL MANAGEMENT EMPLOYEES FROM THE VICE PRESIDENT LEVEL AND UP.</p>

Return Reference - Identifier	Explanation																													
FORM 990, PART VI, LINE 15B - PROCESS TO ESTABLISH COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES	<p>THE ORGANIZATION DETERMINES THE EXECUTIVE COMPENSATION PAID TO ITS EXECUTIVES IN THE FOLLOWING MANNER PRESCRIBED IN THE IRS REGULATIONS:</p> <p>EXECUTIVE COMPENSATION PACKAGES ARE DETERMINED BY A COMMITTEE OF THE BOARD THAT IS COMPOSED ENTIRELY OF BOARD MEMBERS WHO HAVE NO CONFLICT OF INTEREST. THE COMMITTEE ACQUIRES CREDIBLE COMPARABILITY MARKET DATA CONCERNING THE COMPENSATION PACKAGES OF SIMILARLY SITUATED EXECUTIVES. THE COMMITTEE CAREFULLY REVIEWS THAT DATA, THE EXECUTIVE'S PERFORMANCE AND THE PROPOSED COMPENSATION PACKAGES DURING THE DECISION MAKING PROCESS. THE COMMITTEE MEMORIALIZES ITS DELIBERATIONS IN DETAILED MINUTES REVIEWED AND ADOPTED AT THE NEXT-FOLLOWING MEETING.</p> <p>THE COMMITTEE SEEKS AN OPINION OF COUNSEL THAT IT HAS MET THE REQUIREMENTS OF THE IRS INTERMEDIATE SANCTIONS REGULATIONS. THIS PROCESS IS USED TO DETERMINE THE COMPENSATION PACKAGES FOR ALL MANAGEMENT EMPLOYEES FROM THE VICE PRESIDENT LEVEL AND UP.</p>																													
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	<p>THE ORGANIZATION'S GOVERNING DOCUMENTS ARE MADE PUBLICLY AVAILABLE THROUGH THE STATE OF MARYLAND VIA THE SECRETARY OF STATE'S OFFICE. THE CONFLICT OF INTEREST POLICY IS GENERALLY AVAILABLE ON THE ORGANIZATION'S OR AFFILIATE'S WEBSITE. FINANCIAL STATEMENTS ARE MADE PUBLICLY AVAILABLE ON A QUARTERLY BASIS THROUGH FILINGS ON THE ELECTRONIC MUNICIPAL MARKET ACCESS ("EMMA") SYSTEM.</p>																													
FORM 990, PART VII, SECTION A - HOURS ON RELATED ENTITIES	<p>UMMS IS A MULTI-ENTITY HEALTH CARE SYSTEM THAT INCLUDES 13 ACUTE CARE HOSPITALS, 1 ACUTE CARE HOSPITAL OWNED IN A JOINT VENTURE ARRANGEMENT AND VARIOUS SUPPORTING ENTITIES. A NUMBER OF INDIVIDUALS PROVIDE SERVICES TO VARIOUS ENTITIES WITHIN THE SYSTEM. IN GENERAL, THE OFFICERS AND KEY EMPLOYEES OF UMMS AVERAGE IN EXCESS OF 40 HOURS PER WEEK SERVING THE DIFFERENT ENTITIES THAT COMPRISE UMMS.</p>																													
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table border="1"> <thead> <tr> <th data-bbox="467 795 1300 823">(a) Description</th> <th data-bbox="1308 795 1513 823">(b) Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 833 1300 856">SWAP VALUATION AND EXPENSE</td> <td data-bbox="1308 833 1513 856">- 74,256,239</td> </tr> <tr> <td data-bbox="467 867 1300 890">CIP TRANSFERS</td> <td data-bbox="1308 867 1513 890">- 48,605,538</td> </tr> <tr> <td data-bbox="467 900 1300 924">MALPRACTICE</td> <td data-bbox="1308 900 1513 924">43,976,462</td> </tr> <tr> <td data-bbox="467 934 1300 957">INVESTMENT IN UCHS LEGACY</td> <td data-bbox="1308 934 1513 957">- 27,569,861</td> </tr> <tr> <td data-bbox="467 968 1300 991">IT ENTERPRISE</td> <td data-bbox="1308 968 1513 991">26,744,000</td> </tr> <tr> <td data-bbox="467 1001 1300 1024">UCHS CAPITAL CONTRIBUTION ESCROW</td> <td data-bbox="1308 1001 1513 1024">- 15,000,000</td> </tr> <tr> <td data-bbox="467 1035 1300 1058">CORP DEPRECIATION ALLOCATION</td> <td data-bbox="1308 1035 1513 1058">- 13,521,031</td> </tr> <tr> <td data-bbox="467 1068 1300 1092">CHANGE IN ECONOMIC INTEREST OF FOUNDATION</td> <td data-bbox="1308 1068 1513 1092">10,903,356</td> </tr> <tr> <td data-bbox="467 1102 1300 1125">ADDITION OF AMBULATORY CARE</td> <td data-bbox="1308 1102 1513 1125">4,627,608</td> </tr> <tr> <td data-bbox="467 1136 1300 1159">STRATEGIC PRIORITIES</td> <td data-bbox="1308 1136 1513 1159">3,906,000</td> </tr> <tr> <td data-bbox="467 1169 1300 1192">INVESTMENT IN MWPH</td> <td data-bbox="1308 1169 1513 1192">1,189,528</td> </tr> <tr> <td data-bbox="467 1203 1300 1226">EQUITY TRANSFER</td> <td data-bbox="1308 1203 1513 1226">1,011,567</td> </tr> <tr> <td data-bbox="467 1236 1300 1260">OTHER</td> <td data-bbox="1308 1236 1513 1260">- 445,463</td> </tr> </tbody> </table>		(a) Description	(b) Amount	SWAP VALUATION AND EXPENSE	- 74,256,239	CIP TRANSFERS	- 48,605,538	MALPRACTICE	43,976,462	INVESTMENT IN UCHS LEGACY	- 27,569,861	IT ENTERPRISE	26,744,000	UCHS CAPITAL CONTRIBUTION ESCROW	- 15,000,000	CORP DEPRECIATION ALLOCATION	- 13,521,031	CHANGE IN ECONOMIC INTEREST OF FOUNDATION	10,903,356	ADDITION OF AMBULATORY CARE	4,627,608	STRATEGIC PRIORITIES	3,906,000	INVESTMENT IN MWPH	1,189,528	EQUITY TRANSFER	1,011,567	OTHER	- 445,463
	(a) Description	(b) Amount																												
	SWAP VALUATION AND EXPENSE	- 74,256,239																												
	CIP TRANSFERS	- 48,605,538																												
	MALPRACTICE	43,976,462																												
	INVESTMENT IN UCHS LEGACY	- 27,569,861																												
	IT ENTERPRISE	26,744,000																												
	UCHS CAPITAL CONTRIBUTION ESCROW	- 15,000,000																												
	CORP DEPRECIATION ALLOCATION	- 13,521,031																												
	CHANGE IN ECONOMIC INTEREST OF FOUNDATION	10,903,356																												
	ADDITION OF AMBULATORY CARE	4,627,608																												
	STRATEGIC PRIORITIES	3,906,000																												
	INVESTMENT IN MWPH	1,189,528																												
EQUITY TRANSFER	1,011,567																													
OTHER	- 445,463																													

**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
UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION

Employer identification number
52-1362793

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) 36 S. PACA STREET, LLC (56-2544990) 36 S. PACA STREET, BALTIMORE, MD 21211	RENTAL	MD	817,000	12,610,000	UMMSC
(2) UNIVERSITY OF MARYLAND ECARE, LLC (46-1441270) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	0	531,000	UMMSC
(3) UNIVERSITY OF MARYLAND MEDICAL CENTER (32-0443777) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	0	0	UMMSC
(4) UNIVERSITY OF MARYLAND HEALTH VENTURES (47-4794292) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	0	46,803,000	UMMSC
(5) UMRMC, LLC 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	0	0	UMMSC
(6) (SEE STATEMENT)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) BALTIMORE WASHINGTON EMERGENCY PHYS INC (52-1756326) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	501(C)(3)	12 TYPE I	BWHS	✓	
(2) BALTIMORE WASHINGTON HEALTHCARE SERVICES (52-1830243) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	501(C)(3)	12 TYPE I	UMBWMS	✓	
(3) BALTIMORE WASHINGTON MEDICAL CENTER INC (52-0689917) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	501(C)(3)	3	UMBWMS	✓	
(4) UM BALTIMORE WASHINGTON MEDICAL SYSTEM (52-1830242) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	501(C)(3)	12 TYPE I	UMMSC	✓	
(5) NORTH ARUNDEL DEVELOPMENT CORPORATION (52-1318404) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	REAL ESTATE	MD	501(C)(2)		NCC	✓	
(6) NORTH COUNTY CORPORATION (52-1591355) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	REAL ESTATE	MD	501(C)(2)		UMBWMS	✓	
(7) (SEE STATEMENT)							

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

Cat. No. 50135Y

Schedule R (Form 990) 2019

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) (SEE STATEMENT)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
UMSJ HEALTH SYSTEM, LLC	A	2,112,892	FMV
(1) MARYLAND GENERAL HOSPITAL INC	B	50,486,008	FMV
(2) UNIVERSITYCARE LLC	B	1,768,728	FMV
(3) BALTIMORE WASHINGTON MEDICAL CENTER, INC.	B	10,768,324	FMV
(4) UNIVERSITY OF MARYLAND CHARLES REGIONAL HEALTH	B	4,168,480	FMV
(5) (SEE STATEMENT)			
(6)			

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

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

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

Part I**Identification of Disregarded Entities** (continued)

(a) Name, address and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total Income	(e) End-of-year assets	(f) Direct controlling entity
(6) UMMC I, LLC (38-3945516) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	0	0	UMMSC
(7) UNIVERSITY OF MD QUALITY CARE NETWORK (37-1824357) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	2,853,000	0	UMMSC
(8) UNIVERSITY OF MARYLAND CARE TRANSFORMATION ORGANIZATION, LLC (83-1206196) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	4,888,000	6,198,000	UMMSC
(9) UMMS AMBULATORY CARE, LLC (84-4670595) 250 W. PRATT STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	2,258,000	13,234,000	UMMSC
(10) UNIVERSITY OF MARYLAND MEDICAL REGIONAL SUPPLIER SERVICES, LLC (45-5565991) 7601 OSLER DRIVE, TOWSON, MD 21204	HEALTHCARE	MD	5,862,000	1,135,000	UMMSC

Part II

Identification of Related Tax-Exempt Organizations (continued)

(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
(7) CHESTER RIVER HEALTH FOUNDATION INC (52-1338861) 100 BROWN STREET, CHESTERTOWN, MD 21620	FUNDRAISING	MD	501(C)(3)	8	UMSRH	✓	
(8) UNIV OF MD SHORE REGIONAL HEALTH, INC (52-2046500) 100 BROWN STREET, CHESTERTOWN, MD 21620	HEALTHCARE	MD	501(C)(3)	12 TYPE I	UMMSC	✓	
(9) CHESTER RIVER HOSPITAL CENTER (52-0679694) 100 BROWN STREET, CHESTERTOWN, MD 21620	HEALTHCARE	MD	501(C)(3)	3	UMSRH	✓	
(10) CHESTER RIVER MANOR INC (52-6070333) 200 MORGNEC ROAD, CHESTERTOWN, MD 21620	HEALTHCARE	MD	501(C)(3)	10	UMSRH	✓	
(11) MARYLAND GENERAL CLINICAL PRACTICE GROUP (52-1566211) 827 LINDEN AVENUE, BALTIMORE, MD 21201	HEALTHCARE	MD	501(C)(3)	12 TYPE II	UMMTH	✓	
(12) UNIVERSITY OF MARYLAND MIDTOWN HEALTH, INC (52-1175337) 827 LINDEN AVENUE, BALTIMORE, MD 21201	HEALTHCARE	MD	501(C)(3)	12 TYPE II	UMMSC	✓	
(13) MARYLAND GENERAL HOSPITAL INC (52-0591667) 827 LINDEN AVENUE, BALTIMORE, MD 21201	HEALTHCARE	MD	501(C)(3)	3	UMMTH	✓	
(14) CARE HEALTH SERVICES INC (52-1510269) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601	HEALTHCARE	MD	501(C)(3)	10	SHS	✓	
(15) MEMORIAL HOSPITAL FOUNDATION INC (52-1282080) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601	FUNDRAISING	MD	501(C)(3)	12 TYPE I	SHS	✓	
(16) UNIVERSITY OF MARYLAND COMMUNITY MEDICAL (52-1874111) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	501(C)(3)	3	UMSRH	✓	
(17) SHORE HEALTH SYSTEM INC (52-0160538) 219 SOUTH WASHINGTON STREET, EASTON, MD 21601	HEALTHCARE	MD	501(C)(3)	3	UMSRH	✓	
(18) JAMES LAWRENCE KERNAN HOSPITAL INC (52-0591639) 2200 KERNAN DRIVE, BALTIMORE, MD 21207	HEALTHCARE	MD	501(C)(3)	3	UMMSC	✓	
(19) UMMS FOUNDATION, INC (52-2238893) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201	FUNDRAISING	MD	501(C)(3)	12 TYPE I	UMMSC	✓	
(20) UNIVERSITY OF MARYLAND CHARLES REGIONAL (52-2155576) PO BOX 1070, LA PLATA, MD 20646	HEALTHCARE	MD	501(C)(3)	12 TYPE III-FI	UMMSC	✓	
(21) CIVISTA MEDICAL CENTER, INC (52-0445374) PO BOX 1070, LA PLATA, MD 20646	HEALTHCARE	MD	501(C)(3)	3	UMCRH	✓	
(22) CHARLES REGIONAL MEDICAL CENTER FOUNDATION (52-1414564) PO BOX 1070, LA PLATA, MD 20646	FUNDRAISING	MD	501(C)(3)	12 TYPE I	UMCRH	✓	
(23) UNIV OF MD ST. JOSEPH FOUNDATION, INC (52-1681044) 7601 OSLER DRIVE, TOWSON, MD 21204	FUNDRAISING	MD	501(C)(3)	12 TYPE I	UMSJHS	✓	
(24) UMSJ HEALTH SYSTEM, LLC (46-2097818) 7601 OSLER DRIVE, TOWSON, MD 21204	HEALTHCARE	MD	501(C)(3)	3	UMMSC	✓	
(25) HARFORD MEMORIAL HOSPITAL, INC (52-0591484) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HEALTHCARE	MD	501(C)(3)	3	UMUCHS	✓	
(26) UM UPPER CHESAPEAKE HEALTH SYSTEM, INC (52-1398513) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HEALTHCARE	MD	501(C)(3)	12 TYPE III-O	UMMSC	✓	
(27) UPPER CHESAPEAKE HEALTH FOUNDATION, INC (52-1398507) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	FUNDRAISING	MD	501(C)(3)	12 TYPE I	UMUCHS	✓	
(28) UPPER CHESAPEAKE MEDICAL CENTER, INC (52-1253920) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HEALTHCARE	MD	501(C)(3)	3	UMUCHS	✓	
(29) UPPER CHESAPEAKE MEDICAL SERVICES, INC (52-1501734) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HEALTHCARE	MD	501(C)(3)	10	UMUCHS	✓	

