

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

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

2022

Open to Public Inspection

A For the **2022** calendar year, or tax year beginning **JUL 1, 2022** and ending **JUN 30, 2023**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC. Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 6501 N. CHARLES STREET City or town, state or province, country, and ZIP or foreign postal code BALTIMORE, MD 21204 F Name and address of principal officer: HARSH K. TRIVEDI SAME AS C ABOVE	D Employer identification number 52-0591684 E Telephone number (410) 938-5401 G Gross receipts \$ 313,270,195. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: WWW.SHEPPARDPRATT.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation: 1938 M State of legal domicile: MD

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: PROVIDE INPATIENT BEHAVIORAL HEALTH CARE. PROVIDE RELATED BEHAVIORAL, SPECIAL EDUCATION, AND		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	3	19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	19
	5	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	5	3214
	6	Total number of volunteers (estimate if necessary)	6	49
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.
	Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year
9		Program service revenue (Part VIII, line 2g)	5,135,807.	13,253,463.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	224,143,258.	267,971,017.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,586,992.	243,452.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	13,939,207.	10,454,477.
12			251,805,264.	291,922,409.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	156,277,173.	184,020,039.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25)	0.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	99,823,535.	99,673,557.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	256,100,708.	283,693,596.
	19	Revenue less expenses. Subtract line 18 from line 12	-4,295,444.	8,228,813.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	397,148,763.	401,912,013.
	22	Net assets or fund balances. Subtract line 21 from line 20	220,826,091.	214,090,865.
	22		176,322,672.	187,821,148.

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 KELLY SAVOCA, SVP & CFO	Date
	Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name LORI S. BURGHAUSER	Preparer's signature LORI S. BURGHAUSER
	Firm's name SC&H TAX & ADVISORY SERVICES, LLC	Date 05/07/24
	Firm's address 910 RIDGEBROOK ROAD SPARKS, MD 21152	Check if self-employed <input type="checkbox"/> PTIN P00370694
		Firm's EIN 41-2069731
		Phone no. 410-403-1500

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: SHEPPARD PRATT, A NOT-FOR-PROFIT BEHAVIORAL HEALTH SYSTEM, IS DEDICATED TO IMPROVING THE QUALITY OF LIFE OF INDIVIDUALS AND FAMILIES BY COMPASSIONATELY SERVING THEIR MENTAL HEALTH, ADDICTION, SPECIAL EDUCATION, AND COMMUNITY SUPPORT NEEDS.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 192,463,600. including grants of \$) (Revenue \$ 269,314,084.) SHEPPARD PRATT HEALTH SYSTEM PROVIDES INPATIENT BEHAVIORAL HEALTH CARE, OUTPATIENT/ANCILLARY CARE, RESIDENTIAL SERVICES, SPECIAL EDUCATION TO STUDENTS AND RESIDENCY TRAINING PROGRAMS.

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 192,463,600.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements and schedules A through I.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Yes, No. Rows 22-38 detailing various organizational requirements and compliance checks.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with 3 columns: Question ID, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and backup withholding rules.

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

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 17 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

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

		1a	1b	Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	19			
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.					
b	Enter the number of voting members included on line 1a, above, who are independent		19		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?				X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?				X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?				X
6	Did the organization have members or stockholders?			X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?			X	
b	Each committee with authority to act on behalf of the governing body?			X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O				X

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

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

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD
- 18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records
KELLY SAVOCA - 410-938-5401
6501 N. CHARLES STREET, TOWSON, MD 21204

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 the 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, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) 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 the instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(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) HARSH K. TRIVEDI, M.D. PRESIDENT & CEO	40.00 1.00			X				1,334,367.	0.	52,907.
(2) TODD E. PETERS VP, CHIEF MED OFFICER, MED	40.00 1.00				X			678,251.	0.	56,309.
(3) JENNIFER WEISS-WILKERSON SR VP STRATEGY & BUSINESS	40.00 1.00				X			581,125.	0.	56,715.
(4) KELLY SAVOCA SVP, CFO, SECRETARY/TREASUR	40.00 1.00			X				597,885.	0.	27,828.
(5) GREGORY B GATTMAN VP OF HOSPITALS	40.00 1.00				X			520,882.	0.	52,872.
(6) JEFFREY W. RICHARDSON VP & COO COMMUNITY BASED P	40.00 1.00				X			482,590.	0.	55,394.
(7) CHRISTINE M. LISZEWSKI PHYSICIAN	40.00 0.00					X		443,881.	0.	25,766.
(8) MARGO D. LAUTERBACH PHYSICIAN	40.00 1.00					X		384,947.	0.	33,990.
(9) JONATHAN HERSHFELD THERAPIST	40.00 1.00					X		383,010.	0.	32,615.
(10) MICHAEL A. YOUNG M.D. MEDICAL DIRECTOR	40.00 1.00					X		364,150.	0.	27,872.
(11) DONNA L. RICHARDSON VP & CDO, FORMER KEY	40.00 1.00						X	354,662.	0.	32,894.
(12) KAREN ROBERTSON-KECK VP OF HR	40.00 1.00				X			324,585.	0.	48,454.
(13) BOGLARKA SZABO MEDICAL DIRECTOR	40.00 1.00					X		365,990.	0.	1,690.
(14) LAURA L. WEBB VP & CNO, FORMER KEY	40.00 0.00						X	279,255.	0.	30,842.
(15) CHARLES K. MAUST CHIEF OF SCHOOLS (PART YEAR)	40.00 0.00				X			292,962.	0.	3,886.
(16) THOMAS D. HESS CHIEF OF STAFF, FORMER KEY	40.00 0.00						X	269,568.	0.	1,921.
(17) KATHLEEN HILZENDEGER DIRECTOR DIV PROF SERVICE	40.00 1.00						X	210,002.	0.	25,040.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) THERESA PEDDICORD ASSISTANT SECRETARY (PART YEAR)	40.00 1.00			X				93,911.	0.	957.
(19) JOSHUA KAKEL CHAIRPERSON, TRUSTEE	1.00 1.00	X		X				0.	0.	0.
(20) COLLIN MOTHUPI ASSISTANT CHAIR, TRUSTEE	1.00 1.00	X		X				0.	0.	0.
(21) ALFRED SINGER VICE CHAIRPERSON, TRUSTEE (PART YEAR)	1.00 1.00	X						0.	0.	0.
(22) MARGARET ALLEN TRUSTEE	1.00 1.00	X						0.	0.	0.
(23) KEVIN BENSON TRUSTEE	1.00 1.00	X						0.	0.	0.
(24) ALAN EVANS TRUSTEE	1.00 1.00	X						0.	0.	0.
(25) SUSAN FENIMORE TRUSTEE	1.00 1.00	X						0.	0.	0.
(26) ELIZABETH FORBUSH TRUSTEE	1.00 1.00	X						0.	0.	0.
1b Subtotal								7,962,023.	0.	567,952.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								7,962,023.	0.	567,952.

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 153

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MAXIM HEALTHCARE SERVICES INC 7227 LEE DEFOREST DR, COLUMBIA, MD 21046	HEALTH CARE STAFFING	6,314,836.
UNIV OF MD MEDICAL SYSTEM 22 SOUTH GREENE STREET, BALTIMORE, MD 21204	RESIDENCY PROGRAM	6,160,615.
BENCHMARK CONSTRUCTION CO INC 4121 OREGON PK, BROWNSTOWN, PA 17508	CONSTRUCTION SERVICES	5,944,562.
GENERAL HEALTHCARE RESOURCES INC, 2250 HICKORY ROAD, SUITE 240, PLYMOUTH MEETING,	HEALTH CARE STAFFING	5,112,176.
SHC SERVICES INC, 6955 UNION PARK CENTER DRIVE, SUITE 400, COTTONWOOD HEIGHTS,	HEALTH CARE STAFFING	3,550,326.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 107

SEE PART VII, SECTION A CONTINUATION SHEETS

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Rows include names like ALAN GAMSE, PHILIP H. GRANTHAM, WILLIAM HAUGH, etc.

Total to Part VII, Section A, line 1c

Public Disclosure Copy

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	6,081,604.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	7,171,859.			
	g	Noncash contributions included in lines 1a-1f	1g	\$ 2,256,110.			
	h	Total. Add lines 1a-1f		13,253,463.			
Program Service Revenue	2 a	PATIENT SERVICE REVENUE	621990	173842203.	173842203.		
	b	EDUCATIONAL SERVICE REVENUE	611600	88,245,775.	88245775.		
	c	SHEPPARD PRATT SOLUTIONS	541610	5,883,039.	5,883,039.		
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		267971017.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		321,717.		321,717.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real	166,978.			
			(ii) Personal				
	b	Less: rental expenses	6b	0.			
	c	Rental income or (loss)	6c	166,978.			
	d	Net rental income or (loss)		166,978.		166,978.	
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	21,269,521.			
			(ii) Other				
	b	Less: cost or other basis and sales expenses	7b	21,077,603.	270,183.		
c	Gain or (loss)	7c	191,918.	-270,183.			
d	Net gain or (loss)		-78,265.		-78,265.		
8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a					
b	Less: direct expenses	8b					
c	Net income or (loss) from fundraising events						
9 a	Gross income from gaming activities. See Part IV, line 19	9a					
b	Less: direct expenses	9b					
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances						
b	Less: cost of goods sold	10b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a	INTERCORP. REVENUE/SHARED SERVICE	621990	8,513,440.	355,181.	8158259.	
	b	OTHER REVENUE-CAFETERIA	900099	559,276.		559,276.	
	c	SCHOOL REVENUE	900099	359,367.	359,367.		
	d	All other revenue	900099	855,416.	628,519.	226,897.	
	e	Total. Add lines 11a-11d		10,287,499.			
12	Total revenue. See instructions		291922409.	269314084.	0.	9354862.	

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 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,261,878.	526,188.	4,735,690.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,204,182.	120,418.	1,083,764.	
7 Other salaries and wages	150,624,853.	102,605,276.	48,019,577.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,330,501.	973,420.	357,081.	
9 Other employee benefits	14,927,393.	9,920,318.	5,007,075.	
10 Payroll taxes	10,671,232.	7,044,450.	3,626,782.	
11 Fees for services (nonemployees):				
a Management				
b Legal	1,371,349.	20,009.	1,351,340.	
c Accounting	851,271.		851,271.	
d Lobbying	234,790.		234,790.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	37,061.		37,061.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	27,824,776.	22,046,898.	5,777,878.	
12 Advertising and promotion	4,554,201.	4,554,201.		
13 Office expenses	5,974,358.	5,078,204.	896,154.	
14 Information technology	6,792,463.	2,377,362.	4,415,101.	
15 Royalties				
16 Occupancy	13,916,272.	10,134,732.	3,781,540.	
17 Travel	1,082,065.	471,890.	610,175.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	16,443.	5,950.	10,493.	
20 Interest	4,930,275.	142,856.	4,787,419.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	20,570,399.	18,513,359.	2,057,040.	
23 Insurance	4,802,263.	1,910,600.	2,891,663.	
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 FOOD SERVICE EXPENSE	3,604,240.	3,243,816.	360,424.	
b MINOR ART AND EQUIPMENT	1,256,576.	1,130,918.	125,658.	
c MISCELLANEOUS EXPENSE	975,110.	877,599.	97,511.	
d CLIENT ASSISTANCE	689,963.	689,963.		
e All other expenses	189,682.	75,173.	114,509.	
25 Total functional expenses. Add lines 1 through 24e	283,693,596.	192,463,600.	91,229,996.	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	37,105,734.	1	23,176,245.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	1,018,422.	3	2,319,528.
	4 Accounts receivable, net	19,088,971.	4	23,184,920.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	388,264.	8	357,106.
	9 Prepaid expenses and deferred charges	5,093,826.	9	7,374,555.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 528,400,896.		
	b Less: accumulated depreciation	10b 263,157,020.	263,667,120.	10c 265,243,876.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	55,381,289.	12	40,363,393.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	15,405,137.	15	39,892,390.
16 Total assets. Add lines 1 through 15 (must equal line 33)	397,148,763.	16	401,912,013.	
Liabilities	17 Accounts payable and accrued expenses	32,267,654.	17	29,388,530.
	18 Grants payable		18	
	19 Deferred revenue	3,707,001.	19	3,151,061.
	20 Tax-exempt bond liabilities	160,713,000.	20	156,275,996.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	27,702.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	24,138,436.	25	25,247,576.
	26 Total liabilities. Add lines 17 through 25	220,826,091.	26	214,090,865.
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	164,375,017.	27	177,397,902.
	28 Net assets with donor restrictions	11,947,655.	28	10,423,246.
	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	176,322,672.	32	187,821,148.
33 Total liabilities and net assets/fund balances	397,148,763.	33	401,912,013.	

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	291,922,409.
2	Total expenses (must equal Part IX, column (A), line 25)	2	283,693,596.
3	Revenue less expenses. Subtract line 2 from line 1	3	8,228,813.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	176,322,672.
5	Net unrealized gains (losses) on investments	5	-1,011,546.
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	4,281,209.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	187,821,148.

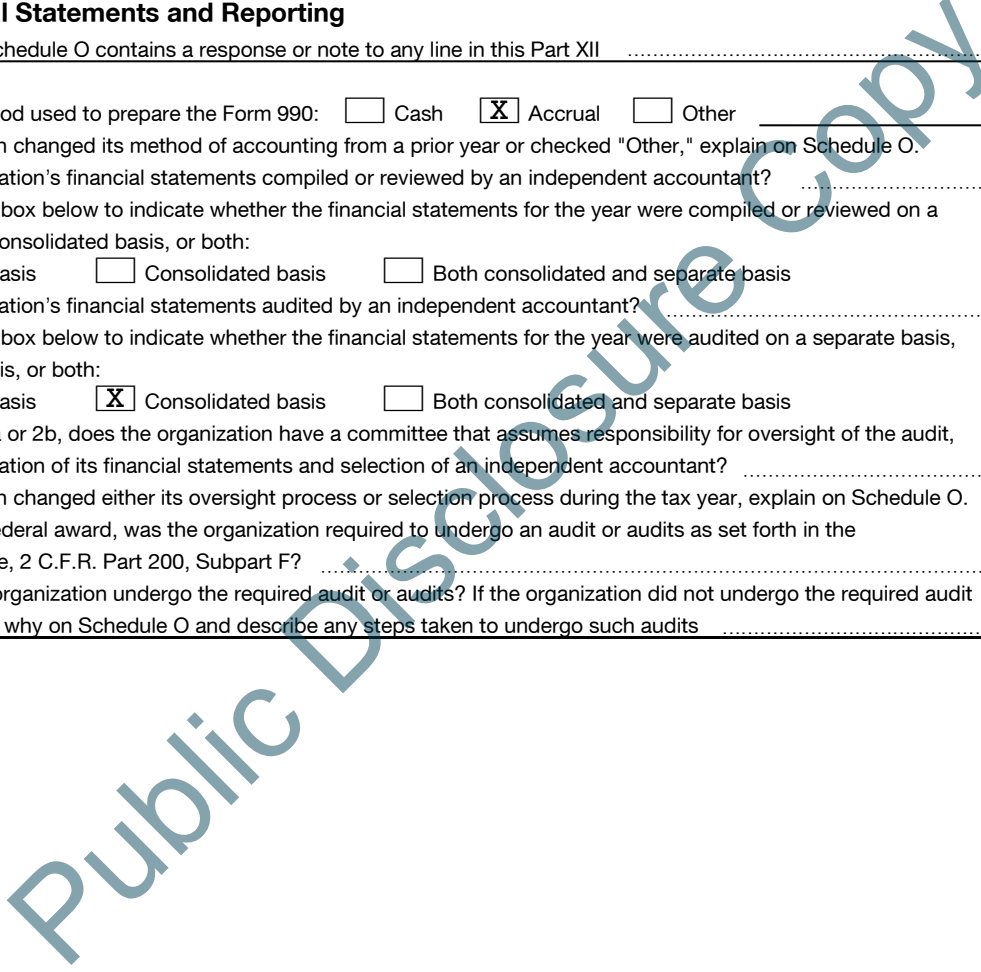
Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain 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 Uniform Guidance, 2 C.F.R. Part 200, Subpart F?
- 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

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

Form 990 (2022)



SCHEDULE A (Form 990)

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

2022

Open to Public Inspection

Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC. Employer identification number 52-0591684

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).
3 X 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).
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).
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).
8 A community trust described in section 170(b)(1)(A)(vi).
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.
10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions...
11 An organization organized and operated exclusively to test for public safety.
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).
a Type I. A supporting organization operated, supervised, or controlled by its supported organization(s)...
b Type II. A supporting organization supervised or controlled in connection with its supported organization(s)...
c Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s)...
d Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated...
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).

Table with 6 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization listed in your governing document?, (v) Amount of monetary support, (vi) Amount of other support. Includes a Total row at the bottom.

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) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(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) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(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 5 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 2022 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2022. 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 - 2021. 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 - 2022. 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 - 2021. 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

Table with 7 columns: (a) 2018, (b) 2019, (c) 2020, (d) 2021, (e) 2022, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support. (Subtract line 7c from line 6.)

Section B. Total Support

Table with 7 columns: (a) 2018, (b) 2019, (c) 2020, (d) 2021, (e) 2022, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included on line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support. (Add lines 9, 10c, 11, and 12.)

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Row 15: Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f)) 15 %; Row 16: Public support percentage from 2021 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 2 columns: Line number, Percentage. Row 17: Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2021 Schedule A, Part III, line 17 18 %

19a 33 1/3% support tests - 2022. 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 - 2021. 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 on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, 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 lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on 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 line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

Table with 3 columns: Question, Yes, No. Rows 11, 11a, 11b, 11c.

Section B. Type I Supporting Organizations

Table with 3 columns: Question, Yes, No. Rows 1, 2.

Section C. Type II Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1.

Section D. All Type III Supporting Organizations

Table with 3 columns: Question, Yes, No. Rows 1, 2, 3.

Section E. Type III Functionally Integrated Supporting Organizations

Table with 3 columns: Question, Yes, No. Rows 1, 2a, 2b, 3a, 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 0.015 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 0.035.	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 0.85 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).		

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2022 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1	Distributable amount for 2022 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2022 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2022		
a	From 2017		
b	From 2018		
c	From 2019		
d	From 2020		
e	From 2021		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2022 distributable amount		
i	Carryover from 2017 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2022 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2022 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2023. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2018		
b	Excess from 2019		
c	Excess from 2020		
d	Excess from 2021		
e	Excess from 2022		

Part VI

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

Public Disclosure Copy

Schedule B (Form 990)

Department of the Treasury Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2022

Name of the organization

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

[X] 501(c)(3) (enter number) organization

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

[] 527 political organization

Form 990-PF

[] 501(c)(3) exempt private foundation

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

[] 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

[] For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), 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 (entering "N/A" in column (b) instead of the contributor name and address), 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), 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).

Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	 <hr/> <hr/> <hr/>	\$ <u>3,291,743.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	 <hr/> <hr/> <hr/>	\$ <u>2,674,152.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	 <hr/> <hr/> <hr/>	\$ <u>1,718,153.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	 <hr/> <hr/> <hr/>	\$ <u>821,300.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	 <hr/> <hr/> <hr/>	\$ <u>619,097.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	 <hr/> <hr/> <hr/>	\$ <u>260,190.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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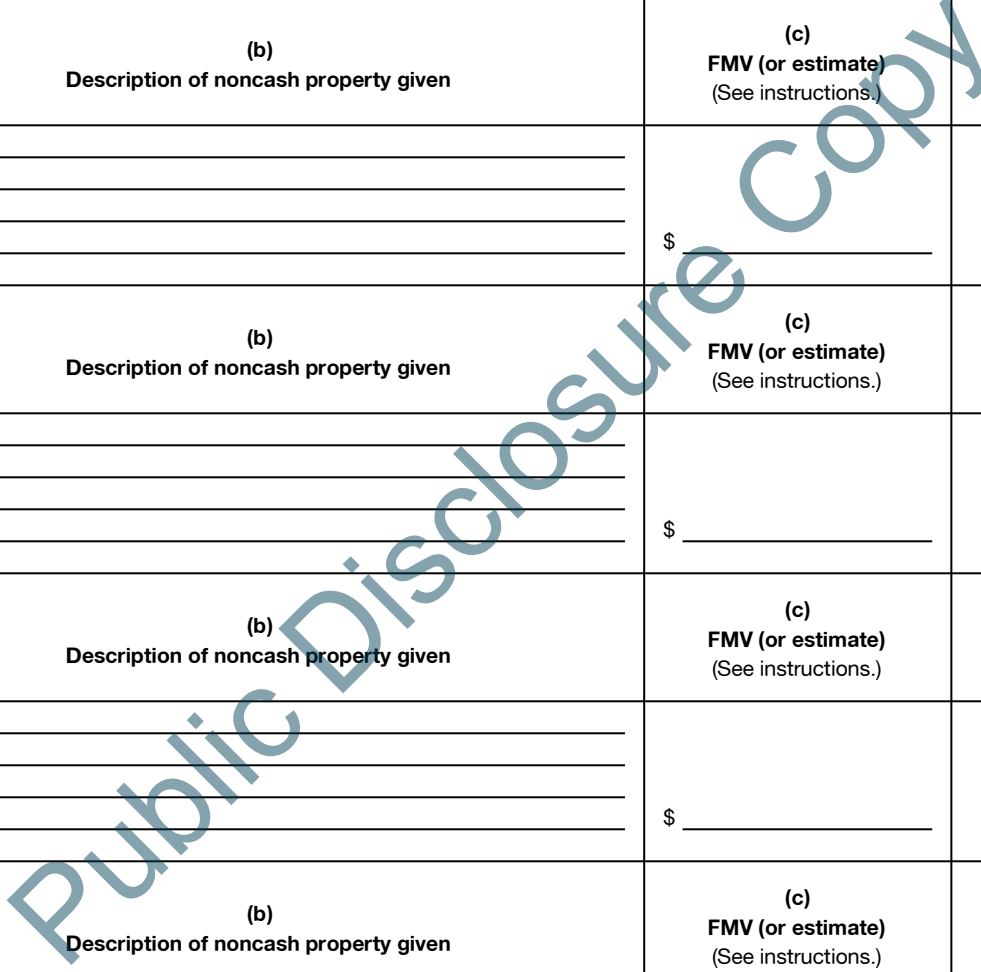
Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	 <hr/> <hr/> <hr/>	\$ <u>75,558.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	 <hr/> <hr/> <hr/>	\$ <u>28,446.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	 <hr/> <hr/> <hr/>	\$ <u>24,792.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	 <hr/> <hr/> <hr/>	\$ <u>15,359.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	 <hr/> <hr/> <hr/>	\$ <u>2,256,110.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
12	 <hr/> <hr/> <hr/>	\$ <u>952,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
11	REAL ESTATE PROPERTY _____ _____ _____	\$ 2,256,110.	12/05/22
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____



Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

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

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2022

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
Complete if the organization is described below. Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for instructions and the latest information.

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

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

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

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

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

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

Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">If the amount on line 1e, column (a) or (b) is:</th> <th>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) 2019	(b) 2020	(c) 2021	(d) 2022	(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)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		146,050.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		381,310.
j Total. Add lines 1c through 1i			527,360.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

SHEPPARD PRATT RETAINED FOUR LAW FIRMS AS REGISTERED LOBBYISTS TO KEEP THE ORGANIZATION INFORMED AS TO ANY NEW LEGISLATION THAT MAY IMPACT THE OPERATIONS OF THE HOSPITAL (TOTAL EXPENSE IN FY23: \$199,882). SHEPPARD PRATT EMPLOYS A CHIEF OF GOVERNMENT RELATIONS WHOSE SALARY IS INCLUDED IN LOBBYING ACTIVITY (TOTAL SALARY AND BENEFITS \$292,571). SHEPPARD

Part IV Supplemental Information (continued)

PRATT ALSO PAYS DUES TO AMERICAN HOSPITAL ASSOCIATION, MARYLAND HOSPITAL ASSOCIATION, NATIONAL ASSOCIATION OF BEHAVIORAL HEALTHCARE, MARYLAND HEALTH ASSOCIATION, MARYLAND BEHAVIORAL HEALTHCOALITION, NATIONAL ASSOCIATION OF PSYCHIATRIC HEALTH SYSTEMS AND OTHER MENTAL HEALTH ORGANIZATIONS. A PORTION OF THE DUES PAID ARE USED TO FUND LOBBYING ACTIVITIES (FY23: \$34,907).

Public Disclosure Copy

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

2022

Open to Public
Inspection

Name of the organization **SHEPPARD PRATT HEALTH SYSTEM, INC.** Employer identification number **52-0591684**

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.

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	1
b Total acreage restricted by conservation easements	0.00
c Number of conservation easements on a certified historic structure included in (a)	1
d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	0

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

4 Number of states where property subject to conservation easement is located 1

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

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year 1

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year 0.

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

Yes No

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

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

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

Revenue included on Form 990, Part VIII, line 1	\$ _____
Assets included in Form 990, Part X	\$ <u>744,537.</u>

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Revenue included on Form 990, Part VIII, line 1	\$ _____
Assets included in Form 990, Part X	\$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2022

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

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

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

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

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

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

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		15,527,252.		15,527,252.
b Buildings		380,516,945.	185,939,468.	194,577,477.
c Leasehold improvements		81,973,808.	60,134,507.	21,839,301.
d Equipment		3,913,913.	3,091,993.	821,920.
e Other		46,468,978.	13,991,052.	32,477,926.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				265,243,876.

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) INVESTMENTS LIMITED OR		
(B) RESTRICTED AS TO USE	29,071,466.	END-OF-YEAR MARKET VALUE
(C) INTEREST IN NET ASSETS OF		
(D) FOUNDATION	10,423,246.	END-OF-YEAR MARKET VALUE
(E) INVESTMENT IN SHEPPARD		
(F) PRATT ASSURANCE COMPANY,		
(G) LLC	868,681.	COST
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	40,363,393.	

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	23,476,743.
(2) OTHER ASSETS	603,451.
(3) THIRD PARTY PAYOR SETTLEMENT RECEIVABLE	7,261,077.
(4) RIGHT OF USE ASSETS - OPERATING	8,551,119.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	39,892,390.

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) SELF-INSURANCE LIABILITY	9,450,821.
(3) CAPITAL LEASE OBLIGATIONS	6,221,239.
(4) DUE TO AFFILIATES	459,029.
(5) DEFERRED FINANCING COSTS	-420,110.
(6) RIGHT OF USE LIABILITY - OPERATING	9,536,597.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	25,247,576.

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

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

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

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include line numbers and a shaded area for calculations.

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

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

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include line numbers and a shaded area for calculations.

Part XIII Supplemental Information.

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

PART II, LINE 9:

CONSERVATION EASEMENTS ARE REPORTED ON THE BALANCE SHEET AND ARE INCLUDED IN PROPERTY AND EQUIPMENT ON THE AUDITED FINANCIAL STATEMENTS.

PART III, LINE 4:

THE ART COLLECTION OF SHEPPARD PRATT EXEMPLIFIES THE HEALING ASPECTS OF ART, BOTH FOR THE CREATOR AND THE OBSERVER. THIS UNIQUELY THEMED COLLECTION CELEBRATES THE CAPACITY FOR ARTISTIC ENDEAVOR TO TRANSCEND AND TRIUMPH OVER MENTAL ILLNESS AND ADDICTION.

Part XIII Supplemental Information *(continued)*

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**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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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
CENTRAL AMERICA AND THE CARIBBEAN - ANTIGUA & BARBUDA, ARUBA, BAHAMAS,	0	0	INVESTMENT		100,000.
CENTRAL AMERICA AND THE CARIBBEAN - ANTIGUA & BARBUDA, ARUBA, BAHAMAS,	1	0	REINSURANCE EXPENSES		1,720,225.
3 a Subtotal	0	0			1,820,225.
b Total from continuation sheets to Part I	0	0			0.
c Totals (add lines 3a and 3b)	0	0			1,820,225.

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)

Public Disclosure Copy

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as a tax exempt 501(c)(3) organization 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)

Public Disclosure Copy

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

Schedule F (Form 990) 2022

Public Disclosure Copy

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.

Multiple horizontal lines for supplemental information.

Public Disclosure Copy

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

Complete if the organization answered "Yes" on Form 990, Part IV, question 20a.
Attach to Form 990.

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

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
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Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(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)			6176352.		6176352.	2.18%
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			6176352.		6176352.	2.18%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1610717.		1610717.	.57%
f Health professions education (from Worksheet 5)			659,481.	74,843.	584,638.	.21%
g Subsidized health services (from Worksheet 6)			3147028.		3147028.	1.11%
h Research (from Worksheet 7)			248,677.		248,677.	.09%
i Cash and in-kind contributions for community benefit (from Worksheet 8)			91,344.		91,344.	.03%
j Total. Other Benefits			5757247.	74,843.	5682404.	2.01%
k Total. Add lines 7d and 7j			11933599.	74,843.	11858756.	4.19%

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.

Table with 7 columns: (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. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

Table for Section A with 3 columns: Question, Yes, No. Row 1: Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? (Yes: X). Row 2: Enter the amount of the organization's bad debt expense. (Amount: 4,469,513). Row 3: Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. (Amount: 0).

Section B. Medicare

Table for Section B with 3 columns: Question, Yes, No. Row 5: Enter total revenue received from Medicare (including DSH and IME) (Amount: 12,517,519). Row 6: Enter Medicare allowable costs of care relating to payments on line 5 (Amount: 16,307,796). Row 7: Subtract line 6 from line 5. This is the surplus (or shortfall) (Amount: -3,790,277). Row 8: Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit.

Section C. Collection Practices

Table for Section C with 3 columns: Question, Yes, No. Row 9a: Did the organization have a written debt collection policy during the tax year? (Yes: X). Row 9b: 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? (Yes: X).

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

Table with 5 columns: (a) Name of entity, (b) Description of primary activity of entity, (c) Organization's profit % or stock ownership %, (d) Officers, directors, or trustees, or key employees' profit % or stock ownership %, (e) Physicians' profit % or stock ownership %.

Part V Facility Information

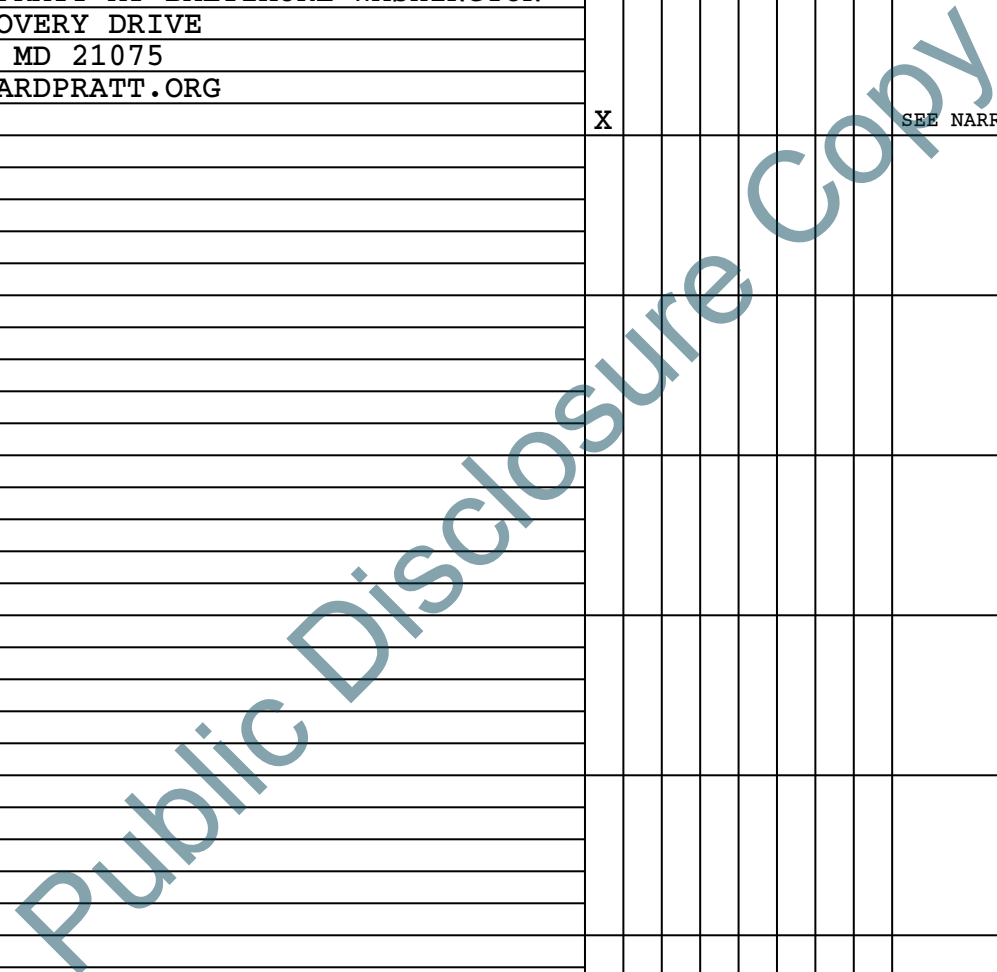
Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 2

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):

Other (describe)	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	Gen. medical & surgical	Licensed hospital	Facility reporting group
1 SHEPPARD PRATT HOSPITAL 6501 N CHARLES STREET TOWSON, MD 21204 WWW.SHEPPARDPRATT.ORG 03-039					X			X	
2 SHEPPARD PRATT AT BALTIMORE WASHINGTON 7220 DISCOVERY DRIVE ELKRIDGE, MD 21075 WWW.SHEPPARDPRATT.ORG 13-002								X	



Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT HOSPITAL

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?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>21</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTPS://WWW.SHEPPARDPRATT.ORG/ABOUT/CHNA</u>		
b <input type="checkbox"/> Other website (list url):		
c <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>22</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V, SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT HOSPITAL

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>300</u> % and FPG family income limit for eligibility for discounted care of <u>500</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2022

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT HOSPITAL

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT HOSPITAL

	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	X
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	X
If "Yes," explain in Section C.		

Schedule H (Form 990) 2022

Public Disclosure Copy

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: SHEPPARD PRATT AT BALTIMORE WASHINGTON C

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 2

	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?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>21</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTPS://WWW.SHEPPARDPRATT.ORG/ABOUT/CHNA</u>		
b <input type="checkbox"/> Other website (list url):		
c <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>22</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V, SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT AT BALTIMORE WASHINGTON C

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>300</u> % and FPG family income limit for eligibility for discounted care of <u>500</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2022

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT AT BALTIMORE WASHINGTON C

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group: SHEPPARD PRATT AT BALTIMORE WASHINGTON C

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

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

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

If "Yes," explain in Section C.

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

	Yes	No
23		X
24		X

Schedule H (Form 990) 2022

Public Disclosure Copy

Part V Facility Information (continued)

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

SHEPPARD PRATT HOSPITAL:

PART V, SECTION B, LINE 5: SHEPPARD PRATT ENGAGED THE SERVICES OF CRESCENDO CONSULTING GROUP, A RECOGNIZED FIRM WITH EXPERTISE IN CONDUCTING COMMUNITY HEALTH NEEDS ASSESSMENTS, TO DEVELOP ITS F/Y 2022 CHNAS. A MULTI-MODAL APPROACH WAS USED TO CONDUCT THE RESEARCH FOR THE F/Y 2022 CHNAS, WHICH INCLUDED THE FOLLOWING:

- DEMOGRAPHIC AND OTHER SECONDARY RESEARCH
- FOCUS GROUP DISCUSSIONS WITH KEY STAKEHOLDERS REPRESENTING PUBLIC HEALTH, MEDICAL SERVICES, NON-PROFIT AND SOCIAL ORGANIZATIONS, AND CHILDREN AND YOUTH AGENCIES
- ONE-ON-ONE TELEPHONE INTERVIEWS WITH KEY STAKEHOLDERS
- DISCUSSIONS WITH HOSPITAL LEADERS
- NEEDS PRIORITIZATION ACTIVITIES

KEY STAKEHOLDERS FOR BOTH CHNAS INCLUDED THE FOLLOWING:

- SANDRA O'NEILL, MS, LCPC, ANNE ARUNDEL DEPARTMENT OF HEALTH
- DR. MAURA ROSSMAN, HOWARD COUNTY DEPARTMENT OF HEALTH
- LEE P. OHNMACHT, MSS, LCSW-C, BALTIMORE COUNTY DEPARTMENT OF HEALTH, BUREAU OF BEHAVIORAL HEALTH
- CATHY FORBES, HOWARD COUNTY
- CARL DELORENZO, HOWARD COUNTY
- ROE RODGERS-BONACCORSY, HOWARD COUNTY MENTAL HEALTH AUTHORITY
- LINDA RAINES, MENTAL HEALTH ASSOCIATION OF MARYLAND
- KATE FARINHOLT, NAMI MARYLAND

Part V Facility Information (continued)

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

REBECA RIENZI, FAMILY NETWORK / PATHFINDERS FOR AUTISM

JANE GEHRING CHILD ADVOCACY CENTER

SAM SALERNO, LCSW-C, SHEPPARD PRATT

LAURA WINSTEAD, LCSW-C, SHEPPARD PRATT

LAURA ESKANDER, MD, SHEPPARD PRATT

EHSAN SYED, MD, SHEPPARD PRATT

ROBERT WISNER-CARLSON, MD, SHEPPARD PRATT

VERANDA HODZIC, MD, SHEPPARD PRATT

JESSIE STEPHEN, MD, SHEPPARD PRATT

DEVI BHUYAN, PSYD. SHEPPARD PRATT

CARRIE ETHERIDGE, LCSW-C, SHEPPARD PRATT

MONICA RETTENMIER, MD, SHEPPARD PRATT

SCOTT AARONSON, MD, SHEPPARD PRATT

WERONIKA GONDEK, MD, FAPA, SHEPPARD PRATT

SHEPPARD PRATT AT BALTIMORE WASHINGTON CAMPUS:

PART V, SECTION B, LINE 5: SHEPPARD PRATT ENGAGED THE SERVICES OF CRESCENDO CONSULTING GROUP, A RECOGNIZED FIRM WITH EXPERTISE IN CONDUCTING COMMUNITY HEALTH NEEDS ASSESSMENTS, TO DEVELOP ITS F/Y 2022 CHNAS. A MULTI-MODAL APPROACH WAS USED TO CONDUCT THE RESEARCH FOR THE F/Y 2022 CHNAS, WHICH INCLUDED THE FOLLOWING:

-DEMOGRAPHIC AND OTHER SECONDARY RESEARCH

-FOCUS GROUP DISCUSSIONS WITH KEY STAKEHOLDERS REPRESENTING PUBLIC HEALTH, MEDICAL SERVICES, NON-PROFIT AND SOCIAL ORGANIZATIONS, AND CHILDREN AND YOUTH AGENCIES

-ONE-ON-ONE TELEPHONE INTERVIEWS WITH KEY STAKEHOLDERS

Part V Facility Information (continued)

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

-DISCUSSIONS WITH HOSPITAL LEADERS

-NEEDS PRIORITIZATION ACTIVITIES

KEY STAKEHOLDERS FOR BOTH CHNAS INCLUDED THE FOLLOWING:

SANDRA O'NEILL, MS, LCPC, ANNE ARUNDEL DEPARTMENT OF HEALTH

DR. MAURA ROSSMAN, HOWARD COUNTY DEPARTMENT OF HEALTH

LEE P. OHNMACHT, MSS, LCSW-C, BALTIMORE COUNTY DEPARTMENT OF HEALTH,
BUREAU OF BEHAVIORAL HEALTH

CATHY FORBES, DELEGATE

CARL DELORENZO, HOWARD COUNTY

ROE RODGERS-BONACCORSY, HOWARD COUNTY MENTAL HEALTH AUTHORITY

LINDA RAINES, MENTAL HEALTH ASSOCIATION OF MARYLAND

KATE FARINHOLT, NAMI MARYLAND

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MONICA RETTENMIER, MD, SHEPPARD PRATT

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Part V Facility Information (continued)

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

WERONIKA GONDEK, MD, FAPA, SHEPPARD PRATT

SHEPPARD PRATT HOSPITAL:

PART V, SECTION B, LINE 6A: THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS A COLLABORATION LED BY SHEPPARD PRATT HEALTH SYSTEM, INC., WITH THE ASSISTANCE OF CRESCENDO CONSULTING GROUP, A CONSULTING FIRM WITH EXPERTISE IN CONDUCTING COMMUNITY HEALTH NEEDS ASSESSMENTS. THE ASSESSMENT INCLUDED RELATED HOSPITAL FACILITIES, SHEPPARD PRATT HOSPITAL AND SHEPPARD PRATT AT THE BALTIMORE WASHINGTON CAMPUS.