(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
(30) UPPER CHESAPEAKE PROPERTIES, INC (52-1907237) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	REAL ESTATE	MD	501(C)(2)		UMUCHS	✓	
(31) UPPER CHES RESIDENTIAL HOSPICE HOUSE, INC (26-0737028) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HOSPICE	MD	501(C)(3)	10	UMUCHS	✓	
(32) HARFORD CRISIS CENTER, INC (52-1229742) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HOME CARE	MD	501(C)(3)	12 TYPE II	UMUCHS	✓	
(33) DIMENSIONS HEALTH CORPORATION (52-1289729) 3001 HOSPITAL DRIVE, CHEVERLY, MD 20785	HEALTHCARE	MD	501(C)(3)	3	UMMSC	✓	
(34) DIMENSIONS HEALTHCARE ASSOCIATES (52-1902711) 3001 HOSPITAL DRIVE, CHEVERLY, MD 20785	HEALTHCARE	MD	501(C)(3)	12 TYPE I	UMCAPRH	✓	
(35) UM CAPITAL REGION HEALTH, INC (82-3596114) 250 W PRATT ST, STE 2400, BALTIMORE, MD 21201	HEALTHCARE	MD	501(C)(3)	12 TYPE III-FI	UMMSC	✓	
(36) UCH LEGACY FUNDING CORPORATION (52-0882914) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	FUNDRAISING	MD	501(C)(3)	12 TYPE II	UMUCHS	✓	

Part III

Identification of Related Organizations Taxable as a Partnership (continued)

(a) Name, address and EIN of related organization	(b) Primary Activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income related, unrelated, excluded from tax under sections 512-514	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ARUNDEL PHYSICIANS ASSOCIATES (52-2000762) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	APA, INC	N/A	N/A	N/A		✓			✓	
(2) BALTIMORE WASHINGTON IMAGING (20-0806027) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	UMBWMS	N/A	N/A	N/A		✓			✓	
(3) UNIVERSITYCARE LLC (52-1914892) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201	HEALTHCARE	MD	UMMSC	RELATED	0	4,234,063		✓			✓	90.00
(4) O'DEA MEDICAL ARTS LIMITED PAR (52-1682964) 7601 OSLER DRIVE, TOWSON, MD 21204	RENTAL	MD	SJMC PROP.	N/A	N/A	N/A		✓			✓	
(5) ADVANCED IMAGING AT ST JOSEPH (52-1958002) 7601 OSLER DRIVE, TOWSON, MD 21204	HEALTHCARE	MD	UMSJMC	N/A	N/A	N/A		✓			✓	
(6) UNIVERSITY OF MARYLAND CHARLES (30-0956382) PO BOX 1070, LAPLATA, MD 20646	HEALTHCARE	MD	UMCRCP	N/A	N/A	N/A		✓			✓	
(7) BALTIMORE ASC VENTURES, LLC (82-4133899) 7620 YORK ROAD, TOWSON, MD 21204	HEALTHCARE	DE	UMSJMC	N/A	N/A	N/A		✓			✓	
(8) UCHS/UMMS REAL ESTATE TRUST (27-6803540) 520 UPPER CHESAPEAKE DRIVE, BEL AIR, MD 21014	HOLDING CO	MD	UMMSC	RELATED	0	2,405,531		✓		✓		80.00

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (continued)

(a) Name, address and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C-corp, S-corp or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) ARUNDEL PHYSICIANS ASSOCIATES, INC (52-1992649) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(2) BALTIMORE WASHINGTON HEALTH ENTERPRISES (52-1936656) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(3) BW PROFESSIONAL SERVICES, INC (52-1655640) 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(4) NA EXECUTIVE BUILDING CONDO ASSN, INC 301 HOSPITAL DRIVE, GLEN BURNIE, MD 21061	REAL ESTATE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(5) UM CHARLES REGIONAL CARE PARTNERS (52-2176314) PO BOX 1070, LA PLATA, MD 20646	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(6) UNIVERSITY MIDTOWN PROF CENTER (52-1891126) 827 LINDEN AVENUE, BALTIMORE, MD 21201	REAL ESTATE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(7) UNIVERSITY OF MARYLAND HEALTH ADVANTAGE (46-1411902) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201	INSURANCE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(8) UNIVERSITY OF MARYLAND HEALTH PARTNERS (45-2815803) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201	INSURANCE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(9) UNIVERSITY OF MARYLAND MEDICAL SYSTEM HE (45-2815722) 22 SOUTH GREENE STREET, BALTIMORE, MD 21201	INSURANCE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(10) UPPER CHESAPEAKE HEALTH VENTURES, INC (52-2031264) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(11) UPPER CHESAPEAKE MEDICAL CENTER LAND CON (77-0674478) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	REAL ESTATE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(12) UPPER CHESAPEAKE MEDICAL OFFICE BUILDING (52-1946829) 520 UPPER CHESAPEAKE DR, BEL AIR, MD 21014	REAL ESTATE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(13) SHORE ORTHOPEDICS, INC (37-1817262) 219 S WASHINGTON STREET, EASTON, MD 21601	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(14) MADISON MANOR, INC (52-1269059) 5801 42ND AVE, HYATTSVILLE, MD 20781	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(15) AFFILIATED ENTERPRISES, INC (52-1542144) 3001 HOSPITAL DRIVE, CHEVERLY, MD 20785	HEALTHCARE	MD	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(16) DIMENSIONS ASSURANCE LTD (98-0348082) PO BOX 1363, GENESIS BLDG, GRAND CAYMAN, CJ	INSURANCE	CAYMAN ISLANDS	YES	C CORPORATION	0	32,552,216	100.00	✓	
(17) RIVERSIDE HEALTH OF DELAWARE, INC (46-3205820) 1966 GREENSPRING DRIVE, STE 600, TIMONIUM, MD 21093	HEALTHCARE	DE	N/A	C CORPORATION	N/A	N/A	N/A	✓	
(18) RIVERSIDE HEALTH OF DC, INC (46-1411713) 1966 GREENSPRING DRIVE, STE 600, TIMONIUM, MD 21093	HEALTHCARE	DC	N/A	C CORPORATION	N/A	N/A	N/A	✓	

Part V

Transactions with Related Organizations (continued)

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount Involved	(d) Method of determining amount involved
(6) SHORE HEALTH SYSTEM, INC.	B	15,725,655	FMV
(7) UMSJ HEALTH SYSTEM, LLC	B	4,685,808	FMV
(8) UNIVERSITY OF MARYLAND UPPER CHESAPEAKE HEALTH SYSTEM, INC.	B	4,288,340	FMV
(9) UM CAPITAL REGION HEALTH, INC.	B	185,294	FMV
(10) CHESTER RIVER HOSPITAL CENTER, INC.	B	7,190,168	FMV
(11) UNIVERSITY OF MARYLAND MEDICAL SYSTEM FOUNDATION, INC.	C	2,473,756	FMV
(12) BALTIMORE WASHINGTON MEDICAL CENTER, INC.	L	2,494,405	FMV
(13) CIVISTA MEDICAL CENTER, INC.	L	236,049	FMV
(14) JAMES LAWRENCE KERNAN HOSPITAL INC	L	914,994	FMV
(15) MARYLAND GENERAL HOSPITAL INC	L	2,263,979	FMV
(16) SHORE HEALTH SYSTEM, INC.	L	406,017	FMV
(17) UMSJ HEALTH SYSTEM, LLC	L	1,231,927	FMV
(18) UNIVERSITY OF MARYLAND UPPER CHESAPEAKE HEALTH SYSTEM, INC.	L	691,397	FMV
(19) UM CAPITAL REGION HEALTH, INC.	L	519,048	FMV
(20) MARYLAND GENERAL HOSPITAL INC	M	4,058,940	FMV
(21) UMSJ HEALTH SYSTEM, LLC	M	16,717,015	FMV
(22) UNIVERSITY OF MARYLAND UPPER CHESAPEAKE HEALTH SYSTEM, INC.	M	14,223,398	FMV
(23) BALTIMORE WASHINGTON MEDICAL CENTER, INC.	N	5,759,000	FMV
(24) CIVISTA MEDICAL CENTER, INC.	N	951,000	FMV
(25) JAMES LAWRENCE KERNAN HOSPITAL INC	N	1,512,000	FMV
(26) MARYLAND GENERAL HOSPITAL INC	N	2,964,000	FMV
(27) SHORE HEALTH SYSTEM, INC.	N	4,223,000	FMV
(28) UMSJ HEALTH SYSTEM, LLC	N	3,630,000	FMV
(29) UNIVERSITY OF MARYLAND UPPER CHESAPEAKE HEALTH SYSTEM, INC.	N	5,835,000	FMV
(30) BALTIMORE WASHINGTON MEDICAL CENTER, INC.	O	1,187,700	FMV
(31) JAMES LAWRENCE KERNAN HOSPITAL INC	O	903,273	FMV
(32) MARYLAND GENERAL HOSPITAL INC	O	2,968,513	FMV
(33) SHORE HEALTH SYSTEM, INC.	O	162,421	FMV
(34) UNIVERSITY OF MARYLAND UPPER CHESAPEAKE HEALTH SYSTEM, INC.	O	1,287,016	FMV
(35) UM CAPITAL REGION HEALTH, INC.	O	305,799	FMV
(36) MARYLAND GENERAL HOSPITAL INC	Q	40,416,651	FMV
(37) BALTIMORE WASHINGTON MEDICAL CENTER, INC.	Q	50,716,582	FMV
(38) CIVISTA MEDICAL CENTER, INC.	Q	16,265,249	FMV
(39) JAMES LAWRENCE KERNAN HOSPITAL INC	Q	12,474,245	FMV
(40) SHORE HEALTH SYSTEM, INC.	Q	39,568,351	FMV
(41) UMSJ HEALTH SYSTEM, LLC	Q	46,433,645	FMV

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount Involved	(d) Method of determining amount involved
(42) UNIVERSITY OF MARYLAND UPPER CHESAPEAKE HEALTH SYSTEM, INC.	Q	35,987,476	FMV
(43) UM CAPITAL REGION HEALTH, INC.	Q	38,704,939	FMV

CONSOLIDATED FINANCIAL STATEMENTS

University of Maryland Medical System Corporation and Subsidiaries
Years Ended June 30, 2020 and 2019
With Report of Independent Auditors

Ernst & Young LLP



University of Maryland Medical System Corporation and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2020 and 2019

Contents

Report of Independent Auditors.....1

Consolidated Financial Statements

Consolidated Balance Sheets3

Consolidated Statements of Operations and Changes in Net Assets4

Consolidated Statements of Cash Flows.....6

Notes to Consolidated Financial Statements.....8



Ernst & Young LLP
Suite 310
1201 Wills Street
Baltimore, MD 21231

Tel: +1 410 539 7940
Fax: +1 410 783 3832
ey.com

Report of Independent Auditors

The Board of Directors
University of Maryland Medical System Corporation

We have audited the accompanying consolidated financial statements of the University of Maryland Medical System Corporation and Subsidiaries (the Corporation), which comprise the consolidated balance sheet as of June 30, 2020, and the related consolidated statement of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's 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 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of Maryland Medical System Corporation and Subsidiaries as of June 30, 2020, and the consolidated results of their operations, changes in net assets and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Pronouncement

As discussed in Note 1(y) to the consolidated financial statements, the Corporation changed its method of accounting for leases as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2016-02, *Leases*, effective July 1, 2019. Our opinion is not modified with respect to this matter.

Report of Other Auditors on June 30, 2019 Financial Statements

The consolidated financial statements of the University of Maryland Medical System Corporation and Subsidiaries for the year ended June 30, 2019, were audited by other auditors who expressed an unmodified opinion on those statements on October 28, 2019.



October 28, 2020

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Balance Sheets (In Thousands)

	June 30	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 961,647	\$ 360,318
Assets limited as to use, current portion	64,026	64,910
Accounts receivable:		
Patient accounts receivable, net	472,351	458,437
Other	118,228	91,103
Inventories	105,879	70,478
Assets held for sale	149,563	116,828
Prepaid expenses and other current assets	60,178	48,055
Total current assets	1,931,872	1,210,129
Investments	927,366	885,640
Assets limited as to use, less current portion	1,113,986	1,227,384
Property and equipment, net	2,556,548	2,309,086
Investments in joint ventures	92,485	91,942
Other assets	517,654	409,188
Total assets	\$ 7,139,911	\$ 6,133,369
Liabilities and net assets		
Current liabilities:		
Trade accounts payable	\$ 302,133	\$ 288,841
Accrued payroll and benefits	282,410	281,177
Advances from third-party payors	773,947	139,163
Lines of credit	193,500	161,300
Short-term financing	150,000	150,000
Other current liabilities	129,813	127,760
Liabilities held for sale	65,461	60,830
Long-term debt subject to short-term remarketing arrangements	28,794	18,895
Current portion of long-term debt	40,468	47,621
Total current liabilities	1,966,526	1,275,587
Long-term debt, less current portion and amount subject to short-term remarketing arrangements	1,438,257	1,484,960
Other long-term liabilities	653,388	439,024
Interest rate swap liabilities	270,430	196,174
Total liabilities	4,328,601	3,395,745
Net assets:		
Without donor restrictions	2,055,346	1,973,405
With donor restrictions	755,964	764,219
Total net assets	2,811,310	2,737,624
Total liabilities and net assets	\$ 7,139,911	\$ 6,133,369

See accompanying notes to consolidated financial statements.

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
(In Thousands)

	Year Ended June 30	
	2020	2019
Operating revenue, gains, and other support:		
Net patient service revenue	\$ 3,915,931	\$ 4,017,054
State and county support	19,737	41,521
CARES Act – Provider relief funds	199,632	–
Other revenue	228,754	176,699
Total operating revenue, gains, and other support	4,364,054	4,235,274
Operating expenses:		
Salaries, wages and benefits	2,230,484	2,158,136
Expendable supplies	760,113	792,015
Purchased services	696,028	634,618
Contracted services	276,959	269,897
Depreciation and amortization	235,891	244,056
Interest expense	46,561	57,792
Total operating expenses	4,246,036	4,156,514
Income from continuing operations	118,018	78,760
Nonoperating income and expenses, net:		
Unrestricted contributions	9,293	5,607
Equity in net income of joint ventures	3,536	3,624
Investment income, net	24,635	30,632
Change in fair value of investments	(4,884)	24,421
Change in fair value of undesignated interest rate swaps	(75,811)	(47,995)
Other nonoperating losses, net	(24,376)	(33,045)
Excess of revenues over expenses from continuing operations	50,411	62,004
Gain (loss) on discontinued operations, net	19,599	(25,847)
Excess of revenues over expenses	\$ 70,010	\$ 36,157

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)
(In Thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2018	\$ 1,952,422	\$ 742,667	\$ 2,695,089
Excess of revenues over expenses from continuing operations	62,004	-	62,004
Loss on discontinued operations, net	(25,847)	-	(25,847)
Investment gains, net	-	1,666	1,666
State support for capital	-	5,565	5,565
Contributions, net	-	26,782	26,782
Net assets released from restrictions used for operations and nonoperating activities	-	(4,279)	(4,279)
Net assets released from restrictions used for purchase of property and equipment	14,130	(14,130)	-
Change in economic and beneficial interests in the net assets of related organizations	-	1,982	1,982
Change in funded status of defined benefit pension plans	(26,886)	-	(26,886)
Other	(2,418)	3,966	1,548
Increase in net assets	20,983	21,552	42,535
Balance at June 30, 2019	1,973,405	764,219	2,737,624
Excess of revenues over expenses from continuing operations	50,411	-	50,411
Gain on discontinued operations, net	19,599	-	19,599
Investment gains, net	-	1,206	1,206
State support for capital	-	20,803	20,803
Contributions, net	-	18,111	18,111
Net assets released from restrictions used for operations and nonoperating activities	-	(6,307)	(6,307)
Net assets released from restrictions used for purchase of property and equipment	18,791	(18,791)	-
Change in economic and beneficial interests in the net assets of related organizations	27,283	(27,283)	-
Change in funded status of defined benefit pension plans	(36,971)	-	(36,971)
Other	2,828	4,006	6,834
Increase (decrease) in net assets	81,941	(8,255)	73,686
Balance at June 30, 2020	\$ 2,055,346	\$ 755,964	\$ 2,811,310

See accompanying notes to consolidated financial statements.

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2020	2019
Operating activities		
Increase in net assets	\$ 73,686	\$ 42,535
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	235,891	244,056
Amortization of bond premium and deferred financing costs	1,477	1,477
Net realized gains and change in fair value of investments	(3,183)	(41,626)
Equity in net income of joint ventures	(3,536)	(3,624)
Change in economic and beneficial interests in net assets of related organizations	27,281	(1,982)
Change in fair value of interest rate swaps	74,256	46,385
Change in funded status of defined benefit pension plans	36,971	26,886
Restricted contributions, grants and other support, net	(40,120)	(22,503)
Change in operating assets and liabilities:		
Patient accounts receivable	(13,027)	(26,772)
Other receivables, prepaid expenses, other current assets and other assets	(76,747)	152,963
Inventories	(35,401)	298
Trade accounts payable, accrued payroll and benefits, other current liabilities and other long-term liabilities	74,235	14,617
Advances from third-party payors	634,784	(14,704)
Net cash provided by operating activities	<u>986,567</u>	<u>418,006</u>
Investing activities		
Purchases and sales of investments and assets limited as to use, net	125,958	(98,355)
Purchases of alternative investments	(79,572)	(66,267)
Sales of alternative investments	101,417	89,948
Purchase of UM Ambulatory Care, LLC, net cash acquired	(608)	-
Purchases of property and equipment	(461,896)	(394,588)
Distributions from (contributions to) joint ventures, net	1,922	(1,238)
Net cash used in investing activities	<u>(312,779)</u>	<u>(470,500)</u>

University of Maryland Medical System Corporation and Subsidiaries

Consolidated Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30	
	2020	2019
Financing activities		
Proceeds from long-term debt	\$ —	\$ 10,016
Repayment of long-term debt and capital leases	(45,434)	(78,394)
Draws on lines of credit, net	32,200	62,000
Restricted contributions, grants and other support	40,120	22,503
Net cash provided by financing activities	<u>26,886</u>	<u>16,125</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	700,674	(36,369)
Cash, cash equivalents and restricted cash, beginning of year	511,949	548,318
Cash, cash equivalents and restricted cash, end of year	<u>\$ 1,212,623</u>	<u>\$ 511,949</u>
Cash and cash equivalents	\$ 961,647	\$ 360,318
Restricted cash included in assets limited as to use	250,976	151,631
Cash, cash equivalents and restricted cash, end of year	<u>\$ 1,212,623</u>	<u>\$ 511,949</u>
Discontinued operations		
Operating activities	<u>\$ 19,374</u>	<u>\$ 2,150</u>
Investing activities	<u>\$ (569)</u>	<u>\$ (3,131)</u>
Financing activities	<u>\$ —</u>	<u>\$ —</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest, net of amounts capitalized	<u>\$ 54,306</u>	<u>\$ 58,860</u>
Amount included in accounts payable for construction in progress	<u>\$ 45,415</u>	<u>\$ 35,414</u>
Supplemental disclosures of noncash information		
Capital leases	<u>\$ —</u>	<u>\$ 427</u>

See accompanying notes to consolidated financial statements.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (In Thousands)

June 30, 2020

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The University of Maryland Medical System Corporation (the Corporation or UMMS) is a private, not-for-profit corporation providing comprehensive healthcare services through an integrated regional network of hospitals and related clinical enterprises. UMMS was created in 1984 when its founding hospital was privatized by the State of Maryland. Prior to that time, the founding hospital was state-owned, operated and financed as part of the University of Maryland, now a part of the University System. As part of the privatization process, the Maryland General Assembly and the University of Maryland's Board of Regents adopted legislation (the Governance Legislation) separating the major health care delivery components from the University System to UMMS. This Governance Legislation provides for certain level of oversight by the State of Maryland to ensure UMMS' founding purposes are consistently set forth in its functions and operating practices.

Over its 35-year history, UMMS evolved into a multi-hospital system with academic, community and specialty service missions reaching primarily across Maryland. In continuing partnership with the University of Maryland School of Medicine, UMMS operates healthcare programs that improve the physical and mental health of thousands of people each day.

The accompanying consolidated financial statements include the accounts of the Corporation, its wholly owned subsidiaries, and entities controlled by the Corporation. In addition, the Corporation maintains equity interests in various unconsolidated joint ventures, which are described in Note 5. The significant operating divisions of the Corporation are described in further detail below.

All material intercompany balances and transactions have been eliminated in consolidation.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(i) Recent Acquisitions and Divestitures

During the year ended June 30, 2020, the Corporation signed a letter of intent to sell the assets and liabilities of UM Health Plans. The sale, which will include both the Medicaid Plan and Medicare Advantage Plan, is expected to be completed within the next 12 months. Based on the criteria in Accounting Standards Codification (ASC) 205, *Discontinued Operations*, it was determined that the pending sale met the criteria for discontinued operations treatment. The carrying amount of the assets and liabilities held for sale are stated at their net realizable value as of June 30, 2020 and any gain or loss on the sale is considered to be immaterial to the consolidated financial statements of the Corporation. As of June 30, 2020 and 2019, assets held for sale were approximately \$149,600 and \$116,800 and liabilities held for sale were approximately \$65,500 and \$60,800, respectively. For the years ended June 30, 2020 and 2019, operating revenues from discontinued operations were approximately \$361,618 and \$379,630, respectively. For the years ended June 30, 2020 and 2019, operating and nonoperating expenses from discontinued operations were approximately \$342,019 and \$405,477, respectively.

Effective March 1, 2020, the Corporation purchased the full interest in nine urgent care sites from ChoiceOne, which is a subsidiary of Fresenius Medical Care. Previously the urgent care sites were operated under a joint venture agreement between ChoiceOne and three affiliates: UM St. Joseph Medical Center, UM Shore Regional Health and UM Upper Chesapeake Health. Upon becoming a wholly-owned subsidiary of the Corporation, the nine sites were moved under one Company, University of Maryland Ambulatory Care, LLC (UM Ambulatory Care).

(ii) University of Maryland Medical Center (Medical Center)

The Medical Center, which is a major component of UMMS, is a 806-bed academic medical center located in Baltimore. The Medical Center has served as the teaching hospital of the School of Medicine of the University System of Maryland, Baltimore since 1823. As part of the privatization in 1984, only clinical faculty members of the School of Medicine may serve as medical staff of the Medical Center.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

The Medical Center is comprised of two operating divisions: University Hospital, which includes the Greenebaum Cancer Center, and Shock Trauma Center. University Hospital, which generates approximately 80% of the Medical Center's admissions and patient days, is a tertiary teaching hospital providing over 70 clinical services and programs. The Greenebaum Cancer Center specializes in the treatment of cancer patients and is a site for clinical cancer research. The Shock Trauma Center, which specializes in emergency treatment of patients suffering severe trauma, generates approximately 20% of admissions and patient days.

The Medical Center's operations include UniversityCARE, LLC (UCARE), a physician hospital organization of which the Corporation owns a majority ownership interest and therefore consolidates, and 36 South Paca Street, LLC, a wholly owned subsidiary of the Corporation that operates a residential apartment building.

The Corporation has certain agreements with various departments of the University of Maryland School of Medicine concerning the provision of professional and administrative services to the Corporation and its patients. Total expense under these agreements in the years ended June 30, 2020 and 2019 was approximately \$168,438 and \$159,043, respectively.

(iii) University of Maryland Rehabilitation and Orthopaedic Institute (ROI)

ROI is comprised of a medical/surgical and rehabilitation hospital in Baltimore with 137 licensed beds, which includes rehabilitation beds, chronic care beds, medical/surgical beds, and off-site physical therapy facilities.

A related corporation, The James Lawrence Kernan Endowment Fund, Inc. (Kernan Endowment), is governed by a separate, independent board of directors and is required to hold investments and income derived therefrom for the exclusive benefit of ROI. Accordingly, the accompanying consolidated financial statements reflect an economic interest in the net assets of the Kernan Endowment.

(iv) University of Maryland Medical Center Midtown Campus (Midtown)

Midtown is located in Baltimore city and is comprised of University of Maryland Midtown Hospital (UM Midtown), with 177 licensed beds, including 100 acute care beds and 77 chronic care beds and a wholly owned subsidiary providing primary care.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(v) *University of Maryland Baltimore Washington Medical System, Inc. (Baltimore Washington)*

Baltimore Washington is located in Anne Arundel County, a suburb of Baltimore city, and is a health system comprised of University of Maryland Baltimore Washington Medical Center (UM Baltimore Washington), a 285-bed acute care hospital providing a broad range of services, and several wholly owned subsidiaries providing emergency physician and other services.

Baltimore Washington Medical Center Foundation, Inc. (BWMC Foundation) is governed by a separate, independent board of directors and is required to hold investments and income derived therefrom for the exclusive benefit of UM Baltimore Washington. Accordingly, the accompanying consolidated financial statements reflect an economic interest in the net assets of the BWMC Foundation.

(vi) *University of Maryland Shore Regional Health System (Shore Regional)*

Shore Regional is a health system located on the Eastern Shore of Maryland. Shore Regional owns and operates University of Maryland Memorial Hospital (UM Memorial), a 132-bed acute care hospital providing inpatient and outpatient services in Easton, Maryland; University of Maryland Dorchester Hospital (UM Dorchester), a 34-bed acute care hospital providing inpatient and outpatient services in Cambridge, Maryland; University of Maryland Chester River Hospital Center (UM Chester River), a 21-bed acute care hospital providing inpatient and outpatient services to the residents of Kent and Queen Anne's counties; Shore Emergency Center at Queenstown (Shore Emergency Center), a free-standing emergency center; Memorial Hospital Foundation (Memorial Foundation), a nonprofit corporation established to solicit donations for the benefit of UM Memorial; Chester River Health Foundation (Chester River Foundation), a nonprofit corporation established to solicit donations for the benefit of UM Chester River; and several other subsidiaries providing various outpatient and home care services.

Dorchester General Hospital Foundation, Inc. (Dorchester Foundation) is governed by a separate, independent board of directors to raise funds on behalf of UM Dorchester. Shore Regional does not have control over the policies or decisions of the Dorchester Foundation, and accordingly, the accompanying consolidated financial statements reflect a beneficial interest in the net assets of the Dorchester Foundation.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(vii) University of Maryland Charles Regional Health System, Inc. (Charles Regional)

Charles Regional owns and operates University of Maryland Charles Regional Medical Center (UM Charles Regional), which is comprised of a 99-bed acute care hospital and other community healthcare resources providing inpatient and outpatient services to the residents of Charles County in Southern Maryland.

(viii) University of Maryland St. Joseph Health System, LLC (St. Joseph)

St. Joseph owns and operates University of Maryland St. Joseph Medical Center (UM St. Joseph), a 219-bed, Catholic acute care hospital located in Towson, Maryland, as well as other subsidiaries providing inpatient and outpatient services to the residents of Baltimore County.

(ix) University of Maryland Upper Chesapeake Health System (Upper Chesapeake)

Upper Chesapeake is a health system located in Harford County, Maryland. Upper Chesapeake's healthcare delivery system includes two acute care hospitals, University of Maryland Upper Chesapeake Medical Center (UM Upper Chesapeake), a 174-bed acute care hospital and University of Maryland Harford Memorial Hospital (UM Harford Memorial), an 82-bed acute care hospital; a physician practice; a land holding company; and Upper Chesapeake Health Foundation.

(x) University of Maryland Capital Region Health (Capital Region)

Capital Region is a health system located in Prince George's County. Capital Region owns and operates UM Prince George's Hospital Center (UM Prince George's), a 230-bed acute care teaching hospital providing an array of services including emergency medicine, behavioral health, cardiac surgery and a Level II Trauma Center; UM Laurel Medical Center (UM Laurel), a free standing medical facility providing emergency medicine and outpatient surgery and UM Bowie Health Center (UM Bowie) a free standing medical facility providing emergency medicine and diagnostic imaging and lab services.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(xi) University of Maryland Medical System Foundation, Inc. (UMMS Foundation)

The UMMS Foundation, a not-for-profit foundation, was established for the purpose of soliciting contributions on behalf of the Corporation.

(xii) University of Maryland Quality Care Network (QCN)

QCN, a wholly owned subsidiary of UMMS, is a network comprised of UMMS employed physicians and independent physician practices in the UMMS service area. The participants bear shared responsibility for the care of a defined population of patients and can contract as one entity with payors.

(b) Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

(c) Cash and Cash Equivalents

Cash and cash equivalents, excluding amounts shown within investments and assets limited as to use, consist of cash and interest-bearing deposits with maturities of three months or less from the date of purchase. Cash and cash equivalent balances may exceed amounts insured by federal agencies and, therefore, bear a risk of loss. The Corporation has not experienced such losses on these funds.

(d) Investments and Assets Limited as to Use

The Corporation's investment portfolios are classified as trading and are reported in the consolidated balance sheets, as long-term assets, at their fair value, based on quoted market prices, at June 30, 2020 and 2019. Unrealized holding gains and losses on trading securities with readily determinable market values are included in nonoperating income. Investment income, including realized gains and losses, is included in nonoperating income in the accompanying consolidated statements of operations and changes in net assets.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

Assets limited as to use include investments set aside at the discretion of the board of directors for the replacement or acquisition of property and equipment, investments held by trustees under bond indenture agreements and self-insurance trust arrangements, and assets whose use is restricted by donors. Such investments are stated at fair value. Amounts required to meet current liabilities have been included in current assets in the consolidated balance sheets. Changes in fair values of donor-restricted investments are recorded in net assets with donor restrictions unless otherwise required by the donor or state law.

Assets limited as to use also include the Corporation's economic interests in financially interrelated organizations (Note 13).

Alternative investments, which the Corporation defines to include multi-strategy commingled funds, hedge funds, hedge fund-of-funds, and private equity investments, are recorded under the equity method of accounting. Underlying securities of these alternative investments may include certain debt and equity securities that are not readily marketable. Because certain investments are not readily marketable, their fair value is subject to additional uncertainty, and therefore, values realized upon disposition may vary significantly from current reported values.

Investments are exposed to certain risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, changes in the value of investment securities could occur in the near term, and these changes could materially differ from the amounts reported in the accompanying consolidated financial statements.

(e) Inventories

Inventories, consisting primarily of drugs and medical/surgical supplies, are carried at the lower of cost or market, on a first-in, first-out basis.

(f) Economic Interests in Financially Interrelated Organizations

The Corporation recognizes its rights to assets held by recipient organizations, which accept cash or other financial assets from a donor and agree to use those assets on behalf of or transfer those assets, the return on investment of those assets, or both, to the Corporation. Changes in the Corporation's economic interests in these financially interrelated organizations are recognized in the accompanying consolidated statements of changes in net assets.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(g) Property and Equipment

Property and equipment are stated at cost or estimated fair value at date of contribution, less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets using the half-year convention. The estimated useful lives of the assets are as follows:

Buildings	20 to 40 years
Building and leasehold improvements	5 to 15 years
Equipment	3 to 15 years

Interest costs incurred on borrowed funds less interest income earned on the unexpended bond proceeds during the period of construction are capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets, such as land, buildings, or equipment are reported as unrestricted support 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, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(h) Deferred Financing Costs

Costs incurred related to the issuance of long-term debt, which are included in long-term debt, are deferred and are amortized over the life of the related debt agreements or the related letter of credit agreements using the effective-interest method.

(i) Intangible Assets and Goodwill

Intangible assets include amounts recognized in connection with acquisitions. Intangible assets are initially valued at fair market value using generally accepted valuation methods. Amortization is recognized on a straight-line basis over the estimated useful life of the intangible assets. Intangible assets with definite and indefinite lives are reviewed for impairment if indicators of impairment arise.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The carrying value of goodwill is evaluated at least annually for impairment.

The Corporation has one reporting unit within continuing operations.

There was no impairment loss recognized for the year ended June 30, 2020 and 2019.