SHEPPARD PRATT AT BALTIMORE WASHINGTON CAMPUS:

PART V, SECTION B, LINE 6A: THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS A COLLABORATION LED BY SHEPPARD PRATT HEALTH SYSTEM, INC., WITH THE ASSISTANCE OF CRESCENDO CONSULTING GROUP, A CONSULTING FIRM WITH EXPERTISE IN CONDUCTING COMMUNITY HEALTH NEEDS ASSESSMENTS. THE ASSESSMENT INCLUDED RELATED HOSPITAL FACILITIES, SHEPPARD PRATT HOSPITAL AND SHEPPARD PRATT AT THE BALTIMORE WASHINGTON CAMPUS.

SHEPPARD PRATT HOSPITAL:

PART V, SECTION B, LINE 7A: [HTTPS://WWW.SHEPPARDPRATT.ORG/ABOUT/CHNA](https://www.sheppardpratt.org/about/chna)

SHEPPARD PRATT AT BALTIMORE WASHINGTON CAMPUS:

PART V, SECTION B, LINE 7A: [HTTPS://WWW.SHEPPARDPRATT.ORG/ABOUT/CHNA](https://www.sheppardpratt.org/about/chna)

SHEPPARD PRATT HOSPITAL:

Part V Facility Information (continued)

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

PART V, SECTION B, LINE 11: EACH HOSPITAL IS REQUIRED TO CONDUCT AND PUBLISH ITS OWN CHNA AND IMPLEMENTATION PLAN, YET HOSPITALS ARE ENCOURAGED TO COLLABORATE ON THE CHNAS ESPECIALLY WHERE SERVICE LINES AND/OR SERVICE AREAS OVERLAP. FOR EACH SHEPPARD PRATT HOSPITAL, CHNA AND IMPLEMENTATION PLAN ACTIVITIES WERE JOINTLY CONDUCTED TO MAXIMIZE THE EFFICIENCY OF THE RESEARCH AND THE EFFECTIVENESS OF EMERGING STRATEGIES. THE STRATEGIC APPROACH ESTABLISHES THE BASIS FOR SHARED OPERATIONAL PLANS TO ADDRESS NEEDS. DURING THE JOINT CHNA RESEARCH FOR THE TWO HOSPITALS, PARTICULAR ATTENTION WAS GIVEN TO IDENTIFY DIFFERENCES THAT MAY OR MAY NOT EXIST BETWEEN THE TWO OVERLAPPING SERVICE AREAS. THE RESULTS OF THE CHNAS IDENTIFIED AN IDENTICAL SET OF APPROXIMATELY 22 COMMUNITY NEEDS WITH VERY LITTLE VARIATION IN THE RANKED PRIORITY BASED ON LOCATION. AS A RESULT, EACH HOSPITAL HAS ITS OWN CHNA AND IMPLEMENTATION PLAN; HOWEVER, THEY ARE IDENTICAL FOR BOTH HOSPITALS. THIS METHODOLOGY EFFECTIVELY SUPPORTS OPERATIONAL PLANS TO ADDRESS IDENTIFIED NEEDS IN EACH MARKET AND EVEN THE ADMINISTRATION OF SERVICES, IN SOME CASES THAT WILL BE CENTRALLY MANAGED, MAXIMIZE PATIENT CARE, IMPROVE OPERATIONAL EFFICIENCY, AND BETTER FOCUS SHEPPARD PRATT'S EFFORTS TO MEET THE HIGHEST PRIORITY SERVICE AREA NEEDS. OF THE 22 COMMUNITY NEEDS IDENTIFIED FROM THE COMMUNITY HEALTH NEEDS ASSESSMENT, EXISTING PROGRAMS AND ACTIVITIES ALREADY ADDRESS 100% TO SOME EXTENT.

- THE HOSPITAL WILL FOCUS CURRENT AND NEW INITIATIVES ON THE HIGHEST PRIORITY ISSUES AS IDENTIFIED IN THE CHNA, AS WELL AS THOSE FOR WHICH IT HAS EXISTING PROGRAMS AND ACTIVITIES.

- FOR SOME OF THE PROGRAMS AND ACTIVITIES, SPHS IS A FACILITATOR OR PARTNER WITH A COMMUNITY SERVICE ORGANIZATION WHILE FOR OTHERS, IT TAKES MORE OF A LEADERSHIP ROLE.

Part V Facility Information (continued)

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

- FOR MOST OF THESE NEEDS, SHPS PROGRAMS AND ACTIVITES WILL REMAIN LARGELY UNCHANGED. HOWEVER, SPHS MAY MODIFY EXISTING PROGRAMS, AS NEEDED OR AS ADDITIONAL OPPORTUNITIES PRESENT THEMSELVES. THE LONG-TERM IMPACT OF THE COVID-19 PANDEMIC IS YET TO FULLY UNFOLD, BUT SHEPPARD PRATT IS DEDICATED TO RESPONDING TO EMERGING OPPORTUNITIES TO SUPPORT AND IMPROVE BEHAVIORAL HEALTH.

TOP TWO FOCUS AREAS AND NEEDS BY TIME FRAME

WITHIN ONE-YEAR IMPACT EXPECTATION - FOCUS AREAS INCLUDE:

- CRISIS CARE PROGRAMS FOR BEHAVIORAL HEALTH (INCLUDING SUBSTANCE USE DISORDERS)
- SUPPORT SERVICES FOR FAMILIES OF PEOPLE STRUGGLING WITH MENTAL HEALTH OR SUBSTANCE ISSUES

TWO-THREE YEAR IMPACT EXPECTATION - FOCUS AREAS INCLUDE:

- COMMERICAL INSURANCE COVERAGE OF BEHAVIORAL HEALTH SERVICES
- MENTAL HEALTH STIGMA REDUCTION

FOUR YEARS OR LONGER EXPECTATION (NOT FOCUSING ON DURING THE CURRENT CHNA PERIOD)

- STAFF SHORTAGES
- DIVERSITY IN BEHAVIORAL HEALTH PROVIDERS

SHEPPARD PRATT AT BALTIMORE WASHINGTON CAMPUS:

PART V, SECTION B, LINE 11: EACH HOSPITAL IS REQUIRED TO CONDUCT AND PUBLISH ITS OWN CHNA AND IMPLEMENTATION PLAN, YET HOSPITALS ARE ENCOURAGED

Part V Facility Information (continued)

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

TO COLLABORATE ON THE CHNAS ESPECIALLY WHERE SERVICE LINES AND/OR SERVICE AREAS OVERLAP. FOR EACH SHEPPARD PRATT HOSPITAL, CHNA AND IMPLEMENTATION PLAN ACTIVITIES WERE JOINTLY CONDUCTED TO MAXIMIZE THE EFFICIENCY OF THE RESEARCH AND THE EFFECTIVENESS OF EMERGING STRATEGIES. THE STRATEGIC APPROACH ESTABLISHES THE BASIS FOR SHARED OPERATIONAL PLANS TO ADDRESS NEEDS. DURING THE JOINT CHNA RESEARCH FOR THE TWO HOSPITALS, PARTICULAR ATTENTION WAS GIVEN TO IDENTIFY DIFFERENCES THAT MAY OR MAY NOT EXIST BETWEEN THE TWO OVERLAPPING SERVICE AREAS. THE RESULTS OF THE CHNAS IDENTIFIED AN IDENTICAL SET OF APPROXIMATELY 22 COMMUNITY NEEDS WITH VERY LITTLE VARIATION IN THE RANKED PRIORITY BASED ON LOCATION. AS A RESULT, EACH HOSPITAL HAS ITS OWN CHNA AND IMPLEMENTATION PLAN; HOWEVER, THEY ARE IDENTICAL FOR BOTH HOSPITALS. THIS METHODOLOGY EFFECTIVELY SUPPORTS OPERATIONAL PLANS TO ADDRESS IDENTIFIED NEEDS IN EACH MARKET AND EVEN THE ADMINISTRATION OF SERVICES, IN SOME CASES THAT WILL BE CENTRALLY MANAGED, MAXIMIZE PATIENT CARE, IMPROVE OPERATIONAL EFFICIENCY, AND BETTER FOCUS SHEPPARD PRATT'S EFFORTS TO MEET THE HIGHEST PRIORITY SERVICE AREA NEEDS. OF THE 22 COMMUNITY NEEDS IDENTIFIED FROM THE COMMUNITY HEALTH NEEDS ASSESSMENT, EXISTING PROGRAMS AND ACTIVITIES ALREADY ADDRESS 100% TO SOME EXTENT.

- THE HOSPITAL WILL FOCUS CURRENT AND NEW INITIATIVES ON THE HIGHEST PRIORITY ISSUES AS IDENTIFIED IN THE CHNA, AS WELL AS THOSE FOR WHICH IT HAS EXISTING PROGRAMS AND ACTIVITIES.

- FOR SOME OF THE PROGRAMS AND ACTIVITIES, SPHS IS A FACILITATOR OR PARTNER WITH A COMMUNITY SERVICE ORGANIZATION WHILE FOR OTHERS, IT TAKES MORE OF A LEADERSHIP ROLE.

- FOR MOST OF THESE NEEDS, SHPS PROGRAMS AND ACTIVITES WILL REMAIN LARGELY UNCHANGED. HOWEVER, SPHS MAY MODIFY EXISTING PROGRAMS, AS NEEDED

Part V Facility Information (continued)

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

OR AS ADDITIONAL OPPORTUNITIES PRESENT THEMSELVES. THE LONG-TERM IMPACT OF THE COVID-19 PANDEMIC IS YET TO FULLY UNFOLD, BUT SHEPPARD PRATT IS DEDICATED TO RESPONDING TO EMERGING OPPORTUNITIES TO SUPPORT AND IMPROVE BEHAVIORAL HEALTH.

TOP TWO FOCUS AREAS AND NEEDS BY TIME FRAME

WITHIN ONE-YEAR IMPACT EXPECTATION - FOCUS AREAS INCLUDE:

- CRISIS CARE PROGRAMS FOR BEHAVIORAL HEALTH (INCLUDING SUBSTANCE USE DISORDERS)
- SUPPORT SERVICES FOR FAMILIES OF PEOPLE STRUGGLING WITH MENTAL HEALTH OR SUBSTANCE ISSUES

TWO-THREE YEAR IMPACT EXPECTATION - FOCUS AREAS INCLUDE:

- COMMERCIAL INSURANCE COVERAGE OF BEHAVIORAL HEALTH SERVICES
- MENTAL HEALTH STIGMA REDUCTION

FOUR YEARS OR LONGER EXPECTATION (NOT FOCUSING ON DURING THE CURRENT CHNA PERIOD)

- STAFF SHORTAGES
- DIVERSITY IN BEHAVIORAL HEALTH PROVIDERS

SHEPPARD PRATT HOSPITAL:

PART V, SECTION B, LINE 16J: FINANCIAL CASE MANAGERS ALSO PROVIDE INFORMATION ON FINANCIAL ASSISTANCE TO PATIENTS AND THEIR FAMILIES WHOM THEY BELIEVE MAY BENEFIT FROM ASSISTANCE.

Part V Facility Information (continued)

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

SHEPPARD PRATT AT BALTIMORE WASHINGTON CAMPUS:

PART V, SECTION B, LINE 16J: FINANCIAL CASE MANAGERS ALSO PROVIDE INFORMATION ON FINANCIAL ASSISTANCE TO PATIENTS AND THEIR FAMILIES WHOM THEY BELIEVE MAY BENEFIT FROM ASSISTANCE.

SHEPPARD PRATT HOSPITAL

PART V, LINE 8, IMPLEMENTATION STRATEGY:

[HTTPS://WWW.SHEPPARDPRATT.ORG/ABOUT/CHNA](https://www.sheppardpratt.org/about/chna)

PART V, LINE 16A, FAP WEBSITE:

[HTTPS://WWW.SHEPPARDPRATT.ORG/FOR-PATIENTS-SUPPORTS/FINANCIAL-SUPPORT-AND-BILLING-INFORMATION/](https://www.sheppardpratt.org/for-patients-supports/financial-support-and-billing-information/)

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTPS://WWW.SHEPPARDPRATT.ORG/FILES/RESOURCES/SHEPPARD-PRATT-FINANCIAL-ASSISTANCE-APPLICATION.PDF](https://www.sheppardpratt.org/files/resources/sheppard-pratt-financial-assistance-application.pdf)

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

[HTTPS://WWW.SHEPPARDPRATT.ORG/FILES/RESOURCES/PLAIN-LANGUAGE-SUMMARY.PDF](https://www.sheppardpratt.org/files/resources/plain-language-summary.pdf)

SHEPPARD PRATT AT BALTIMORE WASHINGTON CAMPUS

PART V, LINE 8, IMPLEMENTATION STRATEGY:

[HTTPS://WWW.SHEPPARDPRATT.ORG/ABOUT/CHNA](https://www.sheppardpratt.org/about/chna)

PART V, LINE 16A, FAP WEBSITE:

Part V Facility Information (continued)

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

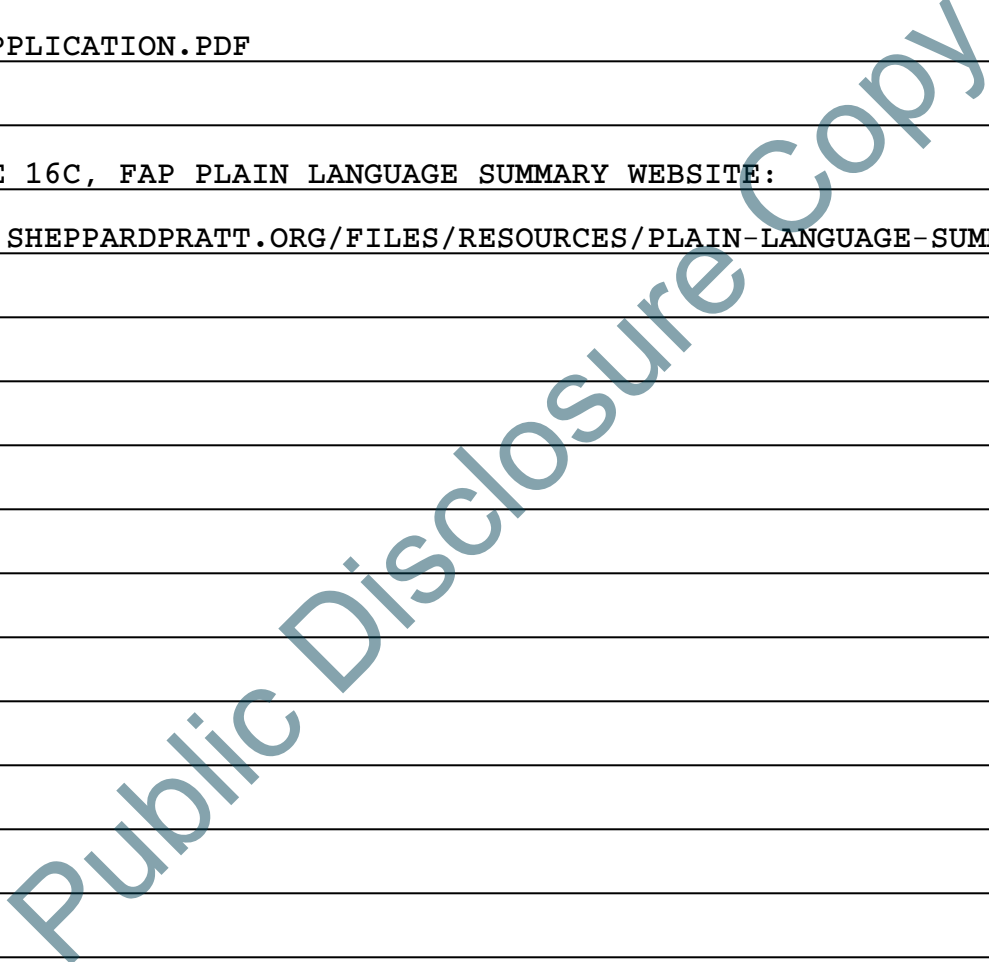
HTTPS://WWW.SHEPPARDPRATT.ORG/FOR-PATIENTS-SUPPORTS/FINANCIAL-SUPPORT-AND-BILLING-INFORMATION/

PART V, LINE 16B, FAP APPLICATION WEBSITE:

HTTPS://WWW.SHEPPARDPRATT.ORG/FILES/RESOURCES/SHEPPARD-PRATT-FINANCIAL-ASSISTANCE-APPLICATION.PDF

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

HTTPS://WWW.SHEPPARDPRATT.ORG/FILES/RESOURCES/PLAIN-LANGUAGE-SUMMARY.PDF



Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

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

Name and address	Type of facility (describe)
1 SHEPPARD PRATT SCHOOL - TOWSON 6501 NORTH CHARLES STREET BALTIMORE, MD 21204	LICENSED RESIDENTIAL TREATMENT CENTER/SP. ED. SCHOOL
2 THE RETREAT AT SHEPPARD PRATT 6501 NORTH CHARLES STREET BALTIMORE, MD 21204	16-BED LIMITED PRIVATE INPATIENT FACILITY
3 SHEPPARD PRATT SCHOOL - GLYNDON 407 CENTRAL AVENUE REISTERSTOWN, MD 21136	12-MTH SPECIAL ED. DAY SCH FOR STUDENTS WITH BEHAVIORAL & EMOTIONAL DISABILI
4 SHEPPARD PRATT SCHOOL - REISTERSTOWN 12039 REISTERSTOWN ROAD BALTIMORE, MD 21136	12-MTH SPECIAL ED. DAY SCHOOL FOR STUDENT WITH BEHAVIORAL & EMOTIONAL DISABI
5 SHEPPARD PRATT SCHOOL - ROCKVILLE 4915 ASPEN HILL ROAD ROCKVILLE, MD 20853	12-MTH SPECIAL ED. DAY SCHOOL FOR STUDENT WITH BEHAVIORAL & EMOTIONAL DISABI
6 SHEPPARD PRATT SCHOOL - HUNT VALLEY 11201 PEPPER ROAD HUNT VALLEY, MD 21031	12-MONTH SPECIAL EDUCATION DAY SCHOOL FOR STUDENTS WITH AUTISM
7 SHEPPARD PRATT SCHOOL - LANHAM 4819 WALDEN LANE LANHAM, MD 20706	12-MONTH SPECIAL EDUCATION DAY SCHOOL FOR STUDENTS WITH AUTISM
8 SHEPPARD PRATT SCHOOL - CUMBERLAND 10100 COUNTRY CLUB ROAD SOUTHEAST CUMBERLAND, MD 21502	12-MTH SPECIAL ED. DAY SCH FOR STUDENTS WITH BEHAVIORAL & EMOTIONAL DISABILI
9 SHEPPARD PRATT SCHOOL - GAITHERSBURG 610 EAST DIAMOND AVENUE GAITHERSBURG, MD 20877	12-MONTH SPECIAL EDUCATION DAY SCHOOL FOR STUDENTS WITH AUTISM
10 RUXTON HOUSE 1506 LABELLE AVENUE BALTIMORE, MD 21204	8-BED LICENSED GROUP HOME

Schedule H (Form 990) 2022

Part V Facility Information (continued)

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

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

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

Name and address	Type of facility (describe)
11 SHEPPARD PRATT SCHOOL - FREDERICK 1285 HILLCREST DRIVE FREDERICK, MD 21703	10-MTH DAY SCHOOL FOR SPECIAL ED. & RELATED SERVICES IN A PUBLIC SCHOOL SET
12 HANNAH MORE AT MILLERSVILLE ELEM SCHO 1601 MILLERSVILLE ROAD MILLERSVILLE, MD 21108	10-MONTH DAY SCHOOL FOR SPECIAL ED. & RELATED SERVICES IN A PUBLIC SCHOOL
13 HANNAH MORE AT SEVERN MIDDLE SCHOOL 241 PENINSULA FARM ROAD ARNOLD, MD 21012	10-MONTH DAY SCHOOL FOR SPECIAL ED. & RELATED SERVICES IN A PUBLIC SCHOOL
14 SHEPPARD PRATT SCH - MILLERSVILLE, SE 60 ROBINSON ROAD SEVERNA PARK, MD 21146	10-MONTH DAY SCHOOL FOR SPECIAL ED. & RELATED SERVICES IN A PUBLIC SCHOOL

Schedule H (Form 990) 2022



Part VI Supplemental Information

Provide the following information.