The changes in the carrying amount of goodwill are as follows:

	<u>Health Care Delivery</u>
Goodwill at June 30, 2018	\$ 48,810
Acquisitions	—
Write-downs	—
Goodwill at June 30, 2019	<u>48,810</u>
Acquisitions	—
Write-downs	—
Goodwill at June 30, 2020	<u><u>\$ 48,810</u></u>

(j) Impairment of Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the consolidated balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated balance sheets.

No impairment losses were recorded for the years ended June 30, 2020 or 2019.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(l) Organization and Summary of Significant Accounting Policies (continued)

(k) Investments in Joint Ventures

When the Corporation does not have a controlling interest in an entity where less than 50% of the voting common stock is owned or does not exert a significant influence over the entity, the Corporation applies the equity method of accounting.

(l) Self-Insurance

Under the Corporation's self-insurance programs (general and professional liability, workers' compensation, and employee health and long-term disability benefits), incurred claims are estimated primarily based upon actuarial methods which include incurred but not reported claims analysis and reported claims the severity of incidents and the expected timing of claim payments. These estimates are continually reviewed and adjusted as necessary based on experience. These adjustments are recorded within the current period operating income.

(m) Net Assets

The Corporation classifies net assets based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions represent contributions, gifts, and grants, which have no donor-imposed restrictions or which arise as a result of operations. Net assets with donor restrictions are subject to donor-imposed restrictions that must or will be met either by satisfying a specific purpose and/or passage of time. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for specific purposes. The restrictions associated with these net assets generally pertain to patient care, specific capital projects, and funding of specific hospital operations and community outreach programs.

(n) Net Patient Service Revenue and Patient Accounts Receivable

In accordance with ASC 606, *Revenue from Contracts with Customers*, net patient service revenue, which includes hospital inpatient services, hospital outpatient services, physician services, and other patient services revenue, is recorded at the transaction price estimated by the Corporation to reflect the total consideration due from patients and third-party payors (including commercial payers and government programs) and others. Revenue is recognized over time as performance obligations are satisfied in exchange for providing goods and services in patient care. Revenue is

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

recorded as these goods and services are provided. The services provided to a patient during an inpatient stay or outpatient visit represent a bundle of goods and services that are distinct and accounted for as a single performance obligation.

The Corporation's estimate of the transaction price includes the Corporation's standard charges for the goods and services provided with a reduction recorded related to explicit price concessions for such items as contractual allowances, charity care, potential adjustments that may arise from payment and other reviews, and implicit price concessions such as uncollectible amounts. The price concessions are determined using the portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. Based on historical experience, a significant portion of the self-pay population will be unable or unwilling to pay for services and only the amount anticipated to be collected is recognized the transactions price. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenue in the period of change. Subsequent changes that are determined to be the result of an adverse change in the payor's or patient's ability to pay are considered bad debt expense and recorded within operating expenses. Estimates for uncollectible amounts are based on the historical collections experience for similar payors and patients, current market conditions, and other relevant factors. The Corporation recognizes a significant amount of patient service revenue even though they do not assess the patient's ability to pay.

The standard charges for goods and services for the Medical Center, ROI, Midtown, Baltimore Washington, Shore Regional, Charles Regional, St. Joseph, Upper Chesapeake, and Capital Region reflects actual charges to patients based on rates established by the state of Maryland Health Services Cost Review Commission (HSCRC) in effect during the period in which the services are rendered. See Note 20 for further discussion on the HSCRC and regulated rates.

Patient accounts are recorded at the net realizable value based on certain assumptions determined by each payor. For third-party payors including Medicare, Medicaid, and commercial insurance, the net realizable value is based on the estimated contractual adjustments which is based on approved discounts on charges as permitted by the HSCRC. For self-pay accounts, which includes patients who are uninsured and the patient responsibility portion for patients with insurance, the net realizable value is determined using estimates of historical collection experience.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

The Corporation has elected to apply the optional exemption in ASC 606-10-50-14a as all performance obligations relate to contracts with duration of less than one year. Under this exemption, the Corporation was 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. Any unsatisfied or partially unsatisfied performance obligations at the end of the year are completed within days or weeks of the end of the year.

Net patient service revenue by line of business are as follows:

	Year Ended June 30	
	2020	2019
Hospital inpatient and outpatient services	\$ 3,658,694	\$ 3,734,201
Physician services	238,498	245,150
Other	18,739	37,703
Net patient service revenue	<u>\$ 3,915,931</u>	<u>\$ 4,017,054</u>

(o) Charity Care

The Corporation is committed to providing quality healthcare to all, regardless of one's ability to pay. Patients who meet the criteria of its charity care policy receive services without charge or at amounts less than its established rates. The criteria for charity care consider the household income in relation to the federal poverty guidelines. The Corporation provides services at no charge for patients with adjusted gross income equal to or less than 200% of the federal poverty guidelines. For uninsured patients with adjusted gross income greater than 200% of the federal poverty guidelines, a sliding scale discount is applied. Income and asset information obtained from patient credit reporting data are used to determine patients' ability to pay. The Corporation maintains records to identify and monitor the level of charity care it furnished under its charity care policy.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

Due to the complexity of the eligibility process, the Corporation provides eligibility services to patients free of charge to assist in the qualification process. These eligibility services include, but are not limited to, the following:

- Financial assistance brochures and other information are posted at each point of service. When patients have questions or concerns, they are encouraged to call a toll-free number to reach customer service representatives during the business day. Financial assistance programs are published on the Corporation's Web site and included on the statements provided to patients.
- The Corporation offers assistance to patients in completing the applications for Medicaid or other government payment assistance programs, or applying for care under the Corporation's charity care policy, if applicable. The Corporation also employs an external firm to assist in the eligibility process.
- Any patient, whether covered by insurance or not, may meet with a UMMS representative and receive financial counseling from UMMS' dedicated financial assistance unit.

The Corporation recognizes that a large number of uninsured and insured patients meet the charity care guidelines but do not respond to the Corporation's attempts to obtain necessary financial information. In these instances, the Corporation uses credit reporting data to properly classify these unpaid balances as charity care as opposed to bad debt expense. Utilization of income and asset information and credit reporting data indicate the vast majority of amounts reported as uncollectible (implicit price concessions) represent amounts due from patients that would otherwise qualify for charity benefits but do not respond to the Corporation's attempts to obtain the necessary financial information. In these cases, reasonable collection efforts are pursued, but yield few collections. Amounts determined to meet the criteria under the charity care policy or determined to be uncollectible from patients are reported as reductions to net patient service revenue.

The amounts reported as charity care represent the cost of rendering such services. Costs incurred are estimated based on the cost-to-charge ratio for each hospital and applied to charity care charges. The Corporation estimates the total direct and indirect costs to provide charity care were \$48,254 and \$48,821 for the years ended June 30, 2020 and 2019, respectively.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(p) Nonoperating Income and Expenses, Net

Other activities that are only indirectly related to the Corporation's primary business of delivering healthcare services are recorded as nonoperating income and expenses, and include investment income, equity in the net income of joint ventures, general donations and fund-raising activities, inherent contributions, changes in fair value of investments, changes in fair value of undesignated interest rate swaps, and settlement payments on interest rate swaps that do not qualify for hedge accounting treatment. Settlement payments on interest rate swaps were approximately \$18,444 and \$15,124 for the years ended June 30, 2020 and 2019, respectively, and are reported within other nonoperating losses, net.

(q) Derivative Financial Instruments

The Corporation records derivative and hedging activities on the consolidated balance sheets at their respective fair values.

The Corporation utilizes derivative financial instruments to manage its interest rate risks associated with long-term tax-exempt debt. The Corporation does not hold or issue derivative financial instruments for trading purposes.

The Corporation's specific goals are to (a) manage interest rate sensitivity by modifying the reprising or maturity characteristics of some of its tax-exempt debt, and (b) lower unrealized appreciation or depreciation in the market value of the Corporation's fixed-rate tax-exempt debt when that market value is compared with the cost of the borrowed funds. The effect of this unrealized appreciation or depreciation in market value; however, will generally be offset by the income or loss on the derivative instruments that are linked to the debt.

All derivative instruments are reported as other assets or interest rate swap liabilities in the consolidated balance sheets and measured at fair value. Currently, the Corporation is accounting for its interest rate swaps as economic hedges at fair value with changes in the fair value recognized in other nonoperating income and expenses.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(r) Excess of Revenue over Expenses from Continuing Operations

The accompanying consolidated statements of operations and changes in net assets includes a performance indicator, excess of revenues over expenses from continuing operations. Changes in net assets without donor restrictions that are excluded from the performance indicator, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which, by donor restrictions, were to be used for the purpose of acquiring such assets), changes in the funded status of defined benefit pension plans, and other items that are required by generally accepted accounting principles to be reported separately.

(s) Income Taxes

The Corporation and most of its subsidiaries are not-for-profit corporations formed under the laws of the State of Maryland, organized for charitable purposes and recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code) pursuant to Section 501(a) of the Code. The effect of the taxable status of its for-profit subsidiaries is not material to the consolidated financial statements.

The Corporation follows a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Management does not believe that there are any unrecognized tax liabilities or benefits that should be recognized.

(t) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the promise becomes unconditional. Contributions 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 is satisfied, 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. Such amounts are classified as other revenue or transfers and additions to property and equipment. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions on the accompanying consolidated statements of operations.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

Contributions to be received after one year are discounted at a fixed discount rate commensurate with the risks involved. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contributions, and nature of fund-raising activity.

(u) Fair Value Measurements

The following methods and assumptions were used by the Corporation in estimating the fair value of its financial instruments:

Cash and cash equivalents, accounts receivable, assets limited as to use, investments, trade accounts payable, accrued payroll and benefits, other accrued expenses, and advances from third-party payors – The carrying amounts reported in the consolidated balance sheets approximate the related fair values.

Pension plan assets – The Corporation applies Accounting Standards Update (ASU) 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)*, to its pension plan assets. The guidance permits, as a practical expedient, fair value of investments within its scope to be estimated using the net asset value (NAV) or its equivalent. The alternative investments classified within the fair value hierarchy have been recorded using the NAV.

The Corporation discloses its financial assets, financial liabilities, and fair value measurements of nonfinancial items according to the fair value hierarchy required by generally accepted accounting principles that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

- Level 2 inputs are inputs other than quoted market prices including within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and liabilities classified as Level 1 are valued using unadjusted quoted market prices for identical assets or liabilities in active markets. The Corporation uses techniques consistent with the market approach and the income approach for measuring fair value of its Level 2 and Level 3 assets and liabilities. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach generally converts future amounts (cash flows or earnings) to a single present value amount (discounted).

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

As of June 30, 2020, and 2019, the Level 2 assets and liabilities listed in the fair value hierarchy tables presented in Notes 3 and 11 utilize the following valuation techniques and inputs:

Cash Equivalents

The fair value of investments in cash equivalent securities, with maturities within three months of the date of purchase, is determined using techniques that are consistent with the market approach. Significant observable inputs include reported trades and observable broker-dealer quotes.

U.S. Government and Agency Securities

The fair value of investments in U.S. government, state, and municipal obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

Corporate Obligations

The fair value of investments in U.S. and international corporate bonds, including commingled funds that invest primarily in such bonds and foreign government bonds, is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options. The fair value of collateralized corporate obligations is primarily determined using techniques consistent with the income approach, such as a discounted cash flow model. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes.

Derivative Liabilities

The fair value of derivative contracts is primarily determined using techniques consistent with the market approach. Derivative contracts include interest rate, credit default, and total return swaps. Significant observable inputs to valuation models include interest rates, treasury yields, volatilities, credit spreads, maturity, and recovery rates.

(v) Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(w) Going Concern

Management evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date the financial statements are issued. As of the date of this report, there are no conditions or events that raise substantial doubt about the Corporation's ability to continue as a going concern.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(1) Organization and Summary of Significant Accounting Policies (continued)

(x) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(y) New Accounting Pronouncements

The Corporation adopted ASU 2016-02, *Leases (ASC Topic 842)*, on July 1, 2019. ASC Topic 842 required the recognition of right-of-use assets (ROU) and lease liabilities on the accompanying consolidated balance sheet and the disclosure of qualitative and quantitative information about leasing arrangements. The guidance was adopted using a modified retrospective approach without restating prior comparative periods. The Corporation elected to utilize the transition practical expedient to not reassess whether a contract is or contains a lease, the lease classification and initial direct costs. Additionally, the Corporation also elected the practical expedient which allows the System to treat the lease and non-lease components of a contract as a single component and account for as a lease. The Corporation recognized operating ROU assets and corresponding operating lease liabilities of approximately \$99,000 in the accompanying consolidated balance sheet at July 1, 2019. See further discussion in Note 6.

Effective January 1, 2019, the Corporation adopted ASU 2016-18, *Statement of Cash Flows (Topic 320): Restricted Cash*, which requires that the statement of cash flows explain the change during the period in total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. See further discussion in Note 3.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(2) COVID-19 Pandemic and the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020

Maryland Governor Larry Hogan began preparing the State for the COVID-19 pandemic on January 29, 2020 by raising the State's emergency operations center threat to "enhanced." As a result of close monitoring of the pandemic's impact data, on March 5, 2020, Governor Hogan declared a State of Emergency in Maryland, an action that was succeeded by several others intended to limit the spread of COVID-19 in Maryland and ensure residents who required medical care were able to obtain it safely and efficiently. Notably, Governor Hogan issued an executive order on March 16, 2020 restricting elective procedures. As a result, volume in the months of March and April declined significantly and based on the State of Maryland's phased resumption of certain elective procedures in May and June, volumes increased compared to April 2020.

In response to COVID-19, the Coronavirus Aid, Relief and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act authorizes funding to hospitals and other healthcare providers to be distributed through the Public Health and Social Services Emergency Fund (Relief Fund). Payments from the Relief Fund are to be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the recipient for health care related expenses or lost revenues attributable to coronavirus and not required to be repaid, provided the recipients attest to and comply with the terms and conditions.

The U.S. Department of Health and Human Services' distributions from the Relief Fund include general distribution and targeted distributions to support hospitals in high impact areas and rural providers. For the year ended June 30, 2020, the Corporation received and recognized as other operating revenue, approximately \$199,600 in relief funding. Amounts recognized as revenue could change in the future based on evolving compliance guidance provided by HHS, among other factors, as discussed further in Note 21.

In April 2020, the Corporation requested Medicare advanced payments under the Centers for Medicare and Medicaid Services' Accelerated and Advanced Payment Program designed to increase cash flow to Medicare providers and suppliers impacted by COVID-19. The Medicare advanced payment program allows eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. The Corporation received approximately \$641,300 of advanced payments with repayment to occur based upon the terms and conditions of the program. Amounts received represent contract liabilities under Topic 606 and are recorded in advances from third party payors within the accompanying consolidated balance sheet as of June 30, 2020.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(2) COVID-19 Pandemic and the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (continued)

The CARES Act provided for deferred payment of the employer portion of social security taxes through December 31, 2020, with 50% of the deferred amount to December 31, 2021 and the remaining 50% due December 31, 2022. As of June 30, 2020, the Corporation deferred \$26,971, which is recorded in other long-term liabilities in the accompanying consolidated balance sheet.