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

PART I, LINE 3C:

SHEPPARD PRATT HEALTH SYSTEM USES AN ASSET TEST IN CONJUNCTION WITH THE 300% FPG FACTOR TO DETERMINE ELIGIBILITY FOR FREE OR DISCOUNTED CARE. INDIVIDUALS WITH ASSETS LESS THAN \$10,000, AND FAMILIES WITH ASSETS LESS THAN \$25,000 ARE ELIGIBLE FOR FREE OR DISCOUNTED CARE. THE EQUITY VALUE OF AN APPLICANT'S PRINCIPAL RESIDENCE IS UP TO \$150,000 EXCLUDED FROM THE ASSET TEST.

PART I, LINE 7:

RATIO OF COST TO CHARGES, AS CALCULATED FROM THE FILED MEDICARE COST REPORT, WAS THE METHODOLOGY USED IN CALCULATING ITEMS LISTED IN PART I, LINE 7.

PART I, LINE 7A COL(D):

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME

Part VI Supplemental Information (Continuation)

HOSPITAL, EXCEPT FOR THE GOVERNMENTAL CARVEOUT FOR PSYCHIATRIC HOSPITALS. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

PART I, LINE 7G:

SHEPPARD PRATT'S RESIDENCY TRAINING PROGRAM OFFERS AN OUTPATIENT CLINIC. IN THE AREA OF HEALTH PROFESSIONS EDUCATION, SHEPPARD PRATT OFFERED 37 COMPLIMENTARY CME LECTURE SESSIONS, THAT WERE ACCESSIBLE TO A VARIETY OF RURAL LOCATIONS UTILIZING A VIDEOCONFERENCING BRIDGE. IN FY23, THERE WERE 9,907 NON-SHEPPARD PRATT CLINICAL PROFESSIONALS WHO ATTENDED THESE FREE CME SESSIONS, WHICH WERE ACCESSED ENTIRELY VIA VIDEOCONFERENCING.

PART II, COMMUNITY BUILDING ACTIVITIES:

SHEPPARD PRATT STRIVES TO MEET THE MENTAL HEALTH NEEDS OF A DIVERSE COMMUNITY THROUGH THE FLEXIBILITY OF TRADITIONAL TREATMENT MODALITIES COMBINED WITH COMMUNITY BENEFIT PROGRAMMING SO THAT THE MOST VULNERABLE OF OUR SOCIETY HAVE ACCESS TO INFORMATION, ACTIVITIES AND/OR TREATMENT. DUE TO THE SENSITIVITY OF THE SUBJECT MATTER, AND WITH AN UNDERSTANDING OF THE BURDEN SOME PEOPLE LABOR UNDER IN ASKING FOR INFORMATION, SHEPPARD PRATT HAS WORKED DILIGENTLY TO PROVIDE ACCESS THROUGH MANY LEVELS FROM FREELY AVAILABLE INFORMATION ON THE INTERNET, TO PUBLIC MEETINGS AND PROFESSIONAL SERVICES.

SHEPPARD PRATT HEALTH SYSTEM ATTENDS LOCAL, REGIONAL AND NATIONAL CONFERENCES IN ORDER TO REACH A BROAD SPECTRUM OF THE COMMUNITY WITH GENERAL PSYCHIATRIC EDUCATION LITERATURE. IN FY23, SHEPPARD PRATT HOSTED

Part VI Supplemental Information (Continuation)

TEN COMMUNITY TALKS. TOPICS PRESENTED INCLUDE: YOUTH MENTAL HEALTH, SUBSTANCE ABUSE, MINORITIES & MENTAL HEALTH, AND MEN'S MENTAL HEALTH.

TRANSPORTATION SERVICES WERE PROVIDED TO 1,132 PERSONS WHO REQUIRED TRANSPORTATION TO GET TO DOCTOR APPOINTMENTS OR OTHER MEDICAL SERVICES, AND TO RECEIVE CARE AT SHEPPARD PRATT. THIS TOTAL INCLUDES PATIENTS TRANSPORTED TO AND FROM OUR DAY HOSPITAL PROGRAMS, PATIENTS WHO WERE PROVIDED AMBULANCE TRANSPORTATION, AS WELL AS PATIENTS TRANSPORTED TO APPOINTMENTS FOR VARIOUS MEDICAL SERVICES OUTSIDE OF THE HOSPITAL. THE FY23 COST FOR THESE SERVICES WAS \$440,607.

SHEPPARD PRATT ALSO ADDRESSES THE HEALTH OF THE COMMUNITY BY ATTENDING PUBLIC EVENTS AND DISTRIBUTING FREE INFORMATION ON WELLNESS, GOOD NUTRITION, BODY IMAGE, AS WELL AS MEDIA LITERACY AS IT IMPACTS THE DIET AND HEALTH OF TODAY'S YOUTH.

IN FY23, SHEPPARD PRATT'S WEB SITE RESOURCE PAGE RECEIVED 37,320 PAGE VIEWS TO ACCESS INFORMATION ON PARENTING AND CHANGING YOUR CHILD'S BEHAVIOR, MINORITIES AND MENTAL HEALTH, LINKS TO MENTAL HEALTH RESOURCES, INFORMATIVE BLOGS, AND OTHER USEFUL TREATMENT INFORMATION.

PART III, LINE 2:

SHEPPARD PRATT HEALTH SYSTEM'S POLICY IS TO WRITE OFF ALL ACCOUNTS THAT HAVE BEEN IDENTIFIED AS UNCOLLECTIBLE. AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLE IS RECORDED FOR ACCOUNTS NOT YET WRITTEN OFF THAT ARE ANTICIPATED TO BECOME UNCOLLECTIBLE IN FUTURE PERIODS. INSURANCE COVERAGE AND CREDIT INFORMATION ARE OBTAINED FROM PATIENTS WHEN AVAILABLE. NO COLLATERAL IS OBTAINED FOR ACCOUNTS RECEIVABLE. A COST-TO-CHARGE RATIO IS

Part VI Supplemental Information (Continuation)

USED BASED ON FILED MEDICARE COST REPORTS TO DETERMINE AMOUNTS REPORTED AS BAD DEBT EXPENSE.

PART III, LINE 3:

PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY ALLOWANCES FOR BAD DEBTS. IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, HEALTH SYSTEM ANALYZES HISTORICAL COLLECTIONS AND WRITE OFFS AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR BAD DEBTS AND PROVISION FOR UNCOLLECTIBLE ACCOUNTS. MANAGEMENT REGULARLY REVIEWS ITS ESTIMATE AND EVALUATES THE SUFFICIENCY OF THE ALLOWANCE FOR BAD DEBTS. FOR PATIENT ACCOUNTS RECEIVABLE ASSOCIATED WITH SELF-PAY PATIENTS, WHICH INCLUDES THOSE PATIENTS WITHOUT EXISTING INSURANCE COVERAGE FOR A PORTION OF THE BILL, THE HEALTH SYSTEM RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS FOR PATIENTS THAT ARE UNABLE OR UNWILLING TO PAY FOR THE PORTION OF THE BILL REPRESENTING THEIR FINANCIAL RESPONSIBILITY. ACCOUNT BALANCES ARE CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS AFTER ALL MEANS OF COLLECTION HAVE BEEN EXHAUSTED.

PART III, LINE 4:

SEE FOOTNOTE #1(K) OF AUDITED FINANCIAL STATEMENTS - PAGES 11 AND 12

PART III, LINE 8:

UNLIKE ACUTE CARE HOSPITALS, SHEPPARD PRATT AS AN INSTITUTION FOR MENTAL DISEASE (IMD) IS REIMBURSED UNDER THE MEDICARE PROSPECTIVE PAYMENT SYSTEM. MEDICARE PAYS SHEPPARD PRATT LESS THAN ITS COSTS AS SUPPORTED BY THE FINAL FILED FISCAL YEAR 2023 COST REPORT FILED WITH THE CENTERS FOR MEDICARE AND MEDICAID SERVICES. SHEPPARD PRATT TREATS ALL MEDICALLY APPROPRIATE MEDICARE PATIENTS AS REQUIRED BY THE CONDITIONS OF PARTICIPATION AND

Part VI Supplemental Information (Continuation)

EMTALA.

PART III, LINE 9B:

SHEPPARD PRATT HEALTH SYSTEM'S BAD DEBT AND CHARITABLE WRITE OFF POLICY OUTLINES THE PROCESS BY WHICH THE SYSTEM COLLECTS AND ACTS UPON PATIENT'S FINANCIAL HARDSHIP INFORMATION INCLUDING ACCESS TO SHEPPARD PRATT'S FINANCIAL AID PROCESS. THE HEALTH SYSTEM DOES NOT CHARGE INTEREST, LATE FEES, OR PENALTIES ON ANY ACCOUNTS AND DOES NOT PERMIT COLLECTION AGENCIES TO REPORT ACCOUNTS TO CREDIT REPORTING AGENCIES.

PART VI, LINE 2:

IN ADDITION TO THE COMPLETION OF OUR CHNA, SHEPPARD PRATT ALSO COLLECTS AND UTILIZES SERVICE GAP INFORMATION GATHERED THROUGH PATIENT AND FAMILY REQUESTS FOR SERVICE AS RECEIVED THROUGH ITS WEB SITE, CRISIS WALK IN CLINIC, AND THE CARE NAVIGATION LINE.

PART VI, LINE 3:

EACH PATIENT IS PROVIDED WITH A PATIENT HANDBOOK UPON ADMISSION. THE PATIENT HANDBOOK OUTLINES POLICIES, RULES, AND BASIC INFORMATION ABOUT THE HOSPITAL INCLUDING INSTRUCTIONS ON HOW TO ACCESS FINANCIAL ASSISTANCE/CHARITY CARE. SIGNAGE IS POSTED IN THE ADMISSION SUIT IN BOTH PATIENT AND FAMILY WAITING AREAS INFORMING INTERESTED PARTIES THAT FINANCIAL ASSISTANCE IS AVAILABLE. BECAUSE NO TWO PATIENTS HAVE IDENTICAL TREATMENT NEEDS, ALL PATIENTS ARE URGED TO SPEAK WITH THEIR THERAPIST OR OTHER HOSPITAL STAFF TO LEARN MORE ABOUT THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. ADDITIONALLY, AS PART OF THE PAYMENT POLICY AND ACTION ON PAST DUE ACCOUNTS, SHEPPARD PRATT'S FINANCIAL OFFICE PERSONNEL ACT AS PATIENT FINANCIAL ADVOCATES AND MAY FORWARD THE FINANCIAL ASSISTANCE

Part VI Supplemental Information (Continuation)

PAPERWORK FOR COMPLETION BY ALL RESPONSIBLE PARTIES. FINANCIAL ASSISTANCE INFORMATION IS ALSO INCLUDED IN THE PATIENT'S BILLING STATEMENT. FINALLY, PRIOR TO TRANSFER TO A COLLECTION AGENCY, ACCOUNTS ARE REVIEWED AGAIN FOR POSSIBLE FINANCIAL ASSISTANCE.

PART VI, LINE 4:

SHEPPARD PRATT'S SERVICE COMMUNITY CONSISTS OF ANNE ARUNDEL, BALTIMORE, HARFORD, AND HOWARD COUNTIES AND BALTIMORE CITY.

THE TOWSON SERVICE AREA IS DIVERSE IN RESPECT TO RACE, INCOME, LIFESTYLE FACTORS, AND OTHERS. THE OVERALL POPULATION OF THE SERVICE AREA IS STABLE, YET THE BALTIMORE CITY POPULATION IS CONTRACTING WHILE BALTIMORE COUNTY AND HARFORD COUNTY IS INCREASING. HOWEVER, THE CHALLENGING CHARACTERISTICS OF BALTIMORE CITY ARE REFLECTED IN COMMUNITY NEEDS. THE ELLICOTT CITY SERVICE AREA IS CHARACTERIZED BY INCREASING POPULATION, HIGHER INCOME AND EDUCATIONAL ATTAINMENT, AND HEALTHIER LIFESTYLES COMPARED TO THE TOWSON SERVICE AREA.

THERE ARE OVER 1.44 MILLION PEOPLE IN BALTIMORE COUNTY AND BALTIMORE CITY AND APPROXIMATELY 1.7 MILLION PEOPLE IN THE PRIMARY SHEPPARD PRATT SERVICE AREA.

FROM 2017 TO 2019, THERE WAS A SHIFT IN POPULATION OUT OF THE MOST URBAN AREA (BALTIMORE CITY) TO OTHER AREAS. POPULATION GROWTH WAS ESPECIALLY STRONG IN BALTIMORE, HOWARD, MONTGOMERY, AND FREDERICK COUNTIES. THE POPULATION IN EACH FACILITY'S SERVICE AREA INCLUDES SLIGHTLY MORE FEMALES THAN MALES. HOWEVER, FOR THE TOWSON LOCATION SERVICE AREA, THE DIFFERENCE IS MORE PRONOUNCED. MEN AND WOMEN MAY HAVE DIFFERENT DISEASE PREVALENCE

Part VI Supplemental Information (Continuation)

AND HEALTHCARE NEEDS. THE POPULATION IN BALTIMORE COUNTY AND BALTIMORE CITY IS NEARLY 53% FEMALE. THE HOWARD COUNTY SERVICE AREA AND HARFORD COUNTY SPLIT IS MORE EVEN 51% FEMALE: 49% MALE. ANNE ARUNDEL COUNTY HAS THE HIGHEST PERCENTAGE OF MALES.

THE TOWSON SERVICE AREA IS HIGHLY DIVERSE. NEARLY TWO OF THREE (61.80%) BALTIMORE CITY RESIDENTS ARE AFRICAN AMERICAN WHILE ABOUT THREE OF TEN (27.5%) ARE WHITE, YET BALTIMORE COUNTY HAS THE OPPOSITE RACIAL MAKEUP.

THE HOWARD COUNTY SERVICE AREA IS LARGELY WHITE WITH POCKETS OF DIVERSITY. HOWEVER, MORE THAN ONE IN FIVE (25.4%) HOWARD COUNTY RESIDENTS SPEAK A PRIMARY LANGUAGE OTHER THAN ENGLISH. (AMERICAN COMMUNITY SURVEY 2010).

HARFORD COUNTY IS THE LEAST RACIALLY DIVERSE, WITH APPROXIMATELY 76.1% OF THE POPULATION IDENTIFYING AS WHITE.

BALTIMORE COUNTY, ANNE ARUNDEL COUNTY, AND HOWARD COUNTY EACH HAVE A MEDIAN AGE SIMILAR TO THE MARYLAND AVERAGE WHILE THE MEDIAN AGE IS LOWER (35.4 YEARS) IN BALTIMORE CITY. HARFORD COUNTY HAS THE OLDEST MEDIAN AGE AT 40.9 YEARS. ABOUT ONE IN THREE PEOPLE IN BOTH SERVICE AREAS ARE AGE 25 OR YOUNGER. BALTIMORE COUNTY (16.8%) AND HARFORD COUNTY (12.4%) HAVE THE HIGHEST PERCENTAGE OF INDIVIDUALS 65 YEARS AND OLD. SENIORS OFTEN HAVE DIFFERENT NEEDS THAN CHILDREN AND YOUNGER ADULTS.

THE HIGH SCHOOL GRADUATION RATES ARE SIMILAR IN EACH FACILITY'S SERVICE AREA. HOWEVER, THE PERCENTAGE OF THOSE WITH COLLEGE DEGREES IS SUBSTANTIALLY HIGHER IN THE ELLICOTT CITY SERVICE AREA. NEARLY TWO OF FIVE (39.92%) BALTIMORE CITY ADULTS HAVE ONLY A HIGH SCHOOL DIPLOMA (24.54%) OR

Part VI Supplemental Information (Continuation)

LESS (15.38%). ABOUT FIVE OF SEVEN PEOPLE (68%) IN THE ELLICOTT CITY SERVICE AREA HAVE AT LEAST SOME COLLEGE (INCLUDING THOSE WITH A DEGREE). HOWARD COUNTY IS THE MOST EDUCATED COUNTY WITH OVER 62% OF THE POPULATION HAVING AT LEAST A BACHELOR'S DEGREE. APPROXIMATELY 50% OF THE POPULATION IN BALTIMORE CITY HAS AT LEAST SOME COLLEGE OR A DEGREE WHILE OVER 57% OF THE POPULATION IN HARFORD COUNTY HAS AT LEAST SOME COLLEGE OR A DEGREE.

THE ELLICOTT CITY SERVICE AREA HAS A SUBSTANTIALLY HIGHER HOUSEHOLD INCOME THAN THE TOWSON LOCATION AND IS HIGHER THAN THE STATE MEDIAN. IN THE RESPECTIVE SERVICE AREAS, THERE IS ALSO A DRAMATIC DIFFERENCE IN THE PERCENTAGE OF CHILDREN AGED 0-17 WHO ARE LIVING IN HOUSEHOLDS WITH INCOME BELOW THE FEDERAL POVERTY LEVEL (FPL). NEARLY ONE-THIRD (32.90%) OF CHILDREN IN BALTIMORE CITY LIVE UNDER 100% OF THE FPL. MORE THAN 34% OF BALTIMORE COUNTY HOUSEHOLDS EARN ANNUAL INCOME OF OVER \$100,000 NEARLY DOUBLE THE RATE OF BALTIMORE CITY. OVER 40% OF HARFORD COUNTY RESIDENTS EARN A HOUSEHOLD INCOME OVER \$100,000, WHICH IS THE HIGHEST IN THE TOWSON SERVICE AREA AND OVER TWICE THE RATE OF BALTIMORE CITY. MORE THAN HALF (58%) OF HARFORD, MONTGOMERY, AND ANNE ARUNDEL COUNTY HOUSEHOLDS EARN OVER \$100,000.

DATA ON HEALTH CARE PROVIDERS PER 100,000 POPULATION SHOW THAT THE RATIOS IN HARFORD COUNTY AND ANNE ARUNDEL COUNTY ARE LOWER (WORSE) THAN THE STATE AVERAGE. BALTIMORE CITY HAS THE HIGHEST RATIO OF MENTAL HEALTH PROVIDERS PER 100,000 POPULATION IN THE COMBINED SERVICE AREAS, MEANING THERE ARE AN ABOVE AVERAGE NUMBER OF MENTAL HEALTH PROVIDERS IN THE CITY. BALTIMORE CITY HAS MORE MENTAL HEALTH PROVIDERS THAN BOTH THE STATE AND NATIONAL AVERAGE. HARFORD COUNTY HAS THE LOWEST RATIO OF PRIMARY CARE, MENTAL HEALTH, AND DENTAL PROVIDERS THAN ANY OF THE OTHER COUNTIES IN BOTH

Part VI Supplemental Information (Continuation)

SERVICE AREAS. HARFORD COUNTY HAS NEARLY HALF THE PRIMARY CARE PROVIDERS THAN THE STATE AVERAGE. ANNE ARUNDEL COUNTY HAS SLIGHTLY MORE PROVIDERS THAN HARFORD COUNTY BUT HAS THE LOWEST RATIO OF PROVIDERS IN THE ELLICOTT CITY SERVICE AREA. BOTH ANNE ARUNDEL AND HARFORD COUNTIES ARE GEOGRAPHICALLY MORE RURAL, AND THE UNITED STATES IS CURRENTLY FACING A PHYSICIAN SHORTAGE IN RURAL AREAS.