(3) Investments and Assets Limited as to Use

The carrying values of assets limited as to use were as follows:

	June 30	
	2020	2019
Investments held for collateral	\$ 166,507	\$ 113,586
Debt service and reserve funds	37,696	86,157
Construction funds – held by trustee	204,366	279,205
Construction funds – held by the Corporation	174,675	183,917
Board designated funds	116,811	140,689
Self-insurance trust funds	215,162	212,384
Funds restricted by donors	91,975	78,255
Economic and beneficial interests in the net assets of related organizations (Note 13)	170,820	198,101
Total assets limited as to use	<u>1,178,012</u>	1,292,294
Less amounts available for current liabilities	<u>(64,026)</u>	(64,910)
Total assets limited as to use, less current portion	<u>\$ 1,113,986</u>	<u>\$ 1,227,384</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(3) Investments and Assets Limited as to Use (continued)

The carrying values of assets limited as to use were as follows:

	Investments Held for Collateral	Debt Service and Reserve Funds	Construction Funds	Board Designated Funds	Self- Insurance Trust Funds	Funds Restricted by Donors	Economic and Beneficial Interests	Total
June 30, 2020								
Cash and cash equivalents	\$ 136,101	\$ 15,851	\$ 260,606	\$ 37,409	\$ 591	\$ 13,093	\$ -	\$ 463,651
Corporate obligations	-	-	-	365	12,381	974	-	13,720
Fixed income funds	-	-	-	18,350	394	16,106	-	34,850
U.S. government and agency securities	30,406	21,845	118,435	169	2,782	449	-	174,086
Common stocks, including mutual funds	-	-	-	43,630	5,799	29,569	-	78,998
Alternative investments	-	-	-	16,888	10,830	31,784	-	59,502
Assets held by other organizations	-	-	-	-	182,385	-	170,820	353,205
Total assets limited as to use	<u>\$ 166,507</u>	<u>\$ 37,696</u>	<u>\$ 379,041</u>	<u>\$ 116,811</u>	<u>\$ 215,162</u>	<u>\$ 91,975</u>	<u>\$ 170,820</u>	<u>\$ 1,178,012</u>
June 30, 2019								
Cash and cash equivalents	\$ 31,394	\$ 25,070	\$ 265,160	\$ 19,216	\$ 8,473	\$ 13,924	\$ -	\$ 363,237
Corporate obligations	-	-	-	293	3,015	772	-	4,080
Fixed income funds	-	-	-	26,842	2,944	12,727	-	42,513
U.S. government and agency securities	82,192	61,087	197,962	153	11,151	402	-	352,947
Common stocks, including mutual funds	-	-	-	48,283	7,046	23,074	-	78,403
Alternative investments	-	-	-	45,902	-	27,356	-	73,258
Assets held by other organizations	-	-	-	-	179,755	-	198,101	377,856
Total assets limited as to use	<u>\$ 113,586</u>	<u>\$ 86,157</u>	<u>\$ 463,122</u>	<u>\$ 140,689</u>	<u>\$ 212,384</u>	<u>\$ 78,255</u>	<u>\$ 198,101</u>	<u>\$ 1,292,294</u>

Self-insurance trust funds include amounts held by the Maryland Medicine Comprehensive Insurance Program (MMCIP) for payment of malpractice claims. These assets consist primarily of cash, stocks and fixed-income and corporate obligations. MMCIP is a funding mechanism for the Corporation's malpractice insurance program. As MMCIP is not an insurance provider, transactions with MMCIP are recorded under the deposit method of accounting. Accordingly, the Corporation accounts for its participation in MMCIP by carrying limited-use assets representing the amount of funds contributed to MMCIP and recording a liability for claims, which is included in other current and other long-term liabilities in the accompanying consolidated balance sheets. These assets include the Corporation's portion of the investment pool shared with University of Maryland Faculty Physician, Inc., which is part of the University of Maryland School of Medicine.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(3) Investments and Assets Limited as to Use (continued)

The related restricted cash and cash equivalents included in Investments Held for Collateral, Debt Service and Reserve Funds, Construction Funds (held by trustee), and Funds Restricted by Donors are included in the accompanying Consolidated Statements of Cash Flows for the years ended June 30, 2020 and 2019.

The carrying values of investments were as follows:

	June 30	
	2020	2019
Cash and cash equivalents	\$ 54,553	\$ 61,004
Corporate obligations	56,424	55,023
Fixed income funds	91,095	83,822
U.S. government and agency securities	26,062	23,304
Common stocks	235,673	213,139
Alternative investments:		
Hedge funds/private equity	193,250	137,693
Commingled funds	270,309	311,655
	<u>\$ 927,366</u>	<u>\$ 885,640</u>

Alternative investments include hedge fund, private equity, and commingled investment funds, which are valued using the equity method of accounting. As of June 30, 2020, the majority of these alternative investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis. Approximately \$137,700 of the alternative investments were subject to 31–60-day notice requirements and can only be redeemed monthly, quarterly, or annually. Other funds, totaling approximately \$72,500, are subject to over 60-day notice requirements and can only be redeemed monthly, quarterly, or annually. Of the funds with over 60-day notice requirements, approximately \$14,200 are subject to lockup restrictions and are not available to be redeemed until certain time restrictions are met, which range from one to three years. In addition, there are approximately \$5,700 of other funds that are subject to lockup restrictions and are not available to be redeemed until certain time restrictions are met, which range from one to three years. The Corporation had \$5,240 of unfunded commitments in alternative investments as of June 30, 2020.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(3) Investments and Assets Limited as to Use (continued)

As of June 30, 2019, the majority of these alternative investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis. Approximately \$140,600 of the alternative investments were subject to 31–60 day notice requirements and can only be redeemed monthly, quarterly, or annually. Other funds, totaling approximately \$72,000, are subject to over 60-day notice requirements and can only be redeemed monthly, quarterly, or annually. Of the funds with over 60-day notice requirements, approximately \$15,000 are subject to lockup restrictions and are not available to be redeemed until certain time restrictions are met, which range from one to three years. In addition, there are approximately \$5,700 of other funds that are subject to lockup restrictions and are not available to be redeemed until certain time restrictions are met, which range from one to three years.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(3) Investments and Assets Limited as to Use (continued)

The following table presents investments and assets limited as to use that are measured at fair value on a recurring basis excluding alternative investments in the amount of \$463,559 and \$148,346 (\$88,844 of which is included within investments held by other organizations*), respectively, which are accounted for under the equity method at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Cash and cash equivalents	\$ 54,553	\$ –	\$ –	\$ 54,553
Corporate obligations	–	56,424	–	56,424
Fixed income funds	91,095	–	–	91,095
U.S. government and agency securities	7,586	18,476	–	26,062
Common and preferred stocks, including mutual funds	235,673	–	–	235,673
	388,907	74,900	–	463,807
Assets limited as to use:				
Cash and cash equivalents	463,651	–	–	463,651
Corporate obligations	–	13,720	–	13,720
Fixed income funds	34,850	–	–	34,850
U.S. government and agency securities	170,795	3,291	–	174,086
Common and preferred stocks, including mutual funds	78,998	–	–	78,998
Investments held by other organizations	–	264,361	–	264,361
	748,294	281,372	–	1,029,666
	\$ 1,137,201	\$ 356,272	\$ –	\$ 1,493,473

*“Investments held by other organizations” includes assets of the MMCIP Self-insurance Trust, which holds alternative investments within its portfolios. Alternative investments include hedge fund, private equity, and commingled investment funds, which are valued using the equity method of accounting. As of June 30, 2020, the majority of these alternative investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(3) Investments and Assets Limited as to Use (continued)

The following table presents investments and assets limited as to use that are measured at fair value on a recurring basis excluding alternative investments in the amount of \$449,348 and \$73,258, respectively, which are accounted for under the equity method at June 30, 2019:

	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Cash and cash equivalents	\$ 61,004	\$ –	\$ –	\$ 61,004
Corporate obligations	–	55,023	–	55,023
Fixed income funds	83,822	–	–	83,822
U.S. government and agency securities	15,581	7,723	–	23,304
Common and preferred stocks, including mutual funds	213,139	–	–	213,139
	<u>373,546</u>	<u>62,746</u>	<u>–</u>	<u>436,292</u>
Assets limited as to use:				
Cash and cash equivalents	363,237	–	–	363,237
Corporate obligations	–	4,080	–	4,080
Fixed income funds	42,513	–	–	42,513
U.S. government and agency securities	352,630	317	–	352,947
Common and preferred stocks, including mutual funds	78,403	–	–	78,403
Investments held by other organizations	–	377,856	–	377,856
	<u>836,783</u>	<u>382,253</u>	<u>–</u>	<u>1,219,036</u>
	<u>\$ 1,210,329</u>	<u>\$ 444,999</u>	<u>\$ –</u>	<u>\$ 1,655,328</u>

Changes to Level 1 and Level 2 securities between June 30, 2020 and 2019 were the result of strategic investments and reinvestments, interest income earnings, and changes in the fair value of investments.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(3) Investments and Assets Limited as to Use (continued)

The Corporation's total return on its investments and assets limited as to use was as follows:

	Year Ended June 30	
	2020	2019
Dividends and interest, net of fees	\$ 17,775	\$ 18,059
Net realized gains	7,551	14,276
Change in fair value of trading securities	(4,368)	24,384
Total investment return	\$ 20,958	\$ 56,719

Total investment return is classified in the accompanying consolidated statements of operations as follows:

	Year Ended June 30	
	2020	2019
Nonoperating investment income, net	\$ 24,635	\$ 30,632
Change in fair value of unrestricted investments	(4,884)	24,421
Investment gains on net assets with donor restrictions	1,207	1,666
Total investment return	\$ 20,958	\$ 56,719

Investment return does not include the returns on the economic interests in the net assets of related organizations, the returns on the self-insurance trust funds, returns on undesignated interest rates swaps, or the returns on certain construction funds where amounts have been capitalized.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(4) Property and Equipment

The following is a summary of property and equipment:

	June 30	
	2020	2019
Land	\$ 203,544	\$ 196,004
Buildings	1,495,471	1,496,177
Building and leasehold improvements	1,080,875	1,048,608
Equipment	1,986,526	1,814,503
Construction in progress	635,895	321,660
	<u>5,402,311</u>	<u>4,876,952</u>
Less accumulated depreciation and amortization	<u>(2,845,763)</u>	<u>(2,567,866)</u>
	<u>\$ 2,556,548</u>	<u>\$ 2,309,086</u>

Interest cost capitalized was \$380 and \$0 for years ended June 30, 2020 and 2019, respectively.

Remaining contractual commitments on construction projects were approximately \$172,900 at June 30, 2020, of which approximately \$60,700 relates to Capital Region.

Construction in progress includes building and renovation costs for assets that have not yet been placed into service. These costs relate to major construction projects as well as routine renovations under way at the Corporation's facilities.

(5) Investments in Joint Ventures

The Corporation has equity method investments of \$92,485 and \$91,942 at June 30, 2020 and 2019, respectively, in the following unconsolidated joint ventures:

	Ownership %	2020	2019
Mt. Washington Pediatric Hospital, Inc. (Mt. Washington)	50%	\$ 69,025	\$ 67,002
Terrapin Insurance	50%	975	975
Other investments	10-51%	22,485	23,965
		<u>\$ 92,485</u>	<u>\$ 91,942</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(5) Investments in Joint Ventures (continued)

The Corporation recorded equity in net income of \$3,536 and \$3,624 related to these joint ventures for the years ended June 30, 2020 and 2019, respectively.

The following is a summary of the Corporation's joint ventures' combined unaudited condensed financial information as of and for the years ended June 30:

	2020			
	Mt. Washington	Terrapin	Others	Total
Current assets	\$ 36,255	\$ 23,194	\$ 36,993	\$ 96,442
Noncurrent assets	107,664	294,881	46,096	448,641
Total assets	<u>\$ 143,919</u>	<u>\$ 318,075</u>	<u>\$ 83,089</u>	<u>\$ 545,083</u>
Current liabilities	\$ 13,560	\$ 705	\$ 18,914	\$ 33,179
Noncurrent liabilities	7,746	315,420	12,979	336,145
Net assets	122,613	1,950	51,196	175,759
Total liabilities and net assets	<u>\$ 143,919</u>	<u>\$ 318,075</u>	<u>\$ 83,089</u>	<u>\$ 545,083</u>
Total operating revenue	\$ 61,670	\$ 36,445	\$ 102,477	\$ 200,592
Total operating expenses	(61,533)	(38,494)	(87,599)	(187,626)
Total nonoperating gains (losses), net	2,320	2,049	(80)	4,289
Contributions from (to) owners	-	-	(10,400)	(10,400)
Other changes in net assets, net	3,780	-	(288)	3,492
Increase (decrease) in net assets	<u>\$ 6,237</u>	<u>\$ -</u>	<u>\$ 4,110</u>	<u>\$ 10,347</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(5) Investments in Joint Ventures (continued)

	2019			
	Mt. Washington	Terrapin	Others	Total
Current assets	\$ 31,609	\$ 52,058	\$ 35,045	\$ 118,709
Noncurrent assets	104,354	242,783	50,079	397,216
Total assets	<u>\$ 135,963</u>	<u>\$ 294,841</u>	<u>\$ 85,121</u>	<u>\$ 515,925</u>
Current liabilities	\$ 14,565	\$ 4,878	\$ 18,850	\$ 38,293
Noncurrent liabilities	6,452	288,013	11,526	305,991
Net assets	114,946	1,950	54,745	171,641
Total liabilities and net assets	<u>\$ 135,963</u>	<u>\$ 294,841</u>	<u>\$ 85,121</u>	<u>\$ 515,925</u>
Total operating revenue	\$ 64,668	\$ 44,898	\$ 105,786	\$ 215,352
Total operating expenses	(61,835)	(49,435)	(96,071)	(207,341)
Total nonoperating gains (losses), net	2,157	4,536	1,446	8,139
Contributions from (to) owners	2,986	–	(9,525)	(6,539)
Other changes in net assets, net	–	–	2,469	2,469
Increase (decrease) in net assets	<u>\$ 7,976</u>	<u>\$ (1)</u>	<u>\$ 4,105</u>	<u>\$ 12,080</u>

(6) Leases

The Corporation determines if an arrangement is a lease at inception. Operating leases are included in other assets, other current liabilities, and other long-term liabilities on the consolidated balance sheet. Finance leases are included in property, plant and equipment, other current liabilities, and other long-term liabilities on the accompanying consolidated balance sheet.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(6) Leases (continued)

The Corporation's leases primarily consist of real estate leases for medical and administrative office buildings and the Corporation determines if an arrangement is a lease at inception of the contract. Operating leases are included in other assets, other current liabilities, and other long-term liabilities on the consolidated balance sheet. Finance leases are included in property, plant and equipment, other current liabilities, and other long-term liabilities on the accompanying consolidated balance sheet.

Lease liabilities are recognized based on the present value, net of the future minimum lease payments over the lease term using the Corporation's incremental borrowing rate based on the information available at commencement. The ROU asset is derived from the lease liability and also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Certain lease agreements for real estate include payments based on actual common area maintenance expenses and others include rental payments adjusted periodically for inflation. These variable lease payments are recognized in other operating expenses, net, but are not included in the right-of-use asset or liability balances. Lease agreements may include one or more renewal options which are at the Corporation's sole discretion. The Corporation does not consider the renewal options to be reasonably likely to be exercised, therefore they are not included in ROU assets and lease liabilities. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term for operating leases.

In accordance with ASC 842, the Corporation has elected to not recognize ROU assets and lease liabilities for short-term leases with a lease term of 12 months or less. The Corporation recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as all other leases.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(6) Leases (continued)

The following table summarizes the components of operating and finance lease assets and liabilities classified as current and noncurrent on the accompanying consolidated balance sheet as of June 30, 2020:

Operating leases	Balance sheet classification	
Operating lease ROU asset	Other assets	\$ 92,333
Operating lease obligation – current	Other current liabilities	(12,724)
Operating lease obligation- long-term	Other long-term liabilities	(81,951)
Finance leases		
Finance lease ROU asset	Property and equipment, net	\$ 47,598
Current finance lease liabilities	Other current liabilities	(760)
Long-term finance lease liabilities	Other long-term liabilities	(55,310)

The components of lease expense for the year ended June 30, 2020, were as follows:

Finance lease expense:	
Amortization of ROU assets	\$ 1,518
Interest on lease liabilities	1,992
Total finance lease expense	<u>3,510</u>
Operating lease expense	16,159
Short-term/variable lease expense	12,848
Total lease expense	<u>\$ 32,517</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(6) Leases (continued)

Commitments related to noncancelable operating and finance leases for each of the next five years and thereafter as of June 30, 2020, are as follows:

	<u>Operating</u>	<u>Finance</u>
2021	\$ 15,896	\$ 2,833
2022	14,425	2,866
2023	12,496	2,900
2024	11,959	2,936
2025	10,621	2,973
Thereafter	49,504	61,586
Total	<u>114,901</u>	<u>76,094</u>
Less: Present value discount	<u>(20,226)</u>	<u>(20,024)</u>
Lease liabilities	<u>\$ 94,675</u>	<u>\$ 56,070</u>

Other information for the year ended June 30, 2020 is as follows:

Weighted average remaining lease terms (in years):	
Finance leases	11.17
Operating leases	10.25
Weighted average discount rate:	
Finance leases	3.72%
Operating leases	3.58%

Because the Corporation elected to use the modified retrospective transition approach, the Corporation is required to include the disclosures required prior the adoption of ASU 2016-02 for 2019.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(6) Leases (continued)

The following is a summary of all property and equipment under capital leases at June 30, 2019:

Land	\$ 3,770
Buildings	29,230
Equipment	<u>28,571</u>
	61,571
Less accumulated amortization	<u>(26,261)</u>
	<u>\$ 35,310</u>

Rent expense under operating leases for the year ended June 30, 2019 amounted to \$35,912.