ACCORDING TO THE 2015 MARYLAND BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM, THERE IS A GREATER CONCENTRATION OF ADULT (AGES 18+) RESIDENTS IN BALTIMORE COUNTY DIAGNOSED WITH DEPRESSIVE DISORDERS THAN IN BALTIMORE CITY, ANNE ARUNDEL COUNTY, HOWARD COUNTY, OR MARYLAND AS A WHOLE. AT 16.7% EACH, BALTIMORE COUNTY AND HOWARD COUNTY HAVE THE HIGHEST PREVALENCE OF ANXIETY DISORDER WITHIN THE HOSPITAL'S COMBINED SERVICE AREAS. BOTH ARE ALSO HIGHER THAN THE STATEWIDE PREVALENCE RATE OF 13.5 PERCENT.

THERE ARE NO OTHER MENTAL HEALTH HOSPITALS IN THIS GEOGRAPHIC REGION TO SERVE THE AFOREMENTIONED DEMOGRAPHICS.

PART VI, LINE 5:

SHEPPARD PRATT HAS EVOLVED SERVICES BEYOND THE TRADITIONAL INPATIENT OR OUTPATIENT BOUNDARIES AS IT CONTINUES ITS COMMITMENT TO THE FOUNDERS' CHARTER TO "CARRY FORWARD, IMPROVE, THE AMELIORATED SYSTEM OF TREATMENT OF THE INSANE WITH THOUGHTFUL, PROACTIVE SERVICES". THE SYSTEM PROVIDES A POSITIVE IMPACT ON THOUSANDS OF INDIVIDUALS, THEIR FAMILIES, AND COMMUNITIES BY PROVIDING ACCESS TO A CREATIVE MIX OF COMMUNITY BENEFIT-DRIVEN BEHAVIORAL HEALTH SERVICES WHEN, WHERE AND IN WHATEVER FORM IS BEST SUITED TO THOSE IN NEED. IN FY 2021, SHEPPARD PRATT WAS AGAIN RECOGNIZED BY U.S. NEWS AND WORLD REPORT AS ONE OF THE NATION'S TOP TEN

Part VI Supplemental Information (Continuation)

HOSPITALS FOR PSYCHIATRIC CARE.

IN FY23, SHEPPARD PRATT PROVIDED SERVICE FOR 8,302 INPATIENT ADMISSIONS RESULTING IN SERVICE TO 110,919 INPATIENT DAYS; 61,033 OUTPATIENT AND DAY HOSPITAL VISITS; 14,471 RESIDENTIAL TREATMENT CENTER DAYS; AND 86,050 STUDENT DAYS. MORE THAN HALF OF THE INPATIENT SERVICES WERE PROVIDED TO MEDICARE OR MEDICAID RECIPIENTS. SHEPPARD PRATT'S PSYCHIATRIC URGENT CARE (PUC) CONTINUES TO RESPOND TO THE NEED FOR WALK-IN PSYCHIATRIC ASSESSMENTS. PUC PROVIDES AN EVALUATION OUTSIDE THE RIGORS OF A MEDICAL EMERGENCY ROOM SETTING. THE PROGRAM OPERATES MONDAYS THROUGH FRIDAYS FROM 10:00 AM TO 9:00 PM; AND SATURDAY 11:00 A.M. TO 3:00 P.M. PUC PROVIDES A PSYCHIATRIST TO EVALUATE COMMUNITY MEMBERS IN NEED OF CRISIS ASSESSMENT AND TRIAGE. IN FY23, 9,155 COMMUNITY MEMBERS PRESENTED TO THE CLINIC FOR EVALUATION.

SHEPPARD PRATT'S FLAGSHIP CAMPUS IS LOCATED AT 6501 NORTH CHARLES STREET, BALTIMORE, MD AND IS THE FOUNDING LOCATION OF THE SYSTEM WITH MOST SERVICES PROVIDED FROM THIS CAMPUS. SERVICES INCLUDE INPATIENT, PARTIAL DAY HOSPITALIZATION, INTENSIVE OUTPATIENT, ELECTRO-CONVULSIVE THERAPY (ECT), CRISIS EVALUATION, TELEPSYCHIATRY, RESIDENTIAL TREATMENT, AND PHYSICIAN OUTPATIENT APPOINTMENTS. AT THE END OF JUNE 2021, SHEPPARD PRATT TRANSFERRED OPERATIONS FROM THE ELLICOTT CITY LOCATION TO A NEW CAMPUS LOCATED AT 6500 KANE WAY, ELKRIDGE, MARYLAND. THE NEW CAMPUS PROVIDES A SIMILAR SUITE OF SERVICES AS THE ONE IT REPLACED, INCLUDING INPATIENT AND DAY TREATMENT. THE TWO INPATIENT HOSPITAL PROGRAMS ARE LICENSED TO OPERATE A TOTAL OF 414 LICENSED BEDS. INPATIENT SERVICES PROVIDE A WIDE ARRAY OF PSYCHIATRY DIAGNOSTIC CATEGORIES INCLUDING UNITS SPECIFICALLY DESIGNED FOR CHILDREN, ADOLESCENTS, YOUNGSTERS WITH CO-OCCURRING MENTAL ILLNESS AND

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

DEVELOPMENTAL DISABILITIES, YOUNG ADULTS, GERIATRICS, ADULTS, AS WELL AS
SUBSPECIALTY ADULT PROGRAMS FOR CO-OCCURRING SUBSTANCE ABUSE AND MENTAL
ILLNESS, PSYCHOTIC DISORDERS, DEVELOPMENTAL DISORDERS, TRAUMA DISORDERS
AND EATING DISORDERS (FOR ADULTS AND ADOLESCENTS).

CARE NAVIGATION LINE IS A FREE, CONFIDENTIAL TELEPHONE SERVICE THAT
PROVIDES THE PUBLIC WITH REFERRALS TO MENTAL HEALTH RESOURCES FOR THE
BALTIMORE METROPOLITAN AREA INCLUDING SHEPPARD PRATT PROGRAMS. IN FY23,
THIS PROGRAM ANSWERED 37,449 CALLS. ADDITIONAL SHEPPARD PRATT PROGRAMMING
ACCESSED THROUGH THIS SERVICE INCLUDE URGENT ASSESSMENTS FOR INDIVIDUALS
WHO NEED TO BE EVALUATED ON A CRITICAL BASIS WITHIN 48 HRS.; AND THE
SCHEDULED CRISIS INTERVENTION PROGRAM WHICH PROVIDES APPOINTMENTS
SCHEDULED WITHIN THE SAME DAY AS THE CALL IS RECEIVED.

PART VI, LINE 6:

THE SHEPPARD PRATT HEALTH SYSTEM ALSO INCLUDES SEVERAL HEALTH AND SOCIAL
SERVICES AGENCIES THAT FOCUS THEIR SERVICES AT THE COMMUNITY LEVEL. THEIR
COLLECTIVE PRIMARY MISSION IS TO PROVIDE REHABILITATIVE TREATMENT,
HOUSING, AND VOCATIONAL SUPPORT TO INDIVIDUALS WITH CHRONIC MENTAL
ILLNESS. COLLECTIVELY THEY PROVIDE SERVICES IN BALTIMORE, CARROLL, HOWARD,
FREDERICK, MONTGOMERY, PRINCE GEORGE'S AND WASHINGTON COUNTIES AS WELL AS
BALTIMORE CITY. THEY WORK COLLABORATIVELY IN SPECIAL PROJECTS DESIGNED TO
ENHANCE EMPLOYMENT OPPORTUNITIES FOR RETURNING VETERANS. IN ADDITION TO
THE TRADITIONAL MENTAL HEALTH SERVICES, THEY PROVIDE SUBSTANCE ABUSE
TREATMENT, CASE MANAGEMENT, SCREENING FOR DEPARTMENTS OF SOCIAL SERVICES,
EARLY HEAD START AND DAY CARE.

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

Part VI Supplemental Information (Continuation)

MD

Public Disclosure Copy

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

Part I Questions Regarding Compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2022

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.

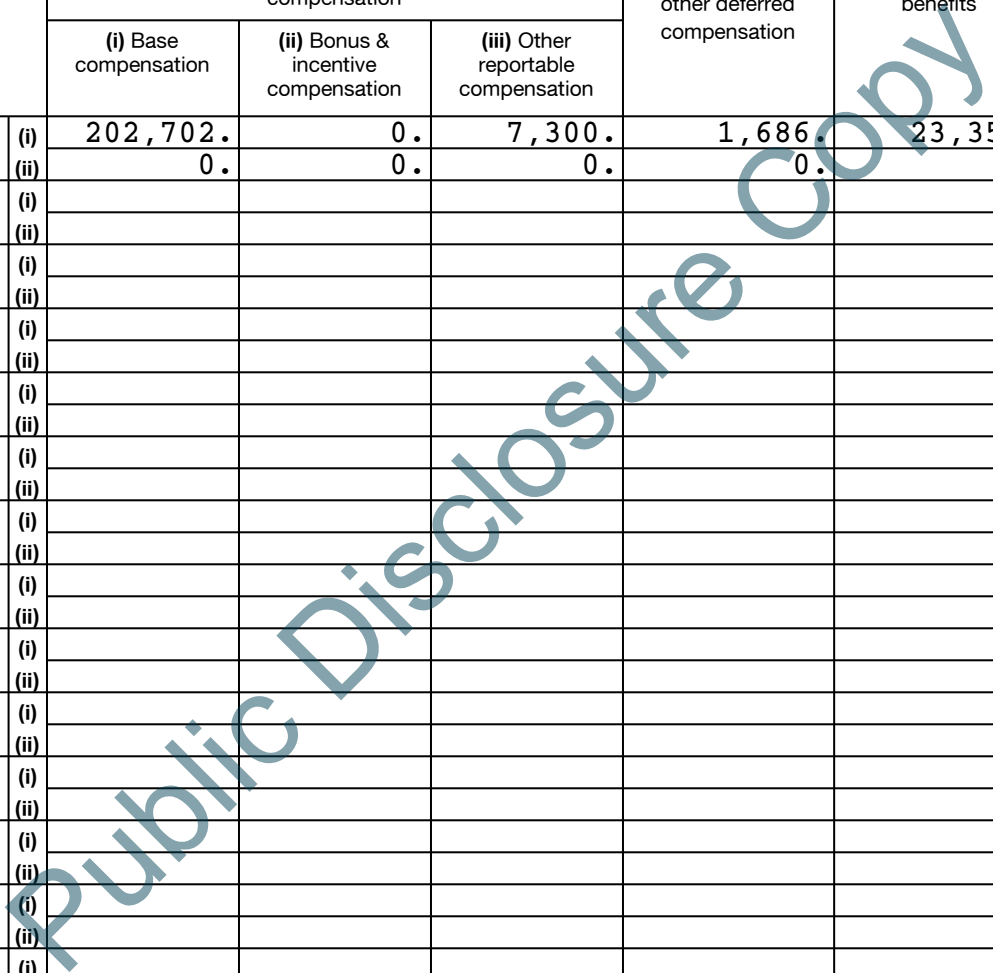
(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) HARSH K. TRIVEDI, M.D. PRESIDENT & CEO	(i)	1,140,833.	0.	193,534.	52,850.	57.	1,387,274.	150,000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) TODD E. PETERS VP, CHIEF MED OFFICER, MED	(i)	579,158.	0.	99,093.	27,850.	28,459.	734,560.	73,522.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) JENNIFER WEISS-WILKERSON SR VP STRATEGY & BUSINESS	(i)	463,579.	0.	117,546.	27,850.	28,865.	637,840.	75,000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) KELLY SAVOCA SVP, CFO, SECRETARY/TREASUR	(i)	498,322.	0.	99,563.	27,771.	57.	625,713.	73,522.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) GREGORY B GATTMAN VP OF HOSPITALS	(i)	439,945.	0.	80,937.	27,850.	25,022.	573,754.	73,282.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) JEFFREY W. RICHARDSON VP & COO COMMUNITY BASED P	(i)	475,833.	0.	6,757.	27,176.	28,218.	537,984.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) CHRISTINE M. LISZEWSKI PHYSIATRIST	(i)	439,928.	0.	3,953.	2,850.	22,916.	469,647.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) MARGO D. LAUTERBACH PHYSIATRIST	(i)	380,586.	0.	4,361.	2,850.	31,140.	418,937.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) JONATHAN HERSHFIELD THERAPIST	(i)	380,107.	0.	2,903.	2,850.	29,765.	415,625.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) MICHAEL A. YOUNG M.D. MEDICAL DIRECTOR	(i)	360,085.	0.	4,065.	2,850.	25,022.	392,022.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) DONNA L. RICHARDSON VP & CDO, FORMER KEY	(i)	346,169.	0.	8,493.	22,850.	10,044.	387,556.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) KAREN ROBERTSON-KECK VP OF HR	(i)	297,222.	0.	27,363.	27,280.	21,174.	373,039.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) BOGLARKA SZABO MEDICAL DIRECTOR	(i)	361,376.	0.	4,614.	1,633.	57.	367,680.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) LAURA L. WEBB VP & CNO, FORMER KEY	(i)	275,525.	0.	3,730.	2,502.	28,340.	310,097.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) CHARLES K. MAUST CHIEF OF SCHOOLS (PART YEAR)	(i)	289,196.	0.	3,766.	2,615.	1,271.	296,848.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) THOMAS D. HESS CHIEF OF STAFF, FORMER KEY	(i)	263,426.	0.	6,142.	1,217.	704.	271,489.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC 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				
(17) KATHLEEN HILZENDEGER DIRECTOR DIV PROF SERVICE	(i)	202,702.	0.	7,300.	1,686.	23,354.	235,042.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



Part III Supplemental Information

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

PART I, LINE 4B:

DURING CALENDAR YEAR 2022, THE FOLLOWING PARTICIPATED IN SHEPPARD PRATT'S
457(F) PLAN:

HARSH K. TRIVEDI	\$ 50,000
KELLY SAVOCA	\$ 25,000
TODD E. PETERS	\$ 25,000
GREGORY B GATTMAN	\$ 25,000
JENNIFER W. WILKERSON	\$ 25,000
KAREN ROBERTSON-KECK	\$ 25,000
JEFFREY RICHARDSON	\$ 25,000
DONNA RICHARDSON	\$ 20,000

THE FOLLOWING RECEIVED DISTRIBUTIONS FROM THE ORGANIZATION'S 457(F) PLAN:

HARSH K. TRIVEDI	\$ 167,678
JENNIFER W. WILKERSON	\$ 98,658
TODD E. PETERS	\$ 73,522
KELLY SAVOCA	\$ 73,522

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.

GREGORY B GATTMAN \$ 73,282

Public Disclosure Copy

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.

Name of the organization **SHEPPARD PRATT HEALTH SYSTEM, INC.** Employer identification number **52-0591684**

Part I	Bond Issues	SEE PART VI FOR COLUMN (F) CONTINUATIONS											
		(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
								Yes	No	Yes	No	Yes	No
A	MD HEALTH & HIGHER EDUCATIONAL FACILITIES	52-0936091	NONE	12/20/17	100000127.	CONSTRUCT HOSPITAL, OTHER C		X		X		X	
B	MD HEALTH & HIGHER EDUCATIONAL FACILITIES	52-0936091	NONE	12/20/17	78747872.	CURRENT REFUND 2012A/2012B BONDS		X		X		X	
C													
D													

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	12,572,464.		9,900,536.					
2	Amount of bonds legally defeased								
3	Total proceeds of issue	104,561,797.		78,747,872.					
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds	5,446,871.							
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds								
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	99,114,926.							
11	Other spent proceeds			78,747,872.					
12	Other unspent proceeds								
13	Year of substantial completion	2021		2010					
		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)?		X	X					
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

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

Schedule K (Form 990) 2022

Part III Private Business Use

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

Part IV Arbitrage

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

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X		X					

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FACILITIES

(F) DESCRIPTION OF PURPOSE: CONSTRUCT HOSPITAL, OTHER CAPITAL PROJECTS

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FACILITIES

DATE THE REBATE COMPUTATION WAS PERFORMED: 12/20/2022

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FACILITIES

DATE THE REBATE COMPUTATION WAS PERFORMED: 12/20/2022

PART I, LINE A

E BONDS DESCRIBED IN LINES A AND B WERE ISSUED AS A SINGLE ISSUE (THE "BONDS"). PURSUANT TO REGULATION SECTIONS 1.141-13(D), 1.148-9(H) AND 1.150-1(C)(3) OF THE INCOME TAX REGULATIONS, THE ISSUER ELECTED TO TREAT THE BONDS AS TWO SEPARATE ISSUES. ONE OF THE MULTIPURPOSE ISSUES, REFLECTING THE PORTION OF THE BONDS USED TO FINANCE A NEW PSYCHIATRIC HOSPITAL, CERTAIN CAPITAL EXPENDITURES, AND RENOVATIONS TO THE ORGANIZATION'S HEALTHCARE FACILITIES, CORRELATES TO COLUMN A THROUGHOUT THIS SCHEDULE K. THE OTHER MULTIPURPOSE ISSUE, REFLECTING THE PORTION

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

OF THE BONDS USED FOR THE CURRENT REFUNDING OF THE ISSUER'S REVENUE BONDS SHEPPARD PRATT ISSUE SERIES 2012A AND SERIES 2012B (THE "2012 BONDS"), CORRELATES TO COLUMN B THROUGHOUT THIS SCHEDULE K.

PART I, LINE A, COLUMN (F):
OTHER CAPITAL PROJECTS

PART I, LINE B, COLUMN (F):
SERIES 2012A AND 2012B BONDS- 3/1/2012

PART II, COLUMN A, LINE 3:
PROCEEDS OF \$104,561,797 INCLUDE CUMULATIVE EARNINGS OF \$4,561,589.

PART III, COLUMN B, LINES 4 & 5:
THE BONDS DESCRIBED IN LINE B REFUNDED THE 2012 BONDS. THE 2012 BONDS REFUNDED OTHER PRIOR BONDS, SOME OF WHICH FINANCED CAPITAL PROJECTS AND OTHERS OF WHICH WERE THEMSELVES REFUNDING BONDS. NO PRIVATE USE EXISTS OF ANY PROPERTY FIRST FINANCED BY BONDS ISSUED AFTER JANUARY 1, 2003. ANY PRIVATE USE OF PROPERTY FIRST FINANCED PRIOR TO JANUARY 1, 2003, IS WITHIN PERMITTED LIMITS.

Public Disclosure Copy

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2022

Open to Public Inspection

Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
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

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial	X	1	2,256,110.	FMV
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ()				
26 Other ()				
27 Other ()				
28 Other ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part V, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least 3 years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?

	Yes	No
30a		X
31	X	
32a		X

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If "Yes," describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

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

Schedule M (Form 990) 2022

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Horizontal lines for supplemental information input.

Public Disclosure Copy

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

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

RESIDENTIAL CARE FOR CHILDREN/ADOLESCENTS. SPONSOR RESIDENCY TRAINING
PROGRAMS.

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

SHEPPARD PRATT SOLUTIONS IS A NEW DIVISION OF THE HOSPITAL THAT AIMS TO
PROVIDE CONSULTING, MANAGEMENT SERVICES AND DEVELOPMENT-BASED
PARTNERSHIP WITH HEALTH SYSTEMS THROUGHOUT THE COUNTRY TO FURTHER
BEHAVIORAL HEALTH CARE AND OUR MISSION TO IMPROVE THE QUALITY OF LIFE
OF INDIVIDUALS AND FAMILIES BY COMPASSIONATELY SERVING THEIR MENTAL
HEALTH, ADDICTION, SPECIAL EDUCATION AND COMMUNITY SUPPORT NEEDS.

FORM 990, PART VI, SECTION A, LINE 6:

SHEPPARD & ENOCH PRATT FOUNDATION, INC. IS THE SOLE MEMBER OF THE
ORGANIZATION.

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

SHEPPARD & ENOCH PRATT FOUNDATION HOLDS RESERVED RIGHTS WHICH INCLUDE THE
POWERS TO APPOINT BOARD MEMBERS.

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

SHEPPARD & ENOCH PRATT FOUNDATION HOLDS RESERVED RIGHTS WHICH INCLUDE THE
POWERS TO APPOINT AND REMOVE BOARD MEMBERS. THE FOUNDATION ALSO HOLDS THE
RIGHT TO APPROVE CERTAIN SELECT TRANSACTIONS OF ITS SUBSIDIARIES.

FORM 990, PART VI, SECTION B, LINE 10A:

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

Schedule O (Form 990) 2022

232211 10-28-22

Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
--	--

THE POLICIES DESCRIBED IN PART VI, SECTION B, LINES 10A-16B APPLY TO SHEPPARD PRATT HEALTH SYSTEM, INC. AND ITS SUBSIDIARY AS LISTED BELOW:

SHEPPARD PRATT NON-CONTRACTED SERVICES, LLC

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

THE FINANCE COMMITTEE OF THE BOARD OF TRUSTEES OF SHEPPARD AND ENOCH PRATT FOUNDATION, INC. REVIEWS THE FORM 990 AT THE APRIL MEETING. FOLLOWING FINANCE COMMITTEE REVIEW OF THE FORM 990, THE FORM 990 IS POSTED TO THE SHEPPARD PRATT WEBSITE PORTAL FOR THE BOARD OF DIRECTORS REVIEW PRIOR TO FILING.

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

THE ORGANIZATION REQUIRES ALL TRUSTEES AND KEY EXECUTIVE PERSONNEL TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE ANNUALLY. THE COMPLETED QUESTIONNAIRES ARE REVIEWED BY THE CFO WHO SUMMARIZES THE REPORTED CONFLICTS. THIS INFORMATION IS THEN PRESENTED TO THE CEO AND THE CHAIRMAN OF THE BOARD FOR REVIEW. IF IN THE NORMAL COURSE OF CONDUCTING A BOARD MEETING, AN AGENDA TOPIC IS DETERMINED TO PRESENT A CONFLICT OF INTEREST, THE INTERESTED BOARD MEMBER IS REQUIRED TO DISQUALIFY HIM OR HERSELF FROM ANY FURTHER DISCUSSION ON THE MATTER. THE CHAIRPERSON WILL SELECT A DISINTERESTED PERSON TO INVESTIGATE ALTERNATIVES TO THE TRANSACTION THAT POSES THE POTENTIAL CONFLICT. IF AFTER EXERCISING DUE DILIGENCE THE BOARD DETERMINES THAT ITS UNABLE TO SECURE A MORE ADVANTAGEOUS TRANSACTION WITH AN ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST, THE BOARD WILL DETERMINE WHETHER OR NOT TO ENTER INTO THE TRANSACTION, IF IT IS IN THE BEST INTEREST OF THE ORGANIZATION.

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

Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
--	--

SALARIES OF THE CEO AND TOP MANAGEMENT ARE REVIEWED BY THE EMPLOYEE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES OF SHEPPARD AND ENOCH PRATT FOUNDATION, INC. THIS COMMITTEE IS COMPRISED OF INDEPENDENT TRUSTEES. THE TRUSTEES REVIEW COMPENSATION FOR REASONABLENESS. THEY USE COMPARATIVE INDUSTRY DATA AND FORM 990S OF OTHER ORGANIZATIONS IN THEIR REVIEW PROCESS. THE PROCESS FOR EMPLOYEE COMPENSATION INCLUDES DEVELOPMENT OF COMPENSATION RECOMMENDATIONS BASED ON MARKET SURVEYS AND OTHER COMPARATIVE INDUSTRY DATA AS WELL AS WRITTEN EMPLOYMENT CONTRACTS. THE SALARY INFORMATION FOR THIS GROUP IS OBTAINED BY A CONSULTANT THAT IS ENGAGED BY THE EXECUTIVE COMPENSATION COMMITTEE. THIS CONSULTANT USES CURRENT MARKET COMPENSATION SURVEYS AND OTHER COMPARATIVE INDUSTRY DATA TO MAKE RECOMMENDATIONS. THE RECOMMENDATIONS ARE THEN PRESENTED TO THE EXECUTIVE COMPENSATION COMMITTEE FOR APPROVAL. THE EXECUTIVE COMPENSATION COMMITTEE REPORTS THAT COMPENSATION WAS APPROVED TO THE FULL BOARD. THERE IS CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING FOR DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENTS.

FORM 990, PART VI, SECTION C, LINE 19:

FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND OTHER POLICIES INCLUDING THE CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST.

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

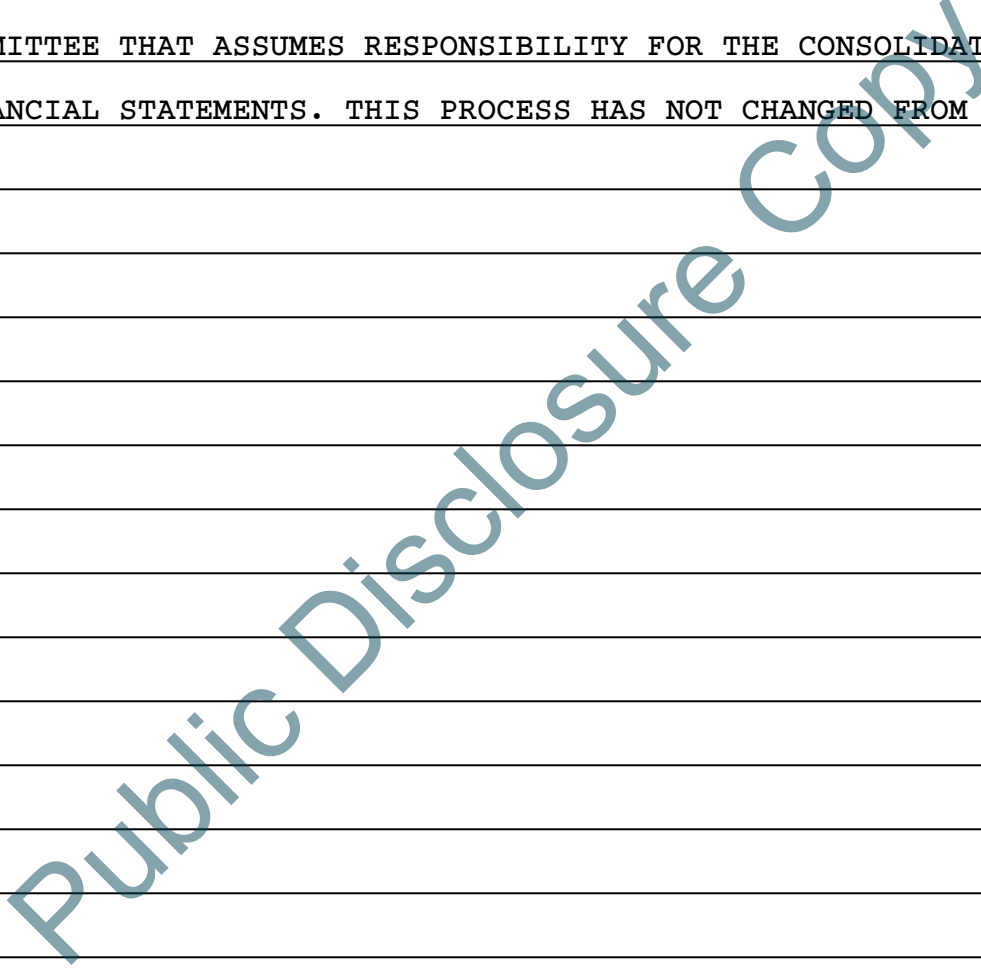
TRANSFER FROM SHEPPARD PRATT INVESTMENT, INC.	5,218,608.
CHANGES IN PENSION LIABILITY	50,372,249.
REALIZED PENSION SETTLEMENT LOSS	-54,220,883.
TRANSFER FROM SHEPPARD PRATT FOUNDATION	2,729,155.
TRANSFER FROM SHEPPARD PRATT PHYSICIANS PA, INC.	2,372,953.
OTHER PERIODIC BENEFIT COST	-666,462.

Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
--	--

UNREALIZED LOSS IN NET ASSETS OF SHEPPARD PRATT FOUNDATION	-1,524,409.
OTHER PERIODIC BENEFIT COST	-2.
TOTAL TO FORM 990, PART XI, LINE 9	4,281,209.

FORM 990, PART XII, 2C

THE PARENT ENTITY, SHEPPARD AND ENOCH PRATT FOUNDATION, INC., HAS A FINANCE COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS. THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.



**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

2022

Open to Public Inspection

Name of the organization **SHEPPARD PRATT HEALTH SYSTEM, INC.** Employer identification number **52-0591684**

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
SHEPPARD PRATT NON-CONTRACTED SERVICES, LLC - 85-0669566, 6501 N. CHARLES STREET, BALTIMORE, MD 21204	PSYCHIATRIC SERVICES	MARYLAND	82,257,494.	21,891,651.	SHEPPARD PRATT HEALTH SYSTEM, INC.

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
SHEPPARD & ENOCH PRATT FOUNDATION - 52-1357109, PO BOX 6815, BALTIMORE, MD 21285	CONDUCT FUNDRAISING ACTIVITIES TO SUPPORT AFFILIATED ORGANIZATIONS	MARYLAND	501(C)(3)	7	N/A		X
SHEPPARD PRATT PHYSICIANS PA - 52-1392214 PO BOX 6815 BALTIMORE, MD 21285	PROVIDE HEALTHCARE TO PATIENTS & RESIDENCY TRAINING TO MEDICAL PROF.	MARYLAND	501(C)(3)	10	SHEPPARD & ENOCH PRATT FOUNDATION	X	
SHEPPARD PRATT INVESTMENT, INC. - 52-1388935 PO BOX 6815 BALTIMORE, MD 21285	HOLD AND MANAGE ENDOWMENT FUNDS OF RELATED NONPROFIT ENTITIES	MARYLAND	501(C)(3)	12A	SHEPPARD & ENOCH PRATT FOUNDATION	X	
MOSAIC COMMUNITY SERVICES, INC. - 52-1388141 1925 GREENSPRING DRIVE TIMONIUM, MD 21093	PROVIDES THERAPEUTIC RESIDENTIAL REHAB & SUPPORT SERVICES	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION	X	

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

Schedule R (Form 990) 2022

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
WAY STATION, INC. - 52-1162749 PO BOX 3826 FREDERICK, MD 21705	PROVIDES REHABILITATIVE AND TREATMENT SERVICES	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION	X	
FAMILY SERVICES, INC. - 52-0730225 610 EAST DIAMOND AVE GAITHERSBURG, MD 20877	FOSTER HEALTHY FAMILIES THROUGH EDUCATION, BEHAVIORAL HEALTH SERVICES	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION	X	
REVISIONS COMMUNITY HOUSING DEVELOPMENT ORGANIZATION, INC. - 52-1849336, 1925 GREENSPRING DRIVE, TIMONIUM, MD 21093	PROVIDE AFFORDABLE HOUSING TO LOW-INCOME INDIVIDUALS WITH MENTAL ILLNESSES.	MARYLAND	501(C)(3)	10	MOSAIC COMMUNITY SERVICES, INC.	X	
DULANEY STATION COMMUNITY HOUSING DEVELOPMENT ORGANIZATION, INC. - 02-065028, 1925 GREENSPRING DRIVE, TIMONIUM, MD 21093	PROVIDE AFFORDABLE HOUSING TO LOW-INCOME INDIVIDUALS WITH MENTAL ILLNESSES.	MARYLAND	501(C)(3)	10	MOSAIC COMMUNITY SERVICES, INC.	X	
ALLIANCE INC - 52-1277262 8003 CORPORATE DRIVE NOTTINGHAM, MD 21236	EDUC., VOC., & RESID. SERVICES FOR INDIVIDUALS WITH DISABILITIES	MARYLAND	501(C)(3)	7	MOSAIC COMMUNITY SERVICES, INC.	X	
WAY STATION FOUNDATION, INC. - 52-1857765 230 W. PATRICK ST. PO BOX 3826 FREDERICK, MD 21705	SOLICIT AND ACCEPT FUNDS AND PROPERTY TO SUPPORT AFFILIATED ORGANIZATION	MARYLAND	501(C)(3)	7	WAY STATION, INC.	X	
BEHAVIORAL HEALTH PARTNERS OF FREDERICK, INC. - 52-2125435, P.O. BOX 6815, BALTIMORE, MD 21285	OUTPATIENT PSYCHIATRIC AND BEHAVIORAL MEDICINE	MARYLAND	501(C)(3)	3	MOSAIC COMMUNITY SERVICES, INC.	X	

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

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

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
SHEPPARD PRATT PREFERRED RESOURCES, INC. - 52-1757742, 6501 N. CHARLES STREET, TOWSON, MD 21285	INACTIVE	MD	N/A	C CORP	N/A	N/A	N/A		X
SHEPPARD PRATT ASSURANCE COMPANY, LLC - 98-1668282, CARIBBEAN PLAZA, 2ND FLOOR, NORTH BUILDING, 878 WEST BAY ROAD, GEORGE OMNI HOUSE INC - 52-1226449 7440 BALTIMORE ANNAPOLIS BLVD GLEN BURNIE, MD 21061	INSURANCE MENTAL HEALTH, PSYCHIATRIC REHAB AND RESIDENTIAL	CAYMAN ISLANDS MD	SHEPPARD PRATT HEALTH SYSTEM, INC. N/A	C CORP C CORP	0.	4,522,453.	100%	X	

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

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) SHEPPARD PRATT PHYSICIANS PA	Q	114,043.	FMV
(2) FAMILY SERVICES, INC.	O	892,341.	FMV
(3) FAMILY SERVICES, INC.	J	349,954.	FMV
(4) FAMILY SERVICES, INC.	Q	658,598.	FMV
(5) FAMILY SERVICES, INC.	J	343,612.	FMV
(6) MOSAIC COMMUNITY SERVICES	O	654,792.	FMV

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

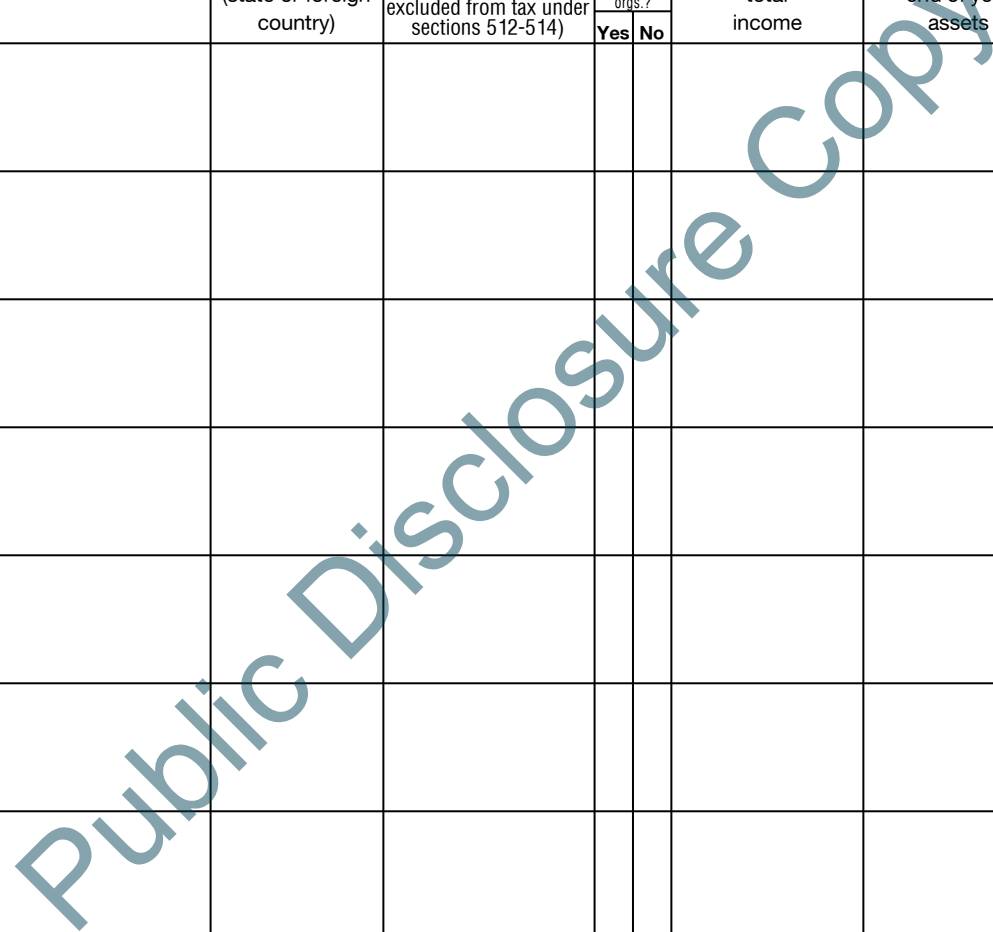
(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(7) MOSAIC COMMUNITY SERVICES	J	256,794.	FMV
(8) MOSAIC COMMUNITY SERVICES	Q	483,274.	FMV
(9) MOSAIC COMMUNITY SERVICES	J	202,244.	FMV
(10) SHEPPARD & ENOCH PRATT FOUNDATION, INC	R	5,218,608.	FMV
(11) SHEPPARD & ENOCH PRATT FOUNDATION, INC	K	171,572.	FMV
(12) SHEPPARD & ENOCH PRATT FOUNDATION, INC	S	2,729,155.	FMV
(13) SHEPPARD PRATT PHYSICIANS PA	S	2,372,953.	FMV
(14) SHEPPARD PRATT INVESTMENT INC	S	5,218,608.	FMV
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

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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) <small>Are all partners sec. 501(c)(3) orgs.?</small>		(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Dispropor- tionate allocations?</small>		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) <small>General or managing partner?</small>		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	



Part VII Supplemental Information

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

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

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

SHEPPARD PRATT ASSURANCE COMPANY, LLC

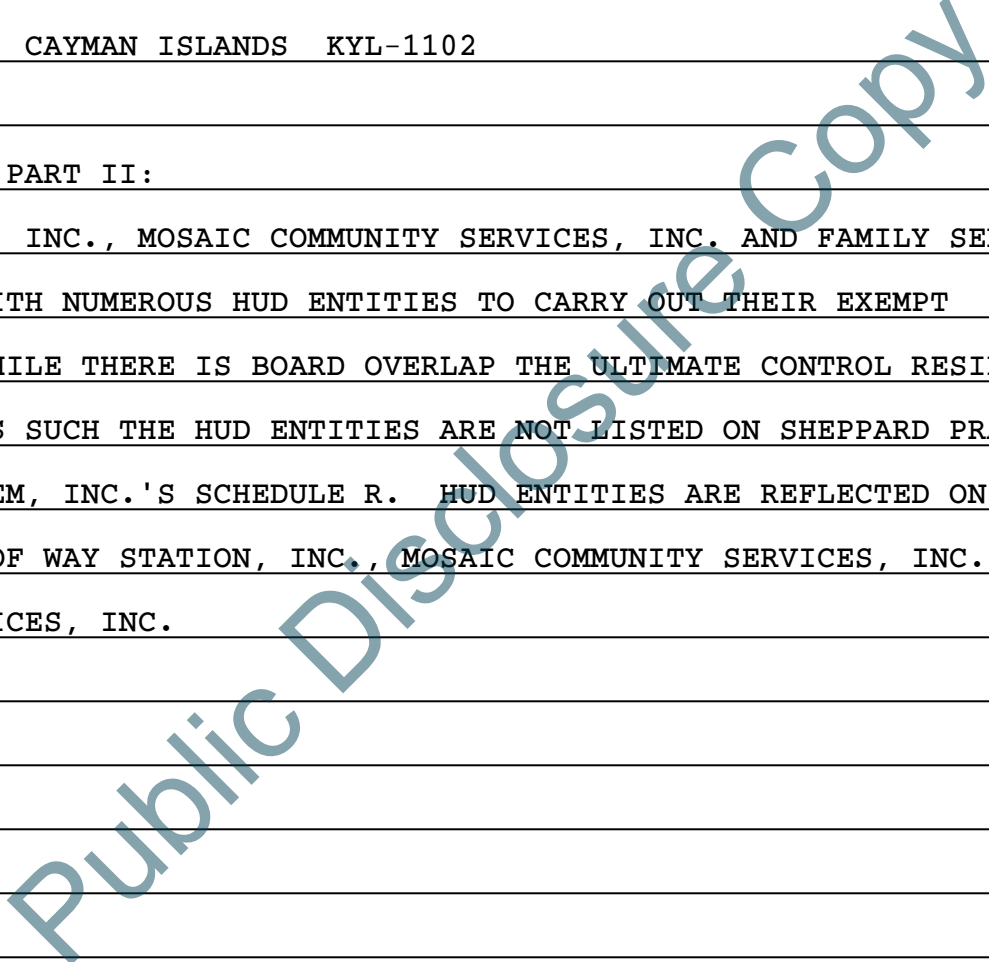
EIN: 98-1668282

CARIBBEAN PLAZA, 2ND FLOOR, NORTH BUILDING, 878 WEST BAY ROAD

GEORGE TOWN, CAYMAN ISLANDS KYL-1102

SCHEDULE R, PART II:

WAY STATION, INC., MOSAIC COMMUNITY SERVICES, INC. AND FAMILY SERVICES, INC. WORK WITH NUMEROUS HUD ENTITIES TO CARRY OUT THEIR EXEMPT PURPOSES. WHILE THERE IS BOARD OVERLAP THE ULTIMATE CONTROL RESIDES WITH HUD. AS SUCH THE HUD ENTITIES ARE NOT LISTED ON SHEPPARD PRATT HEALTH SYSTEM, INC.'S SCHEDULE R. HUD ENTITIES ARE REFLECTED ON THE SCHEDULE R OF WAY STATION, INC., MOSAIC COMMUNITY SERVICES, INC. AND FAMILY SERVICES, INC.