The future noncancelable minimum lease payments under operating leases are as follows for the years ending June 30:

2020	\$ 9,464
2021	7,076
2022	6,768
2023	6,522
2024	6,158
Thereafter	<u>13,791</u>
	<u>\$ 49,779</u>

The Corporation rents property used for administration under a 99-year lease. As of June 30, 2019, the lease was recorded as a capital lease and recorded \$38,093. The lease includes an option for the Corporation to purchase the property. Management exercised the option on October 21, 2019 to purchase the property for \$40,000 in January 2031. The Corporation accounted for the option to purchase the underlying asset as a lease modification as a part of the existing contract and remeasured the finance lease liability and corresponding finance asset.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(6) Leases (continued)

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, are as follows as of June 30, 2019:

2020	\$ 2,811
2021	1,862
2022	1,145
2023	891
2024	891
Thereafter	<u>52,083</u>
Total minimum lease payments	59,683
Less amounts representing interest	<u>(7,156)</u>
Present value of net minimum lease payments	<u>\$ 52,527</u>

(7) Line of Credit

For the fiscal years ended June 30, 2020 and 2019, the Corporation had a \$250,000 revolving line of credit outstanding with a syndicate of banking partners. The line of credit is annually renewing and the current expiration date is August 25, 2021. Interest is calculated based on an optional base rate or percentage of 1-month LIBOR plus a credit spread. As of June 30, 2020 and 2019, the amount outstanding on the line of credit was \$193,500 and \$161,300, respectively. The calculated interest rates as of June 30, 2020 and 2019 was a range from 0.89% to 3.25%.

For the fiscal year ended June 30, 2020, the Corporation had \$225,000 in additional lines of credit consisting of separate agreements with three banking partners. The borrowing facilities were put in place to provide additional access to liquidity in the event it would be needed during the COVID-19 pandemic, and each of the facilities expires no later than May 2021. All three borrowing facilities call for interest to be calculated on the drawn amount based on a percentage of one-month LIBOR, subject to a percentage floor, plus a credit spread. As of June 30, 2020, there were \$0 outstanding on these lines of credit, and the calculated interest rate on that date would have been within a range of 1.69% to 2.25% across the three facilities.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(8) Long-Term Debt and Other Borrowings

Long-term debt consists of the following:

	Interest Rate	Payable in Fiscal Year(s)	June 30	
			2020	2019
MHHEFA project revenue bonds:				
Corporation issue, payments due annually UCHS Term Loan:				
Series 2017D/E Bonds	4.00%–4.17%	2045–2049	\$ 189,965	\$ 189,965
Series 2017B/C Bonds	2.23%–5.00%	2018–2040	256,455	260,835
Series 2017A Bonds	Variable rate	2017–2043 ⁽¹⁾	42,840	44,010
Series 2016A–F Bonds	Variable rate	2017–2042 ⁽¹⁾	309,500	314,270
Series 2015 Bonds	3.63%–5.00%	2016–2042	73,630	75,060
Series 2013 Bonds	4.00%–5.00%	2014–2044	335,545	339,465
Series 2010 Bonds	4.75%–5.25%	2011–2032	41,510	50,210
Series 2008D/E Bonds	Variable rate	2025–2042	105,000	105,000
Series 2008F Bonds	4.50%–5.25%	2009–2024	20,630	27,555
Series 2007A Bonds	Variable rate	2008–2035	76,425	79,440
MHHEFA Pooled Loan Program	Variable rate	2017–2035	16,149	17,099
Other long-term debt:				
UCHS Term Loan	Variable rate	2021	150,000	150,000
Term loans	1.86%–4.44%	2009–2022	7,356	9,377
Other loans, mortgages and notes payable	3.25%–6.73%	Monthly, 1991–2025	12,678	17,893
Total debt			1,637,683	1,680,179
Less current portion of long-term debt			40,468	47,621
Less short-term financing			150,000	150,000
Less long-term debt subject to short-term remarketing agreements			28,794	18,895
			1,418,421	1,463,663
Plus unamortized premiums and discounts, net			28,713	30,762
Plus unamortized deferred financing costs			(8,877)	(9,465)
			\$ 1,438,257	\$ 1,484,960

⁽¹⁾Mandatory purchase options are due in the following (fiscal years), unless the bondholding bank and the Obligated Group agree to an extension: Series 2016A (2024), 2016B (2022), 2016C&D (2024), 2016E&F (2027), and 2017A (2022).

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(8) Long-Term Debt and Other Borrowings (continued)

Pursuant to an Amended and Restated Master Loan Agreement dated December 1, 2017 (UMMS Master Loan Agreement), the Corporation and several of its subsidiaries have issued debt through Maryland Health and Higher Educational Facilities Authority (MHHEFA or the Authority). As security for the performance of the bond obligation under the Master Loan Agreement, the Authority maintains a security interest in the revenue of the obligors. The UMMS Master Loan Agreement contains certain restrictive covenants. These covenants require that rates and charges be set at certain levels, limit incurrence of additional debt, require compliance with certain operating ratios and restrict the disposition of assets.

The Obligated Group under the UMMS Master Loan Agreement includes the Medical Center, ROI, UM Midtown, UM Baltimore Washington, Shore Health (UM Memorial and UM Dorchester), UM Chester River, UM Charles Regional, UM St. Joseph, UM Upper Chesapeake, UM Harford Memorial, UM Laurel, UM Prince George's, Bowie Health Center (Bowie), and the UMMS Foundation. Each member of the Obligated Group is jointly and severally liable for the repayment of the obligations under the UMMS Master Loan Agreement.

Under the terms of the UMMS Master Loan Agreement and other loan agreements, certain funds are required to be maintained on deposit with the Master Trustee to provide for repayment of the obligations of the Obligated Group (Note 3).

The Corporation has a term loan in the amount of \$150,000 related to the acquisition of Upper Chesapeake, which expires on March 1, 2021. The Corporation intends to obtain long term financing prior to its maturity date, and has classified this obligation as a short-term financing at June 30, 2020 and 2019, in the consolidated balance sheets. See further discussion in Subsequent Events (Note 21).

In December 2018, MHHEFA issued \$145,265 of tax-exempt Revenue Bonds, Series 2017D, and \$44,700 taxable Revenue Bonds, Series 2017E. These proceeds are to be used for the purpose of financing a portion of the costs of acquisition, construction and equipping of certain capital projects related to Capital Region, including (a) construction of a new regional medical center and an adjacent new ambulatory care center and (b) construction of a new freestanding medical facility.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(8) Long-Term Debt and Other Borrowings (continued)

The aggregate annual future maturities of long-term debt according to the original terms of the Master Loan Agreement and all other loan agreements are as follows for the years ending June 30:

2021	\$ 219,262
2022	260,771
2023	71,073
2024	196,073
2025	39,036
Thereafter	851,468
	<u>\$ 1,637,683</u>

The Corporation's Series 2007A and 2008D-E Bonds are variable rate demand bonds requiring remarketing agents to purchase and remarket any bonds tendered before the stated maturity date. The reimbursement obligations with respect to the letters of credit are evidenced and secured by the respective bonds. To provide liquidity support for the timely payment of any bonds that are not successfully remarketed, the Corporation has entered into letter-of-credit agreements with three banking institutions. These agreements have terms that expire in 2021 through 2022. If the bonds are not successfully remarketed, the Corporation is required to pay an interest rate specified in the letter-of-credit agreement, and the principal repayment of bonds may be accelerated to require repayment in periods ranging from 20 to 60 months from the date of the failed remarketing. The Corporation has reflected the amount of its long-term debt that is subject to these short-term remarketing arrangements as a separate component of current liabilities in its consolidated balance sheets. In the event that bonds are not remarketed, the Corporation maintains available letters of credit and has the ability to access other sources to obtain the necessary liquidity to comply with accelerated repayment terms. All variable rate demand bonds were successfully remarketed as of June 30, 2020 and 2019.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(8) Long-Term Debt and Other Borrowings (continued)

The approximate interest rates on outstanding debt bearing interest at variable rates were as follows:

	June 30	
	2020	2019
Series 2008D Bonds	0.11%	1.92%
Series 2008E Bonds	0.12	1.85
Series 2007A Bonds	0.09	1.85
Series 2016A Bonds	1.13	2.74
Series 2016B Bonds	1.01	2.62
Series 2016C Bonds	0.75	2.54
Series 2016D Bonds	0.98	2.63
Series 2016E Bonds	0.87	2.66
Series 2016F Bonds	0.84	2.63
Series 2017A Bonds	0.67	2.46
Series 1985 Pooled Loan Program (MHHEFA)	1.00	2.40
UCHS Term Loan	0.89	3.10

(9) Interest Rate Risk Management

The Corporation uses a combination of fixed and variable rate debt to finance capital needs. The Corporation maintains an interest rate risk-management strategy that uses interest rate swaps to minimize significant, unanticipated earnings fluctuations that may arise from volatility in interest rates.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(9) Interest Rate Risk Management (continued)

At June 30, 2020 and 2019, the Corporation's notional values of outstanding interest rate swaps were \$735,015 and \$746,348, respectively, the details of which were as follows:

	Notional Amount	Pay Rate	Receive Rate	Maturity Date	Mark to Market
June 30, 2020					
Swap #1	\$ 79,800	3.59%	70% 1-month LIBOR	7/1/2031	\$ (15,036)
Swap #2	84,000	3.93	68% 1-month LIBOR	7/1/2041	(45,040)
Swap #3	21,000	4.24	68% 1-month LIBOR	7/1/2041	(12,364)
Swap #4	32,025	3.99	67% 1-month LIBOR	7/1/2034	(8,987)
Swap #5	24,770	3.54	70% 1-month LIBOR	7/1/2031	(4,606)
Swap #6	196,000	3.93	68% 1-month LIBOR	7/1/2041	(105,113)
Swap #7	49,000	4.24	68% 1-month LIBOR	7/1/2041	(28,855)
Swap #8	74,700	4.00	67% 1-month LIBOR	7/1/2034	(21,020)
Swap #9	2,465	3.63	67% 1-month LIBOR	7/1/2032	(307)
Swap #10	95,475	3.92	67% 1-month LIBOR	1/1/2043	(38,240)
Swap #11	75,780	0.51	67% 1-month LIBOR + 0.5133%	1/1/2038	2,351
	<u>735,015</u>				<u>(277,217)</u>
Valuation adjustments		-			6,787
Total	<u>\$ 735,015</u>				<u>\$ (270,430)</u>
June 30, 2019					
Swap #1	\$ 80,998	3.59%	70% 1-month LIBOR	7/1/2031	\$ (11,813)
Swap #2	84,000	3.93	68% 1-month LIBOR	7/1/2041	(31,398)
Swap #3	21,000	4.24	68% 1-month LIBOR	7/1/2041	(8,869)
Swap #4	33,200	3.99	67% 1-month LIBOR	7/1/2034	(7,048)
Swap #5	25,160	3.54	70% 1-month LIBOR	7/1/2031	(3,589)
Swap #6	196,000	3.93	68% 1-month LIBOR	7/1/2041	(73,275)
Swap #7	49,000	4.24	68% 1-month LIBOR	7/1/2041	(20,698)
Swap #8	77,450	4.00	67% 1-month LIBOR	7/1/2034	(16,496)
Swap #9	2,850	3.63	67% 1-month LIBOR	7/1/2032	(269)
Swap #10	98,425	3.92	67% 1-month LIBOR	1/1/2043	(27,914)
Swap #11	78,265	0.51	67% 1-month LIBOR + 0.5133%	1/1/2038	2,299
	<u>746,348</u>				<u>(199,070)</u>
Valuation adjustments		-			2,896
Total	<u>\$ 746,348</u>				<u>\$ (196,174)</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(9) Interest Rate Risk Management (continued)

The mark-to-market values of the Corporation's interest rate swaps include a valuation adjustment representing the creditworthiness of the counterparties to the swaps.

The Corporation recorded a net nonoperating loss on changes in the fair value of nonqualifying interest rate swaps of \$75,811 and \$47,995 for the years ended June 30, 2020 and 2019, respectively.

The swap agreements are included in the consolidated balance sheets at their fair value of \$270,430 and \$196,174 as of June 30, 2020 and 2019, respectively, an amount that is based on observable inputs other than quoted market prices in active markets for identical liabilities (Level 2 in the fair value hierarchy).

The Corporation is subject to a collateral posting requirement with two of its swap counterparties. Collateral posting requirements are based on the Corporation's long-term debt credit ratings, as well as the net liability position of total interest rate swap agreements outstanding with that counterparty. The amount of such posted collateral was \$165,848 and \$109,934 at June 30, 2020 and 2019, respectively. As of June 30, 2020 and 2019, the Corporation met its collateral posting requirement through the use of collateralized investments and cash equivalents, which were selected and purchased by the Corporation and subsequently transferred to the custody of the swap counterparty. The amount of posted investments that is required to meet the collateral requirement is computed daily and is accounted for as a component of the Corporation's assets limited as to use on the accompanying consolidated balance sheets as of that date. Any excess investment value is considered a component of the Corporation's unrestricted investment portfolio and is included in investments on the accompanying consolidated balance sheets as of that date.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(10) Other Liabilities

Other liabilities consist of the following:

	June 30	
	2020	2019
Professional and general malpractice liabilities	\$ 351,441	\$ 313,136
Accrued pension obligations	130,903	108,533
Lease obligations – Operating	94,675	–
Lease obligations – Finance (capital in prior year)	56,070	52,527
Deferred payroll taxes	26,971	–
Accrued interest payable	22,200	21,922
Other miscellaneous	100,941	70,666
Total other liabilities	<u>783,201</u>	566,784
Less current portion	<u>(129,813)</u>	(127,760)
Other long-term liabilities	<u>\$ 653,388</u>	<u>\$ 439,024</u>

Other miscellaneous liabilities consist of patient credit balances, unearned revenue and other current and long-term liabilities.

(11) Retirement Plans

Employees of the Corporation are included in various retirement plans established by the Corporation, the Medical Center, ROI, Midtown, Baltimore Washington, Shore Regional, Charles Regional, St. Joseph, Upper Chesapeake, and Capital Region. Participation by employees in their specific plan(s) has evolved based upon the organization by which they were first employed and the elections that they made at the times when their original employers became part of the Corporation. The following is a brief description of each of the retirement plans in which employees of the Corporation participate:

(a) Defined Benefit Plans

University of Maryland Medical Center Midtown Campus Retirement Plan for Non-Union Employees (Midtown Plan) – A noncontributory defined benefit plan covering substantially all nonunion employees. The benefits are based on years of service and compensation. Contributions

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(11) Retirement Plans (continued)

to this plan are made to satisfy the minimum funding requirements of ERISA. In 2006, Midtown froze the defined benefit pension plan.