UNRELATED BUSINESS INCOME

CARRYOVER DATA TO 2023

Name SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer Identification Number 52-0591684
--	--

Based on the information provided with this return, the following are possible carryover amounts to next year.

FEDERAL POST-2017 NET OPERATING LOSS - RENTAL OF PERSONAL PR 2,125.

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Type and Entity: RENTAL OF PERSONAL PRO POST-2017 NO **DETAIL CARRYOVER SCHEDULE**

Section 382 Annual Limitation		Section 382 Carryover										
Year Originated	Original Carryover Amount	Total Amount Used	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for
A	2020	625.										
B	2021	500.										
C	2022	1,000.										
D												
E												
F												
G												
H												
I												
J												
K												
L												
M												
N												
O												
P												
Q												
R												
S												
T												
U												
V												
W												
Detail Type	ESBC	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for	Amount Used for
A												
B												
C												
D												
E												
F												
G												
H												
I												
J												
K												
L												
M												
N												
O												
P												
Q												
R												
S												
T												
U												
V												
W												



Type and Entity: NOL MD		DETAIL CARRYOVER SCHEDULE										
Section 382 Annual Limitation		Section 382 Carryover										
Year Originated	Original Carryover Amount	Total Amount Used	Amount Used for 06/30/22	Amount Used for 06/30/23	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____
A	2020	625.	625.	625.								
B												
C												
D												
E												
F												
G												
H												
I												
J												
K												
L												
M												
N												
O												
P												
Q												
R												
S												
T												
U												
V												
W												
Detail Type	ESBC	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____	Amount Used for _____
A												
B												
C												
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Public Disclosure Copy

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

For calendar year 2022 or other tax year beginning **JUL 1, 2022**, and ending **JUN 30, 2023**

2022

Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form990T for instructions and the latest information.
Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

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

A Check box if address changed.		Name of organization (Check box if name changed and see instructions.)	D Employer identification number
B Exempt under section	Print or Type	SHEPPARD PRATT HEALTH SYSTEM, INC.	52-0591684
<input checked="" type="checkbox"/> 501(c)(3)		Number, street, and room or suite no. If a P.O. box, see instructions.	E Group exemption number (see instructions)
408(e) 220(e) 408A 530(a) 529(a) 529A		City or town, state or province, country, and ZIP or foreign postal code	F Check box if an amended return.
		C Book value of all assets at end of year	401,912,013.

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust State college/university

H Check if filing only to Claim credit from Form 8941 Claim a refund shown on Form 2439

I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation

J Enter the number of attached Schedules A (Form 990-T) **1**

K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. **THE SHEPPARD AND ENOC 52-1357109**

L The books are in care of **KELLY SAVOCA** Telephone number **410-938-5401**

Part I Total Unrelated Business Taxable Income

1 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1	0.
2 Reserved	2	
3 Add lines 1 and 2	3	
4 Charitable contributions (see instructions for limitation rules)	4	0.
5 Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5	
6 Deduction for net operating loss. See instructions	6	
7 Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7	
8 Specific deduction (generally \$1,000, but see instructions for exceptions)	8	1,000.
9 Trusts. Section 199A deduction. See instructions	9	
10 Total deductions. Add lines 8 and 9	10	1,000.
11 Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11	0.

Part II Tax Computation

1 Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21)	1	0.
2 Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: Tax rate schedule or Schedule D (Form 1041)	2	
3 Proxy tax. See instructions	3	
4 Other tax amounts. See instructions	4	
5 Alternative minimum tax (trusts only)	5	
6 Tax on noncompliant facility income. See instructions	6	
7 Total. Add lines 3 through 6 to line 1 or 2, whichever applies	7	0.

LHA For Paperwork Reduction Act Notice, see instructions.

Part III Tax and Payments			
1a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	1a		
b Other credits (see instructions)	1b		
c General business credit. Attach Form 3800 (see instructions)	1c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	1d		
e Total credits. Add lines 1a through 1d		1e	
2 Subtract line 1e from Part II, line 7		2	0.
3 Other amounts due. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)		3	
4 Total tax. Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here		4	0.
5 Current net 965 tax liability paid from Form 965-A, Part II, column (k)		5	0.
6a Payments: A 2021 overpayment credited to 2022	6a		
b 2022 estimated tax payments. Check if section 643(g) election applies <input type="checkbox"/>	6b		
c Tax deposited with Form 8868	6c		
d Foreign organizations: Tax paid or withheld at source (see instructions)	6d		
e Backup withholding (see instructions)	6e		
f Credit for small employer health insurance premiums (attach Form 8941)	6f		
g Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	6g		
7 Total payments. Add lines 6a through 6g		7	
8 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		8	
9 Tax due. If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed		9	
10 Overpayment. If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid		10	
11 Enter the amount of line 10 you want: Credited to 2023 estimated tax Refunded		11	

Part IV Statements Regarding Certain Activities and Other Information (see instructions)			
1 At any time during the 2022 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here CAYMAN ISLANDS		Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?			X
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____			
4 Enter available pre-2018 NOL carryovers here \$ _____ Do not include any post-2017 NOL carryover shown on Schedule A (Form 990-T). Don't reduce the NOL carryover shown here by any deduction reported on Part I, line 6.			
5 Post-2017 NOL carryovers. Enter the Business Activity Code and available post-2017 NOL carryovers. Don't reduce the amounts shown below by any NOL claimed on any Schedule A, Part II, line 17 for the tax year. See instructions.			
Business Activity Code	Available post-2017 NOL carryover		
90002	\$ 1,125.		
6a Did the organization change its method of accounting? (see instructions)			X
b If 6a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V			

Part V Supplemental Information

Provide the explanation required by Part IV, line 6b. Also, provide any other additional information. See instructions.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer	Date	SVP & CFO	Title
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date
	LORI S. BURGHAUSER		LORI S. BURGHAUSER	05/07/24
	Firm's name		Firm's EIN	
	SC&H TAX & ADVISORY SERVICES, LLC		41-2069731	
Firm's address			Phone no.	
910 RIDGEBROOK ROAD SPARKS, MD 21152			410-403-1500	

May the IRS discuss this return with the preparer shown below (see instructions)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
---	---	-----------------------------

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 1

CORPORATION'S NAME

IDENTIFYING NO

THE SHEPPARD AND ENOCH PRATT FOUNDATION, INC.

52-1357109

Public Disclosure Copy

**SCHEDULE A
(Form 990-T)**

Department of the Treasury
Internal Revenue Service

**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

Go to www.irs.gov/Form990T for instructions and the latest information.
Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

1
OMB No. 1545-0047

2022

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

A Name of the organization SHEPPARD PRATT HEALTH SYSTEM, INC.	B Employer identification number 52-0591684
C Unrelated business activity code (see instructions) 900002	D Sequence: 1 of 1

E Describe the unrelated trade or business **RENTAL OF PERSONAL PROPERTY AND FOOD SERVICE**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances	c Balance	1c		
2 Cost of goods sold (Part III, line 8)		2		
3 Gross profit. Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D (Form 1041 or Form 1120)). See instructions		4a		
b Net gain (loss) (Form 4797) (attach Form 4797). See instructions		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Part IV)		6		
7 Unrelated debt-financed income (Part V)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Part VI)		8		
9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)		9		
10 Exploited exempt activity income (Part VIII)		10		
11 Advertising income (Part IX)		11		
12 Other income (see instructions; attach statement)		12		
13 Total. Combine lines 3 through 12		13	0.	

Part II Deductions Not Taken Elsewhere See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income

1 Compensation of officers, directors, and trustees (Part X)		1		
2 Salaries and wages		2		
3 Repairs and maintenance		3		
4 Bad debts		4		
5 Interest (attach statement). See instructions		5		
6 Taxes and licenses		6		
7 Depreciation (attach Form 4562). See instructions	7			
8 Less depreciation claimed in Part III and elsewhere on return	8a			8b
9 Depletion		9		
10 Contributions to deferred compensation plans		10		
11 Employee benefit programs		11		
12 Excess exempt expenses (Part VIII)		12		
13 Excess readership costs (Part IX)		13		
14 Other deductions (attach statement) SEE STATEMENT 2		14		1,000.
15 Total deductions. Add lines 1 through 14		15		1,000.
16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)		16		-1,000.
17 Deduction for net operating loss. See instructions		17		0.
18 Unrelated business taxable income. Subtract line 17 from line 16		18		-1,000.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2022

Part III Cost of Goods Sold Enter method of inventory valuation

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

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions.

A _____
 B _____
 C _____
 D _____

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

Part V Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions.

A _____
 B _____
 C _____
 D _____

	A	B	C	D
2 Gross income from or allocable to debt-financed property				
3 Deductions directly connected with or allocable to debt-financed property				
a Straight line depreciation (attach statement)				
b Other deductions (attach statement)				
c Total deductions (add lines 3a and 3b, columns A through D)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach statement)				
5 Average adjusted basis of or allocable to debt-financed property (attach statement)				
6 Divide line 4 by line 5	%	%	%	%
7 Gross income reportable. Multiply line 2 by line 6				
8 Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A)	0.			
9 Allocable deductions. Multiply line 3c by line 6				
10 Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B)	0.			
11 Total dividends-received deductions included in line 10	0.			

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1. Name of controlled organization		2. Employer identification number		Exempt Controlled Organizations		
				3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations						
7. Taxable Income	8. Net unrelated income (loss) (see instructions)		9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)						
(2)						
(3)						
(4)						
				Add columns 5 and 10. Enter here and on Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on Part I, line 8, column (B)	
Totals				0.	0.	

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add cols 3 and 4)
(1)				
(2)				
(3)				
(4)				
		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)
Totals		0.		0.

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1	Description of exploited activity: _____	
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A) _____	2
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B) _____	3
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7 _____	4
5	Gross income from activity that is not unrelated business income _____	5
6	Expenses attributable to income entered on line 5 _____	6
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12 _____	7

Part IX Advertising Income

1 Name(s) of periodical(s). Check box if reporting two or more periodicals on a consolidated basis.

- A
- B
- C
- D

Enter amounts for each periodical listed above in the corresponding column.

	A	B	C	D
2 Gross advertising income				
Add columns A through D. Enter here and on Part I, line 11, column (A)	0.			

a				
3 Direct advertising costs by periodical				
a Add columns A through D. Enter here and on Part I, line 11, column (B)	0.			

4 Advertising gain (loss). Subtract line 3 from line 2. For any column in line 4 showing a gain, complete lines 5 through 8. For any column in line 4 showing a loss or zero, do not complete lines 5 through 7, and enter zero on line 8

- 5 Readership costs
- 6 Circulation income
- 7 Excess readership costs. If line 6 is less than line 5, subtract line 6 from line 5. If line 5 is less than line 6, enter zero
- 8 Excess readership costs allowed as a deduction. For each column showing a gain on line 4, enter the lesser of line 4 or line 7

a Add line 8, columns A through D. Enter the greater of the line 8a, columns total or zero here and on Part II, line 13

Part X Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percentage of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on Part II, line 1			0.

Part XI Supplemental Information (see instructions)

FORM 990-T (A)

OTHER DEDUCTIONS

STATEMENT 2

DESCRIPTION

AMOUNT

TAX PREPARATION FEES

1,000.

TOTAL TO SCHEDULE A, PART II, LINE 14

1,000.

990-T SCH A

POST-2017 NET OPERATING LOSS DEDUCTION

STATEMENT 3

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
06/30/21	625.	0.	625.	625.
06/30/22	500.	0.	500.	500.
NOL CARRYOVER AVAILABLE THIS YEAR			1,125.	1,125.

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**SCHEDULE O
(Form 1120)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No. 1545-0123

Name SHEPPARD PRATT HEALTH SYSTEM, INC.	Employer identification number 52-0591684
---	---

Part I Apportionment Plan Information

1 Type of controlled group:

- a Parent-subsidiary group
- b Brother-sister group
- c Combined group
- d Life insurance companies only

2 This corporation has been a member of this group:

- a For the entire year.
- b From _____, until _____.

3 This corporation consents and represents to:

- a Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending _____, and for all succeeding tax years.
- c Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:

- a Elected by the component members of the group.
- b Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

- a No apportionment plan is in effect and none is being adopted.
- b An apportionment plan is already in effect. It was adopted for the tax year ending JUNE 30, 2018, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.

- a Yes.
 - (i) The statute of limitations for this year will expire on _____.
 - (ii) On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b No. The members may not adopt or amend an apportionment plan.

7 If the corporation has a short tax year that does not include December 31, check the box. See instructions.

Part II Apportionment (See instructions)

	(a) Group member's name and employer identification number	(b) Tax year end (Yr-Mo)	Apportionment		
			(c) Accumulated earnings credit	(d) Penalty for failure to pay estimated tax	(e) Other
1	SHEPPARD PRATT HEALTH SYSTEM, INC. 52-0591684	23-06			
2	SHEPPARD PRATT INVESTMENT, INC. 52-1388935	23-06			
3	SHEPPARD AND ENOCH PRATT FOUNDATION, INC. 52-1357109	23-06			
4					
5					
6					
7					
8					
9					
10					
Total					

Schedule O (Form 1120) (Rev. 12-2018)

Public Disclosure Copy

Form **5471**

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

OMB No. 1545-0123

(Rev. December 2022)

Go to www.irs.gov/Form5471 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **MAR 24, 2023**, and ending **JUN 30, 2023**

Attachment
Sequence No. **121**

Name of person filing this return SHEPPARD PRATT HEALTH SYSTEM, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 6501 N. CHARLES STREET City or town, state, and ZIP code BALTIMORE, MD 21204		A Identifying number 52-0591684
Filer's tax year beginning JUL 1 , 2022, and ending JUN 30 , 2023		B Category of filer (See instructions. Check applicable box(es).): 1a <input checked="" type="checkbox"/> 1b <input type="checkbox"/> 1c <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5a <input checked="" type="checkbox"/> 5b <input type="checkbox"/> 5c <input type="checkbox"/>
		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %

D Check box if this is a final Form 5471 for the foreign corporation

E Check if any excepted specified foreign financial assets are reported on this form (see instructions)

F Check the box if this Form 5471 has been completed using "Alternative Information" under Rev. Proc. 2019-40

G If the box on line F is checked, enter the corresponding code for "Alternative Information" (see instructions) _____

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

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SHEPPARD AND ENOCH	6501 N CHARLES STREET				
PRATT FOUNDATION INC	BALTIMORE MD 21204	52-0591684			

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

1a Name and address of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY P.O. BOX 1159 GRAND CAYMAN KYL-1102 CAYMAN ISLANDS		b(1) Employer identification number, if any 98-1668282
		b(2) Reference ID number (see instructions)
		c Country under whose laws incorporated CAYMAN ISLANDS
d Date of incorporation 03/24/22	e Principal place of business CAYMAN ISLANDS	f Principal business activity code number 524290
g Principal business activity OTHER INSURANCE FUND		h Functional currency code USD

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

a Name, address, and identifying number of branch office or agent (if any) in the United States		b If a U.S. income tax return was filed, enter:	
		(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)

c Name and address of foreign corporation's statutory or resident agent in country of incorporation STRATEGIC RISK SOLUTIONS (CAYM) P.O. BOX 1159 GRAND CAYMAN KY1-1102 CAYMAN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different
---	---

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	100	100

LHA For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2022)

SEE STATEMENT 4

Schedule B Shareholders of Foreign Corporation

Part I U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of Subpart F income (enter as a percentage)
SHEPPARD PRATT HEALTH SY 6501 N. CHARLES STREET BALTIMORE MD 21204 52-0591684	COMMON	100	100	100.00%

Part II Direct Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder. Also, include country of incorporation or formation, if applicable.	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period
SHEPPARD PRATT HEALTH SY 6501 N. CHARLES STREET BALTIMORE MD 21204 52-0591684	COMMON	100	100

Schedule C Income Statement

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

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	1,796,548.
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	1,796,548.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	1,796,548.
	4 Dividends	4	
	5 Interest	5	2,597.
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	
8a Foreign currency transaction gain or loss - unrealized	8a		
	b Foreign currency transaction gain or loss - realized	8b	
9 Other income (attach statement)	9		
10 Total income (add lines 3 through 9)	10		1,799,145.
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit))	17	SEE STATEMENT 5
18 Total deductions (add lines 11 through 17)	18		1,799,145.
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22		
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

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

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	471,522.	182,680.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement) SEE STATEMENT 6	5	2,297,930.	4,030,803.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement) SEE STATEMENT 7	8		311,530.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	2,769,452.	4,525,013.
Liabilities and Shareholders' Equity			
15 Accounts payable	15		80,300.
16 Other current liabilities (attach statement) SEE STATEMENT 8	16	2,669,452.	4,344,713.
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19		
20 Capital stock:			
a Preferred stock	20a		
b Common stock	20b	100.	100.
21 Paid-in or capital surplus (attach reconciliation) SEE STATEMENT 9	21	99,900.	99,900.
22 Retained earnings	22		
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	2,769,452.	4,525,013.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required statement.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)? If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)? If "Yes," complete lines 4b and 4c.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Enter the total amount of the base erosion payments \$ _____		
c Enter the total amount of the base erosion tax benefit \$ _____		
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? If "Yes," complete line 5b.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Enter the total amount of the disallowed deductions (see instructions) \$ _____		

FORM 5471 NAME, ADDRESS, IDENTIFYING NUMBER AND NUMBER OF STATEMENT 4
SHARES SUBSCRIBED TO BY EACH SUBSCRIBER TO
THE STOCK OF THE FOREIGN CORPORATION

NAME AND ADDRESS	IDENTIFYING NUMBER	NUMBER OF SHARES
SHEPPARD PRATT HEALTH SYSTEM		100

FORM 5471 OTHER DEDUCTIONS STATEMENT 5

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNDERWRITING EXPENSES			1,642,750.
ADMINISTRATIVE EXPENSES			156,395.
TOTAL TO 5471, SCHEDULE C, LINE 17			1,799,145.

FORM 5471 OTHER CURRENT ASSETS STATEMENT 6

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
DEFERRED REINSURANCE CEDED PREMIUM RECEIVABLE	1,095,249.	1,290,052.
REINSURANCE RECOVERABLE	1,109,632.	2,293,165.
PREPAID EXPENSES	87,500.	440,000.
ACCRUED INTEREST	5,549.	5,184.
	0.	2,402.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5	2,297,930.	4,030,803.

FORM 5471 OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INVESTMENTS IN SECURITIES		311,530.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8		311,530.

FORM 5471

OTHER CURRENT LIABILITIES

STATEMENT 8

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
LOSSES PAYABLE	0.	10,039.
ACCRUED EXPENSES	57,244.	0.
UNEARNED PREMIUM RESERVE	2,207,189.	2,295,219.
LOSS RESERVE	387,500.	1,943,462.
RETROSPECTIVE ADJUSTMENT PAYABLE	17,519.	94,268.
REINSURANCE PREMIUMS PAYABLE	0.	1,725.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 16	2,669,452.	4,344,713.