Baltimore Washington Medical Center Pension Plan (Baltimore Washington Plan) – A noncontributory defined benefit pension plan covering full-time employees who have been employed for at least one year and have reached 21 years of age. In 2018, Baltimore Washington closed the defined benefit pension plan to new hires.

Baltimore Washington Medical Center Supplemental Executive Retirement Plan – A noncontributory defined benefit pension plan for senior management level employees. In 2018, Baltimore Washington terminated the defined benefit pension plan and liquidation of its remaining benefit obligation using its plan assets was completed on December 29, 2017.

On June 30, 2015, the Corporation amended the Baltimore Washington Medical Center Pension Plan to provide for the merger of the Midtown Plan and the Charles Regional Plan into the Baltimore Washington Plan and to change the name of the newly consolidated plan to the University of Maryland Medical System Corporate Pension Plan (the Corporate Plan). All provisions of the respective previous plans shall continue to apply to the respective applicable participants. All of the assets of the three formerly separate plans are now available to pay benefits for all participants under the newly consolidated Corporate Plan.

Chester River Health System, Inc. Pension Plan and Trust – A noncontributory defined benefit pension plan covering substantially all CRHC employees as well as employees of a subsidiary. The benefits are paid to retirees based upon age at retirement, years of service, and average compensation. Chester River's funding policy is to satisfy the minimum funding requirements of ERISA. Effective June 30, 2008, Chester River froze the defined-benefit pension plan. On March 31, 2018, Chester River terminated the defined benefit pension plan and liquidation of its remaining benefit obligation using its plan assets was completed as of June 30, 2019.

Civista Health Inc. Retirement Plan and Trust (Charles Regional Plan) – A noncontributory defined benefit pension plan covering employees that have worked at least one thousand hours per year during three or more plan years. Plan benefits are accumulated based upon a combination of years of service and percent of annual compensation. Charles Regional makes annual contributions to the plan based upon amounts required to be funded under provisions of ERISA.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(11) Retirement Plans (continued)

Upper Chesapeake Health System, Inc. Pension Plan and Trust – A noncontributory defined benefit pension plan covering substantially all employees of the various affiliates of Upper Chesapeake who have completed six months of employment and attained the age of twenty and a half years. Upper Chesapeake makes annual contributions to the plan equal to the minimum funding requirements pursuant to ERISA regulations. On December 31, 2005, Upper Chesapeake froze the defined benefit pension plan. On June 30, 2015, Upper Chesapeake terminated the defined benefit pension plan and liquidation of its remaining benefit obligation using its plan assets was completed by September 30, 2017.

Dimensions Health Corporation Pension Plan (Capital Region Pension Plan) – A noncontributory defined benefit pension plan covering substantially all employees. For employees not covered under collective-bargaining agreements and employees who are represented by the 1199 SEIU Health Care Workers East – Health Care Workers union (formerly District 1199E-DC, SEIU union and formerly Local No. 63 union), the Plan operates as a cash balance plan. The annual contribution by the Corporation is allocated to individual employee accounts based on years of service and the individual's retirement account. For employees represented by the 1199 SEIU Health Care Workers East – Registered Nurses Chapter union (formerly Professional Staff Nurses Association union), benefits are based on years of service and average final compensation. On December 31, 2007, the Capital Region Pension Plan was frozen. No further benefit accruals will be made to the Plan. The Plan freeze substantially reduces annual funding obligations beginning with Plan year 2008. The Corporation's funding policy is to contribute such actuarially determined amounts as necessary to provide assets sufficient to meet the benefits to be paid to the Plan participants and to meet the funding requirements of the Employees Retirement Income Security Act of 1974 (ERISA).

Dimensions Health Corporation Post Retirement Benefit Plans (Capital Region Post Retirement Benefit Plans) – A postretirement health care plan is provided to both salaried and non-salaried employees who have retired and certain other employees who were eligible to retire prior to July 1, 1995. The plan is contributory for those who retired prior to July 1, 1995, with retiree contributions adjusted annually. Employees who retired on July 1, 1995 and later are eligible to participate in the plan by paying 100% of the premiums without corporate contributions. The Corporation's policy has been to fund this plan on an as needed basis.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(11) Retirement Plans (continued)

A defined postretirement life insurance plan is a noncontributory plan for all eligible retirees prior to July 1, 2001. For employees represented by the 1199 SEIU Health Care Workers East – Registered Nurses Chapter union, the plan was no longer offered to new retirees as of July 1, 1999. Effective July 1, 2001, the plan was modified to become contributory for the nonunion employees and employees represented by the 1199 SEIU Health Care Workers East – Health Care Workers union who retired prior to July 1, 2001 and for the employees represented by the 1199 SEIU Health Care Workers East – Registered Nurses Chapter union who retired prior to July 1, 1999. The Corporation's policy has been to fund its share of these benefits as they are incurred.

The Corporation recognizes the funded status (i.e., the difference between the fair value of plan assets and projected benefit obligations) of its defined benefit pension plans as an asset or liability in its consolidated balance sheets. The Corporation recognizes changes in the funded status in the year in which the changes occur as changes in unrestricted net assets. All defined benefit pension plans use a June 30 measurement date.

The following tables set forth the combined benefit obligations and assets of the defined benefit plans:

	June 30	
	2020	2019
Change in projected benefit obligations:		
Benefit obligations at beginning of year	\$ 425,709	\$ 431,340
Settlements	–	(37,686)
Service cost	3,337	3,093
Interest cost	15,299	17,812
Actuarial loss	30,743	30,783
Benefit payments	(26,091)	(19,633)
Projected benefit obligations at end of year	<u>\$ 448,997</u>	<u>\$ 425,709</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 317,176	\$ 340,130
Actual return on plan assets	9,529	16,354
Settlements	–	(38,544)
Employer contributions	17,480	18,869
Benefit payments	(26,091)	(19,633)
Fair value of plan assets at end of year	<u>\$ 318,094</u>	<u>\$ 317,176</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(11) Retirement Plans (continued)

The funded status of the plans and amounts recognized as accrued payroll and benefits and other long-term liabilities in the accompanying consolidated balance sheets are as follows:

	June 30	
	2020	2019
Funded status, end of period:		
Fair value of plan assets	\$ 318,094	\$ 317,176
Projected benefit obligations	448,997	425,709
Net funded status	(130,903)	(108,533)
Accumulated benefit obligation at end of year	446,100	423,017
Amounts recognized in consolidated balance sheets at June 30:		
Accrued pension obligation	(130,903)	(108,533)
	(130,903)	(108,533)
Amounts recognized in net assets without donor restrictions at June 30:		
Net actuarial gain (loss)	(108,221)	(71,177)
Prior service cost	(86)	(159)
	\$ (108,307)	\$ (71,336)

The accrued pension obligation includes \$98,365 and \$82,694 as of June 30, 2020 and 2019, respectively, related to the Capital Region Pension Plan described above.

The estimated amounts that will be amortized from net assets without donor restrictions into net periodic pension cost in fiscal year 2020 are as follows:

Net actuarial loss	\$ 7,829
Prior service cost	72
	\$ 7,901

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(11) Retirement Plans (continued)

The components of net periodic pension cost are as follows:

	Year Ended June 30	
	2020	2019
Service cost	\$ 3,337	\$ 3,093
Interest cost	15,299	17,812
Expected return on plan assets	(19,782)	(19,849)
Prior service cost recognized	72	76
Recognized gains or losses	3,953	8,173
Net periodic pension cost	<u>\$ 2,879</u>	<u>\$ 9,305</u>

Components of net benefit cost other than the service cost of \$3,337 in 2020 and \$3,093 in 2019 were recorded in other nonoperating losses, net in the accompanying consolidated statement of operations and changes in net assets for the years ended June 30, 2020 and 2019. Service cost is included as a component of fringe benefits, which is recorded as salaries, wages, and benefits in the accompanying consolidated statements of operations.

The following table presents the weighted average assumptions used to determine benefit obligations for the plans:

	June 30	
	2020	2019
Discount rate	2.34–%3.03%	3.25%–3.70%
Rate of compensation increase (for nonfrozen plan)	3.00	3.00

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(11) Retirement Plans (continued)

The following table presents the weighted average assumptions used to determine net periodic benefit cost for the plans:

	Year Ended June 30	
	2020	2019
Discount rate	3.25%–3.70%	4.22%–4.69%
Expected long-term return on plan assets	6.00–6.50	6.25–6.50
Rate of compensation increase (for nonfrozen plan)	3.00	3.00

The investment policies of the Corporation's pension plans incorporate asset allocation and investment strategies designed to earn superior returns on plan assets consistent with reasonable and prudent levels of risk. Investments are diversified across classes, sectors, and manager style to minimize the risk of loss. The Corporation uses investment managers specializing in each asset category, and regularly monitors performance and compliance with investment guidelines. In developing the expected long-term rate of return on assets assumption, the Corporation considers the current level of expected returns on risk-free investments, the historical level of the risk premium associated with the other asset classes in which the portfolio is invested, and the expectations for future returns of each asset class. The expected return for each asset class is then weighted based on the target allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The Corporation's pension plans' target allocation and weighted average asset allocations at the measurement date of June 30, 2020 and 2019, by asset category, are as follows:

Asset Category	Target Allocation	Percentage of Plan Assets as of June 30	
		2020	2019
Cash and cash equivalents	0–10%	8%	4%
Fixed income securities	20–40	29	28
Equity securities	30–50	38	41
Global assets allocation	10–20	16	17
Hedge funds	5–15	9	10
		100%	100%

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(11) Retirement Plans (continued)

Equity and fixed income securities include investments in hedge fund of funds that are categorized in accordance with each fund's respective investment holdings.

The table below presents the Corporation's combined investable assets of the defined benefit pension plans aggregated by the fair value hierarchy as described in Note 1(u):

	Level 1	Level 2	Level 3	Investments Reported at NAV*	Total
June 30, 2020					
Cash and cash equivalents	\$ 13,728	\$ 11,120	\$ -	\$ -	\$ 24,848
Corporate obligations	-	21,447	-	-	21,447
Government and agency bonds	7,565	9,993	-	-	17,558
Fixed income funds	-	-	-	12,639	12,639
Common and preferred stocks	25,047	-	-	-	25,047
Equity mutual funds	36,973	12,749	-	10,084	59,806
Other mutual funds	22,405	-	-	-	22,405
Alternative investments	-	-	-	134,344	134,344
	<u>\$ 105,718</u>	<u>\$ 55,309</u>	<u>\$ -</u>	<u>\$ 157,067</u>	<u>\$ 318,094</u>
June 30, 2019					
Cash and cash equivalents	\$ 7,324	\$ 4,589	\$ -	\$ -	\$ 11,913
Corporate obligations	-	19,531	-	-	19,531
Government and agency bonds	16,509	-	-	-	16,509
Fixed income funds	12,430	-	-	-	12,430
Common and preferred stocks	21,840	-	-	-	21,840
Equity mutual funds	45,633	15,096	-	-	60,729
Other mutual funds	26,582	-	-	-	26,582
Alternative investments	-	-	-	147,642	147,642
	<u>\$ 130,318</u>	<u>\$ 39,216</u>	<u>\$ -</u>	<u>\$ 147,642</u>	<u>\$ 317,176</u>

*Fund investments reported at NAV as practical expedient.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(11) Retirement Plans (continued)

Alternative investments include hedge funds and commingled investment funds. The majority of these alternative investments held as of June 30, 2020 are subject to notice requirements of 30 days or less and are available to be redeemed on at least a monthly basis. There are funds, totaling \$30,000, which are subject to notice requirements of 30-60 days and are available to be redeemed on a monthly or quarterly basis. Funds totaling \$13,000 are subject to notice requirements of 90 days and can be redeemed monthly or quarterly. Of these funds, one fund totaling \$1,900 is subject to a lock-up restriction of three years. The Corporation had no unfunded commitments as of June 30, 2020.

Alternative investments include hedge funds and commingled investment funds. The majority of these alternative investments held as of June 30, 2019 are subject to notice requirements of 30 days or less and are available to be redeemed on at least a monthly basis. There are funds, totaling \$33,000, which are subject to notice requirements of 30-60 days and are available to be redeemed on a monthly or quarterly basis. Funds totaling \$14,500 are subject to notice requirements of 90 days and can be redeemed monthly or quarterly. Of these funds, one fund totaling \$2,100 is subject to a lock-up restriction of three years. In addition, one fund totaling \$13 is subject to lockup restrictions and is not available to be redeemed until certain time restrictions are met, which range from one to three years. The Corporation had no unfunded commitments as of June 30, 2019.

The Corporation expects to contribute \$18,820 to its defined benefit pension plans for the fiscal year ended June 30, 2021.

The following benefit payments, which reflect expected future employee service, as appropriate, are expected to be paid from plan assets in the following years ending June 30:

2021	\$	24,353
2022		24,555
2023		25,262
2024		25,758
2025		25,386
2026–2030		124,468

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(11) Retirement Plans (continued)

The expected benefits to be paid are based on the same assumptions used to measure the Corporation's benefit obligation at June 30, 2020.

(b) Defined Contribution Plans

The Corporation offers a number of defined contribution benefits through 403(b) and 401(k) programs that were established by its affiliate hospitals. These plans allow for deferral of compensation or employer matching of compensation subject to vesting requirements.

Total annual retirement costs incurred by the Corporation for the previously discussed defined contribution plans were \$50,456 and \$48,972 for the years ended June 30, 2020 and 2019, respectively. Such amounts are included in salaries, wages and benefits in the accompanying consolidated statements of operations.

(12) Net Assets with Donor Restrictions

Net assets are restricted primarily for the following purposes:

	June 30	
	2020	2019
Facility construction and renovations, research, education, and other:		
Capital Region	\$ 424,034	\$ 424,034
All others	161,110	142,084
Economic and beneficial interests in the net assets of related organizations	170,820	198,101
	<u>\$ 755,964</u>	<u>\$ 764,219</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(12) Net Assets with Donor Restrictions (continued)

Net assets were released from donor restrictions by expending funds satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	Year Ended June 30	
	2020	2019
Purchases of equipment and construction costs	\$ 18,791	\$ 14,130
Research, education, uncompensated care, and other	6,307	4,279
	<u>\$ 25,098</u>	<u>\$ 18,409</u>

The Corporation's endowments consist of donor-restricted funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The Corporation has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (MUPMIFA) 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, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund are classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by MUPMIFA. In accordance with MUPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Corporation and the donor-restricted endowment fund
3. General economic conditions

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(12) Net Assets with Donor Restrictions (continued)

4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Corporation
7. The investment policies of the Corporation.

Endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2020			
Donor-restricted endowment funds	\$ 43	\$ 67,165	\$ 67,208
June 30, 2019			
Donor-restricted endowment funds	\$ 39	\$ 65,433	\$ 65,472

Donor restricted endowment funds within net assets with donor restrictions whose use is restricted in perpetuity were \$50,243 and \$48,826 as of June 30, 2020 and 2019, respectively.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MUPMIFA requires the Corporation to retain as a fund of perpetual duration. The Corporation does not have any donor-restricted endowment funds that are below the level that the donor or MUPMIFA requires.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(12) Net Assets with Donor Restrictions (continued)

Investment Strategies

The Corporation has adopted policies for corporate investments, including endowment assets that seek to maximize risk-adjusted returns with preservation of principal. Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s). The endowment assets are invested in a manner that is intended to hold a mix of investment assets designed to meet the objectives of the account. The Corporation expects its endowment funds, over time, to provide an average rate of return that generates earnings to achieve the endowment purpose.

To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation employs a diversified asset allocation structure to achieve its long-term return objectives within prudent risk constraints.

The Corporation monitors the endowment funds' returns and appropriates average returns for use. In establishing this practice, the Corporation considered the long-term expected return on its endowment. This is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

(13) Economic and Beneficial Interests in the Net Assets of Related Organizations

The Corporation is supported by several related organizations that were formed to raise funds on behalf of the Corporation and certain of its subsidiaries. These interests are accounted for as either economic or beneficial interests in the net assets of such organizations.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

**(13) Economic and Beneficial Interests in the Net Assets of Related Organizations
(continued)**

The following is a summary of economic and beneficial interests in the net assets of financially interrelated organizations:

	June 30	
	2020	2019
Economic interests in:		
UCH Legacy Funding Corporation	\$ 122,430	\$ 150,000
The James Lawrence Kernan Hospital Endowment Fund, Incorporated	34,766	33,099
Baltimore Washington Medical Center Foundation, Inc.	9,213	10,337
Total economic interests	<u>166,409</u>	193,436
Beneficial interest in the net assets of:		
Dorchester General Hospital Foundation, Inc.	3,082	3,709
Prince George's Hospital Center Foundation, Inc.	1,267	894
Laurel Regional Hospital Auxiliary, Inc.	62	62
	<u>\$ 170,820</u>	<u>\$ 198,101</u>

The UCH Legacy Funding Corporation was formed in December 2013 to hold funds restricted for the benefit of Upper Chesapeake.

At the discretion of its board of trustees, the Kernan Endowment Fund may pledge securities to satisfy various collateral requirements on behalf of ROI and may provide funding to ROI to support various clinical programs or capital needs.

BWMC Foundation was formed in July 2000 and supports the activities of UM Baltimore Washington by soliciting charitable contributions on its behalf.

Shore Regional maintains a beneficial interest in the net assets of Dorchester Foundation, a nonprofit corporation organized to raise funds on behalf of Dorchester Hospital. Shore Regional does not have control over the policies or decisions of the Dorchester Foundation.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

**(13) Economic and Beneficial Interests in the Net Assets of Related Organizations
(continued)**

The Prince George's Hospital Center Foundation, Inc. the Laurel Regional Hospital Auxiliary, Inc. and the Laurel Regional Hospital Foundation, Inc. were established to solicit contributions from the general public solely for the funding of capital acquisitions and operations of the associated Capital Region hospitals. Capital Region does not have control over the policies or decisions of these entities. In the current year the Prince George's Hospital Center Foundation, Inc. changed its name to University of Maryland Capital Region Health Foundation, Inc. and the Laurel Regional Hospital Foundation, Inc. was closed, and its assets were transferred into the new University of Maryland Capital Region Health Foundation, Inc.

A summary of the combined unaudited condensed financial information of the financially interrelated organizations in which the Corporation holds an economic or beneficial interest is as follows:

	June 30	
	2020	2019
Current assets	\$ 4,086	\$ 4,447
Noncurrent assets	166,835	193,756
Total assets	<u>\$ 170,921</u>	<u>\$ 198,203</u>
Current liabilities	\$ 101	\$ 102
Net assets	170,820	198,101
Total liabilities and net assets	<u>\$ 170,921</u>	<u>\$ 198,203</u>
Total operating revenue	\$ 1,897	\$ 4,481
Total operating expense	(1,380)	(2,505)
Other changes in net assets	(27,800)	5
Total (decrease) increase in net assets	<u>\$ (27,283)</u>	<u>\$ 1,981</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(14) State and County Support

The Corporation received \$3,400 and \$3,300 in support for the Shock Trauma Center operations from the state of Maryland for the years ended June 30, 2020 and 2019, respectively.

In support of Capital Region operations, the Corporation received the following:

	Year Ended June 30	
	2020	2019
State of Maryland	\$ 15,000	\$ 27,000
Prince George's County government	295	10,178
Magruder Memorial Hospital Trust	1,042	1,042
	<u>\$ 16,337</u>	<u>\$ 38,220</u>

The State of Maryland appropriates funds for construction costs incurred, equipment purchases made, and other capital support. The Corporation recognizes this support as the funds are expended for the intended projects. The Corporation expended and recorded \$20,803 and \$5,565 during the years ended June 30, 2020 and 2019, respectively.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(15) Functional Expenses

The Corporation provides healthcare services to residents within its geographic location. Expenses related to providing these services, based on management's estimates of expense allocations, are as follows:

	Healthcare Service				Corporate	Total
	Hospital & Ambulatory	Retail Pharmacy	Physician Practices	Risk Taking	Services, Other and Eliminations	
Year ended June 30, 2020						
Operating expenses:						
Salaries, wages and benefits	\$ 1,682,480	\$ 5,928	\$ 272,804	\$ 4,887	\$ 264,385	\$ 2,230,484
Expendable supplies	626,029	90,169	34,401	16	9,498	760,113
Purchased services:						
Purchased services	884,976	14,488	70,665	2,978	(277,079)	696,028
Contracted services	291,951	–	28,243	–	(43,235)	276,959
Depreciation and amortization	236,360	–	2,022	–	(2,491)	235,891
Interest expense	47,426	–	–	696	(1,561)	46,561
Total operating expenses	<u>\$ 3,769,222</u>	<u>\$ 110,585</u>	<u>\$ 408,135</u>	<u>\$ 8,577</u>	<u>\$ (50,483)</u>	<u>\$ 4,246,036</u>
Year ended June 30, 2019						
Operating expenses:						
Salaries, wages and benefits	\$ 1,646,025	\$ 5,177	\$ 268,023	\$ 3,886	\$ 235,025	\$ 2,158,136
Expendable supplies	678,620	71,514	34,480	42	7,359	792,015
Purchased services:						
Purchased services	826,688	9,150	65,400	4,480	(271,100)	634,618
Contracted services	274,221	–	30,169	–	(34,493)	269,897
Depreciation and amortization	232,436	–	2,484	–	9,136	244,056
Interest expense	54,698	–	–	1,492	1,602	57,792
Total operating expenses	<u>\$ 3,712,688</u>	<u>\$ 85,841</u>	<u>\$ 400,556</u>	<u>\$ 9,900</u>	<u>\$ (52,471)</u>	<u>\$ 4,156,514</u>

Corporate services are allocated primarily using percentage of net patient service revenue.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(16) Liquidity and Availability of Resources

The Corporation had financial assets available to management for general expenditure within one year of the financial reporting date, or June 30, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 961,647	\$ 360,318
Receivables, net	590,579	549,540
Current investments and assets whose use is limited	64,026	64,910
Long-term investments and assets whose use is limited	2,041,352	2,113,024
Total financial assets available within one year	<u>3,657,604</u>	<u>3,087,792</u>
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	91,975	78,255
Restricted for swap collateral	166,507	113,586
Debt service and reserve funds	37,696	86,157
Self-insurance trust funds	215,162	212,384
Construction funds – held by trustee	204,366	279,205
Economic and beneficial interests in the net assets of related organizations	170,820	198,101
Alternative investments subject to lockup restrictions	19,900	20,700
Total amounts unavailable for general expenditures within one year	<u>906,426</u>	<u>988,388</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 2,751,178</u>	<u>\$ 2,099,404</u>

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(In Thousands)

(17) Insurance

The Corporation maintains self-insurance programs for professional and general liability risks, employee health, employee long-term disability, and workers' compensation. The accrued liabilities for these programs were as follows:

	June 30	
	2020	2019
Professional and general malpractice liabilities	\$ 351,441	\$ 313,136
Employee health	27,201	33,556
Employee long-term disability	4,751	5,577
Workers' compensation	23,430	20,977
Total self-insured liabilities	406,823	373,246
Less current portion	(64,550)	(70,368)
	\$ 342,273	\$ 302,878

The Corporation provides for and funds the present value of the costs for professional and general liability claims and insurance coverage related to the projected liability from asserted and unasserted incidents, which the Corporation believes may ultimately result in a loss. In management's opinion, these accruals provide an adequate and appropriate loss reserve. The professional and general malpractice liabilities presented above include \$243,143 and \$202,779 as of June 30, 2020 and 2019, respectively, for which related insurance receivables have been recorded within other assets on the accompanying consolidated balance sheets.

The Corporation and each of its affiliates are self-insured for professional and general liability claims up to the limits of \$1,000 on individual claims and \$3,000 in the aggregate on an annual basis. For amounts in excess of these limits, the risk of loss has been transferred to Terrapin, an unconsolidated joint venture. Terrapin provides insurance for claims in excess of \$1,000 individually and \$3,000 in the aggregate up to \$155,000 individually and \$160,000 in the aggregate under claims made policies between the Corporation and Terrapin. For claims in excess of Terrapin's coverage limits, if any, the Corporation retains the risk of loss.

As discussed in Note 5, Terrapin is a joint venture corporation in which a 50% equity interest is owned by the Corporation and a 50% equity interest is owned by Faculty Physicians, Inc.

Total malpractice insurance expense for the Corporation during the years ended June 30, 2020 and 2019 was approximately \$69,374 and \$60,654, respectively.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued) (In Thousands)

(18) Business and Credit Concentrations

The Corporation provides healthcare services through its inpatient and outpatient care facilities located in the State of Maryland. The Corporation generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits receivable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, Blue Cross, workers' compensation, health maintenance organizations (HMOs), and commercial insurance policies).

The Corporation maintains cash accounts with highly rated financial institutions, which generally exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits, and as such, management does not believe the Corporation is subject to any significant credit risks related to this practice.

The Corporation had receivables from patients and third-party payors as follows at June 30, 2020:

Medicare	27%
Medicaid	32
Commercial insurance and HMOs	20
Blue Cross	14
Self-pay and others	7
	100%

The Corporation recorded net patient service revenues from patients and third-party payors as follows:

	Year Ended June 30	
	2020	2019
Medicare	37%	37%
Medicaid	24	24
Commercial insurance and HMOs	24	24
Blue Cross	10	10
Self-pay and others	5	5
	100%	100%

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(19) Certain Significant Risks and Uncertainties

The Corporation provides general acute healthcare services in the state of Maryland. The Corporation and other healthcare providers in Maryland are subject to certain inherent risks, including the following:

- Dependence on revenues derived from reimbursement by the federal Medicare and state Medicaid programs;
- Regulation of hospital rates by the State of Maryland Health Services Cost Review Commission;
- Government regulation, government budgetary constraints, and proposed legislative and regulatory changes; and
- Lawsuits alleging malpractice and related claims.

Such inherent risks require the use of certain management estimates in the preparation of the Corporation's consolidated financial statements, and it is reasonably possible that a change in such estimates may occur.

The Medicare and state Medicaid reimbursement programs represent a substantial portion of the Corporation's revenues, and the Corporation's operations are subject to a variety of other federal, state, and local regulatory requirements. Failure to maintain required regulatory approvals and licenses and/or changes in such regulatory requirements could have a significant adverse effect on the Corporation.

Changes in federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the Corporation.

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. The Corporation's compliance with these laws and regulations can be subject to periodic governmental review and interpretation, which can result in regulatory action unknown or unasserted at this time. Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the ordinary course of business, none of which, in the opinion of management, are expected to result in losses in excess of insurance limits or have a materially adverse effect on the Corporation's financial position.

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(19) Certain Significant Risks and Uncertainties (continued)

The federal government and many states have aggressively increased enforcement under Medicare and Medicaid antifraud and abuse laws and physician self-referral laws (STARK law and regulation). Recent federal initiatives have prompted a national review of federally funded healthcare programs. In addition, the federal government and many states have implemented programs to audit and recover potential overpayments to providers from the Medicare and Medicaid programs. The Corporation has implemented a compliance program to monitor conformance with applicable laws and regulations, but the possibility of future government review and enforcement action exists.

(20) Maryland Health Services Cost Review Commission

Effective July 1, 2013, the Health System and the Health Services Cost Review Commission (HSCRC) agreed to implement the Global Budget Revenue (GBR) methodology for the following hospitals: Medical Center, ROI, UM Midtown, UM Baltimore Washington, UM Charles Regional, UM St. Joseph, UM Memorial, UM Dorchester, UM Chester River, Shore Emergency Center, UM Upper Chesapeake, UM Harford Memorial, UM Prince George's, and UM Laurel. The agreements will continue each year and on July 1 of each year thereafter; the agreements will renew for a one-year period unless it is canceled by the HSCRC or by the Corporation. The agreements were in place for the years ended June 30, 2020 and 2019. The GBR model is a revenue constraint and quality improvement system designed by the HSCRC to provide hospitals with strong financial incentives to manage their resources efficiently and effectively in order to slow the rate of increase in healthcare costs and improve healthcare delivery processes and outcomes. The GBR model is consistent with the Corporation's mission to provide the highest value of care possible to its patients and the communities it serves.

The GBR agreements establish a prospective, fixed revenue base "GBR cap" for the upcoming year. This includes both inpatient and outpatient regulated services. Under GBR, a hospital's revenue for all HSCRC regulated services is predetermined for the upcoming year, regardless of changes in volume, service mix intensity, or mix of inpatient or outpatient services that occurred during the year. The GBR agreement allows the Corporation to adjust unit rates, within certain limits, to achieve the overall revenue base for the Corporation at year-end. Any overcharge or undercharge versus the GBR cap is prospectively subtracted from the subsequent year's GBR cap. Although the GBR cap is fixed each year, it does not adjust for changes in volume or service mix. The GBR cap is also adjusted annually for inflation, and for changes in payor mix and uncompensated care. The Corporation will receive an annual adjustment to its cap for the change

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(20) Maryland Health Services Cost Review Commission (continued)

in population in the Corporation's service areas. GBR is designed to encourage hospitals to operate efficiently by reducing excess utilization and managing patients in the appropriate care delivery setting. The HSCRC also may impose various other revenue adjustments, which could be significant in the future.

(21) Subsequent Events

The Corporation evaluated all events and transactions that occurred after June 30, 2020 and through October 28, 2020, the date the consolidated financial statements were issued. Other than described below, the Corporation did not have any material subsequent events during the period.

During the month of July 2020, the Corporation issued \$752.7 million in debt in the form of Maryland Health and Higher Educational Facilities Authority (MHHEFA) Revenue Bonds – Series 2020B/D. The proceeds were used to advance refund \$13,500 of UMMS' Series 2008F Revenue Bonds, \$31,500 of UMMS Series 2010 Revenue Bonds, and \$218,200 of UMMS Series 2013A Revenue Bonds. In addition, \$150,000 of the proceeds were used to refund a term loan. The remaining proceeds of \$339,500 will be used for various capital projects.

During the month of July and August 2020, the Corporation received additional CARES Act Relief Funds of approximately \$109,000 and \$8,800 respectively. These funds were not recognized as Other Revenue for the year ended June 30, 2020.

On October 1, 2020, a new law was signed that included modifications to the CMS Accelerated and Advance Payment Program. These modifications included an extension to the previous terms discussed within Note 2. The changes in payments terms are considered a non-recognized subsequent event in accordance with ASC 855.

On October 22, 2020, HHS released additional reporting requirements for health care entities that received distributions from the Provider Relief Fund. The Post-Payment Notice of Reporting Requirements (the Notice) supplements the previous notice issued on July 20, 2020, and amended on August 14, 2020 and September 19, 2020. The Corporation considered the effects of the changes included in the Notice and concluded these changes represent non-recognized (i.e., Type II) subsequent events in accordance with ASC 855, *Subsequent Events*, since the reporting requirements included in the Notice provide evidence about conditions that did not exist at the balance sheet date but instead are conditions that arose after that date but before financial

University of Maryland Medical System Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In Thousands)

(21) Subsequent Events (continued)

statements were issued. The Corporation will continue to monitor changes in reporting guidance or additional clarifications that may be issued by HHS which would affect the accounting for distributions from the Provider Relief Fund.

The Corporation completed the sale of both University of Maryland Health Partners, Inc. which provides managed care services to approximately 48,000 Medicaid recipients and University of Maryland Health Advantage, Inc. which provides Medicare Advantage coverage to approximately 6,000 members. The transaction with CareFirst BlueCross Blue Shield was effective on October 10, 2020 after receiving regulatory approval.

About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization, please visit ey.com.

© 2020 Ernst & Young LLP.
All Rights Reserved.

ey.com