FORM 5471

RECONCILIATION OF PAID-IN OR CAPITAL SURPLUS

STATEMENT 9

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
ADDITIONAL PAID-IN CAPITAL	99,900.	99,900.

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Schedule G Other Information (continued)

Table with columns 'Yes' and 'No' and rows 6a through 19b. Includes questions about foreign-derived intangible income, gross receipts, cost-sharing arrangements, stock purchases, and interest expense disallowance. 'No' column contains 'X' marks for questions 6a, 7, 8, 9a, 10, 11, 12, 14, 15, 16, 17a, 18, and 19a.

CODE	DESCRIPTION	AMOUNT
EP	EARNINGS & PROFITS LIMITATION	156,395.

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Schedule I Summary of Shareholder's Income From Foreign Corporation

If item H on page 1 is completed, a separate Schedule I must be filed for each Category 4, 5a, or 5b filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder	Identifying number
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)	1a
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)	1b
c Subpart F income from tiered extraordinary disposition amounts not eligible for subpart F exception under section 954(c)(6)	1c
d Subpart F income from tiered extraordinary reduction amounts not eligible for subpart F exception under section 954(c)(6)	1d
e Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)	1e
f Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)	1f
g Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)	1g
h Other subpart F income (enter result from Worksheet A)	1h
2 Earnings invested in U.S. property (enter the result from Worksheet B)	2
3 Reserved for future use	3
4 Factoring income See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.	4
5a Section 245A eligible dividends (see instructions)	5a
b Extraordinary disposition amounts (see instructions)	5b
c Extraordinary reduction amounts (see instructions)	5c
d Section 245A(e) dividends (see instructions)	5d
e Dividends not reported on line 5a, 5b, 5c, or 5d	5e
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6

	Yes	No
7a Was any income of the foreign corporation blocked?		<input checked="" type="checkbox"/>
b Did any such income become unblocked during the tax year (see section 964(b))?		<input checked="" type="checkbox"/>
If the answer to either question is "Yes," attach an explanation.		
8a Did this U.S. shareholder have an extraordinary disposition (ED) account with respect to the foreign corporation at any time during the tax year (see instructions)?		<input checked="" type="checkbox"/>
b If the answer to question 8a is "Yes," enter the U.S. shareholder's ED account balance at the beginning of the CFC year \$ _____ and at the end of the tax year \$ _____. Provide an attachment detailing any changes from the beginning to the ending balances.		
c Enter the CFC's aggregate ED account balance with respect to all U.S. shareholders at the beginning of the CFC year \$ _____ and at the end of the tax year \$ _____. Provide an attachment detailing any changes from the beginning to the ending balances.		
9 Enter the sum of the hybrid deduction accounts with respect to stock of the foreign corporation (see instructions) \$ _____		

**SCHEDULE E
(Form 5471)**

(Rev. December 2021)
Department of the Treasury
Internal Revenue Service

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

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 SHEPPARD PRATT HEALTH SYSTEM, INC.		Identifying number 52-0591684
Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY		EIN (if any) 98-1668282
		Reference ID number (see instructions) SPAC1
a Separate Category (Enter code - see instructions.)		▶ PAS
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions)		▶
c If one of the RBT codes is entered on line a, enter the country code for the treaty country (see instructions)		▶

Part I Taxes for Which a Foreign Tax Credit Is Allowed

Section 1 - Taxes Paid or Accrued Directly by Foreign Corporation

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Unsuspected Taxes	(d) Country or U.S. Possession to Which Tax Is Paid (Enter code - see instructions. Use a separate line for each.)	(e) Foreign Tax Year of Payor Entity to Which Tax Relates (Year/Month/Day)	(f) U.S. Tax Year of Payor Entity to Which Tax Relates (Year/Month/Day)	
1			<input type="checkbox"/>				
2			<input type="checkbox"/>				
3			<input type="checkbox"/>				
4			<input type="checkbox"/>				
	(g) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(h) If taxes are paid on U.S. source income, check box	(i) Local Currency in Which Tax Is Payable (enter code - see instructions)	(j) Tax Paid or Accrued (in local currency in which the tax is payable)	(k) Conversion Rate to U.S. Dollars	(l) In U.S. Dollars (divide column (j) by column (k))	(m) In Functional Currency of Foreign Corporation
1		<input type="checkbox"/>					
2		<input type="checkbox"/>					
3		<input type="checkbox"/>					
4		<input type="checkbox"/>					
5	Total (combine lines 1 through 4 of column (l)). Also report amount on Schedule E-1, line 4						▶
6	Total (combine lines 1 through 4 of column (m))						▶

Section 2 - Taxes Deemed Paid by Foreign Corporation

	(a) Name of Lower-Tier Distributing Foreign Corporation	(b) EIN or Reference ID Number of Lower-Tier Distributing Foreign Corporation	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) PTEP Group (enter code)	(e) Annual PTEP Account (enter year)	
1						
2						
3						
4						
	(f) PTEP Distributed (enter amount in functional currency)	(g) Total Amount of PTEP in the PTEP Group (in functional currency)	(h) Total Amount of the PTEP Group Taxes With Respect to PTEP Group (USD)	(i) Foreign Income Taxes Properly Attributable to PTEP and not Previously Deemed Paid ((column (f)/column (g)) x column (h)) (USD)		
1						
2						
3						
4						
5	Total (combine lines 1 through 4 of column (i)). Also report amount on Schedule E-1, line 6					▶

Name of foreign corporation **SHEPPARD PRATT ASSURANCE COMPANY** EIN (if any) **98-1668282** Reference ID number (see instructions) **SPAC1**

- a Separate Category (Enter code - see instructions.) ▶ **PAS**
- b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶
- c If one of the RBT codes is entered on line a, enter the country code for the treaty country (see instructions) ▶

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID No. of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Suspended Taxes	(h) Other	(i) Total
1									
2									
3	In functional currency (combine lines 1 and 2) ▶								
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions)) ▶								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars.

Taxes related to:

		(a) Subpart F Income	(b) Tested Income	(c) Residual Income	(d) Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1) ▶				
b	Beginning balance adjustments (attach statement) ▶				
c	Adjusted beginning balance (combine lines 1a and 1b) ▶				
2	Adjustment for foreign tax redetermination ▶				
3a	Taxes unsuspending under anti-splitter rules ▶				
b	Taxes suspended under anti-splitter rules ▶				
4	Taxes reported on Schedule E, Part I, Section 1, line 5, column (l) ▶				
5	Taxes carried over in nonrecognition transactions ▶				
6	Taxes reported on Schedule E, Part I, Section 2, line 5, column (l) ▶				
7	Other adjustments (attach statement) ▶				
8	Taxes paid or accrued on current income/E&P or accumulated E&P (combine lines 1c through 7) ▶				
9	Taxes deemed paid with respect to inclusions (see instructions) ▶				
10	Taxes deemed paid with respect to actual distributions ▶				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P ▶				
12	Other (attach statement) ▶				
13	Balance of taxes paid or accrued (combine lines 8 through 12 in columns (a), (b), and (c)) ▶				
14	Reserved for future use ▶				
15	Reduction for other taxes not deemed paid ▶				
16	Balance of taxes paid or accrued at the beginning of the next year. Line 16, columns (a), (b), and (c) must always equal zero. So, if necessary, enter negative amounts on line 15 of columns (a), (b), and (c) in amounts sufficient to reduce line 13, columns (a), (b), and (c) to zero. For the remaining columns, combine lines 8 through 12 ▶				

Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY	EIN (if any) 98-1668282	Reference ID number (see instructions) SPAC1
--	-----------------------------------	--

- a Separate Category (Enter code - see instructions.) **PAS**
- b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions)
- c If one of the RBT codes is entered on line a, enter the country code for the treaty country (see instructions)

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Reclassified section 965(a) PTEP	(ii) Reclassified section 965(b) PTEP	(iii) General section 959(c)(1) PTEP	(iv) Reclassified section 951A PTEP	(v) Reclassified section 245A(d) PTEP	(vi) Section 965(a) PTEP	(vii) Section 965(b) PTEP	(viii) Section 951A PTEP	(ix) Section 245A(d) PTEP	(x) Section 951(a)(1)(A) PTEP
1a										
b										
c										
2										
3a										
b										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										

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**SCHEDULE H
(Form 5471)**

(Rev. December 2021)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 SHEPPARD PRATT HEALTH SYSTEM, INC.		Identifying number 52-0591684
Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY	EIN (if any) 98-1668282	Reference ID number (see instr.) SPAC1

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

1	Current year net income or (loss) per foreign books of account		1	0.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):			
		Net Additions	Net Subtractions	
a	Capital gains or losses	2a		
b	Depreciation and amortization	2b		
c	Depletion	2c		
d	Investment or incentive allowance	2d		
e	Charges to statutory reserves	2e		
f	Inventory adjustments	2f		
g	Income taxes (see Schedule E, Part I, Section 1, line 6, column (m), and Part III, line 3, column (i))	2g		
h	Foreign currency gains or losses	2h		
i	Other (attach statement) SEE STATEMENT 11	2i	1,642,750.	1,796,548.
3	Total net additions	3	1,642,750.	
4	Total net subtractions	4		1,796,548.
5a	Current earnings and profits (line 1 plus line 3 minus line 4)		5a	-153,798.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)		5b	
c	Combine lines 5a and 5b and enter the result on line 5c. Then enter on lines 5c(i), 5c(ii), and 5c(iii)(A) through 5c(iii)(D) the portion of the line 5c amount with respect to the categories of income shown on those lines		5c	-153,798.
	(i) General category (enter amount on applicable Schedule J, Part I, line 3, column (a))	5c(i)		
	(ii) Passive category (enter amount on applicable Schedule J, Part I, line 3, column (a))	5c(ii)	-153,798.	
	(iii) Section 901(j) category:			
	(A) Enter the country code of the sanctioned country ▶ _____ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(A) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(A)		
	(B) Enter the country code of the sanctioned country ▶ _____ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(B) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(B)		
	(C) Enter the country code of the sanctioned country ▶ _____ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(C) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(C)		
	(D) Enter the country code of the sanctioned country ▶ _____ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(D) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(D)		
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))		5d	-153,798.
e	Enter exchange rate used for line 5d ▶ _____			

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (Rev. 12-2021)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 11

DESCRIPTION	NET ADDITIONS	NET SUBTRACTIONS
RELATED PARTY PREMIUM		1,796,548.
RELATED PARTY CLAIMS PAID AND MOV	1,642,750.	
TOTAL TO 5471, SCHEDULE H, LINE 2I	1,642,750.	1,796,548.

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**SCHEDULE I-1
(Form 5471)**

Information for Global Intangible Low-Taxed Income

OMB No. 1545-0123

(Rev. December 2021)

▶ **Attach to Form 5471.**

Department of the Treasury
Internal Revenue Service

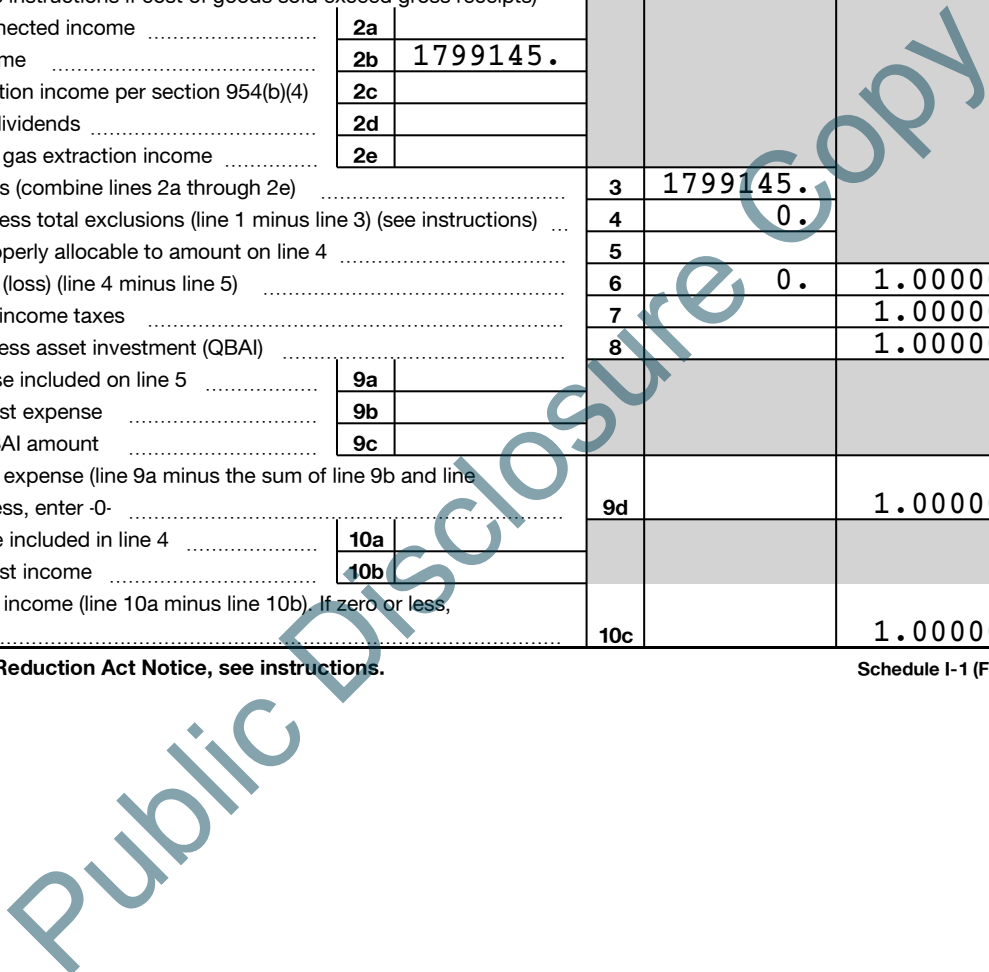
▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 SHEPPARD PRATT HEALTH SYSTEM, INC.		Identifying number 52-0591684
Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY	EIN (if any) 98-1668282	Reference ID number (see instructions) SPAC1
Separate Category (Enter code - see instructions)		▶ PAS

		Functional Currency	Conversion Rate	U.S. Dollars
1 Gross income (see instructions if cost of goods sold exceed gross receipts)	1	1799145.		
2 Exclusions (see instructions if cost of goods sold exceed gross receipts)				
a Effectively connected income	2a			
b Subpart F income	2b	1799145.		
c High-tax exception income per section 954(b)(4)	2c			
d Related party dividends	2d			
e Foreign oil and gas extraction income	2e			
3 Total exclusions (combine lines 2a through 2e)	3	1799145.		
4 Gross income less total exclusions (line 1 minus line 3) (see instructions) ...	4	0.		
5 Deductions properly allocable to amount on line 4	5			
6 Tested income (loss) (line 4 minus line 5)	6	0.	1.000000	
7 Tested foreign income taxes	7		1.000000	
8 Qualified business asset investment (QBAI)	8		1.000000	
9a Interest expense included on line 5	9a			
b Qualified interest expense	9b			
c Tested loss QBAI amount	9c			
d Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d		1.000000	
10a Interest income included in line 4	10a			
b Qualified interest income	10b			
c Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c		1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2021)



**SCHEDULE J
(Form 5471)**

(Rev. December 2020)
Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471

Identifying number

SHEPPARD PRATT HEALTH SYSTEM, INC.

52-0591684

Name of foreign corporation

EIN (if any)

Reference ID number

SHEPPARD PRATT ASSURANCE COMPANY

98-1668282

SPAC1

a Separate Category (Enter code - see instructions.) ▶ **PAS**

b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete an amount in column (e) (see instructions).

Important: Enter amounts in functional currency.

		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Reclassified section 965(a) PTEP	(ii) Reclassified section 965(b) PTEP
1a	Balance at beginning of year (as reported on prior year Schedule J)	- 51,775.					
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)	- 51,775.					
2a	Reduction for taxes unsuspending under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P) (enter amount from applicable line 5c of Schedule H)	- 153,798.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	- 205,573.					
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P						
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed post-transaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	- 205,573.					

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

(e) Previously Taxed E&P (see instructions)					
	(iii) General section 959(c)(1) PTEP	(iv) Reclassified section 951A PTEP	(v) Reclassified section 245A(d) PTEP	(vi) Section 965(a) PTEP	(vii) Section 965(b) PTEP
1a					
b					
c					
2a					
b					
3					
4					
5a					
b					
6					
7					
8					
9					
10					
11					
12					
13					
14					

(e) Previously Taxed E&P (see instructions)				(f)
	(viii) Section 951A PTEP	(ix) Section 245A(d) PTEP	(x) Section 951(a)(1)(A) PTEP	Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(x))
1a				- 51,775.
b				
c				- 51,775.
2a				
b				
3				-153,798.
4				
5a				
b				
6				
7				-205,573.
8				
9				
10				
11				
12				
13				
14				-205,573.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2020)

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**SCHEDULE M
(Form 5471)**

(Rev. December 2021)
Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 SHEPPARD PRATT HEALTH SYSTEM, INC.	Identifying number 52-0591684
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Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY	EIN (if any) 98-1668282	Reference ID number SPAC1
--	-----------------------------------	-------------------------------------

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

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Hybrid dividends received (see instr.)					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance	1,720,225.				
13 Loan guarantee fees received					
14 Other amounts received (att. statement)					
15 Add lines 1 through 14	1,720,225.				
16 Purchases of stock in trade (inventory)					
17 Purchases of tangible property other than stock in trade					
18 Purchases of property rights (patents, trademarks, etc.)					
19 Platform contribution transaction payments paid					
20 Cost sharing transaction payments paid					
21 Compensation paid for technical, managerial, engineering, construction, or like services					
22 Commissions paid					
23 Rents, royalties, and license fees paid					
24 Hybrid dividends paid (see instructions)					
25 Dividends paid (exclude hybrid dividends paid)					
26 Interest paid					
27 Premiums paid for insurance or reinsurance					
28 Loan guarantee fees paid					
29 Other amounts paid (attach statement)					
30 Add lines 16 through 29					

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 12-2021)

212371 04-01-22

Name of person filing Form 5471

Identifying number

SHEPPARD PRATT HEALTH SYSTEM, INC.

52-0591684

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
31 Accounts Payable					
32 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
33 Accounts Receivable					
34 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

Schedule M (Form 5471) (Rev. 12-2021)

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**SCHEDULE P
(Form 5471)**

(Rev. December 2020)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of person filing Form 5471 SHEPPARD PRATT HEALTH SYSTEM, INC.		Identifying number 52-0591684
Name of U.S. shareholder SHEPPARD PRATT HEALTH SYSTEM, INC.		Identifying number 52-0591684
Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY	EIN (if any) 98-1668282	Reference ID number (see instructions) SPAC1
a Separate Category (Enter code - see instructions.) ▶ PAS b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

	(a) Reclassified section 965(a) PTEP	(b) Reclassified section 965(b) PTEP	(c) General section 959(c)(1) PTEP
1a Balance at beginning of year (see instructions)			
b Beginning balance adjustments (attach statement)			
c Adjusted beginning balance (combine lines 1a and 1b)			
2 Reduction for taxes unsuspended under anti-splitter rules			
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation			
4 Previously taxed E&P carried over in nonrecognition transaction			
5 Other adjustments (attach statement)			
6 Total previously taxed E&P (combine lines 1c through 5)			
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P			
8 Actual distributions of previously taxed E&P			
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P			
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)			
11 Other adjustments (attach statement)			
12 Balance at beginning of next year (combine lines 6 through 11)			

Part I Previously Taxed E&P in Functional Currency (see instructions) *(continued)*

	(d) Reclassified section 951A PTEP	(e) Reclassified section 245A(d) PTEP	(f) Section 965(a) PTEP	(g) Section 965(b) PTEP	(h) Section 951A PTEP	(i) Section 245A(d) PTEP	(j) Section 951(a)(1)(A) PTEP	(k) Total
1a								
b								
c								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

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Part II Previously Taxed E&P in U.S. Dollars

	(a) Reclassified section 965(a) PTEP	(b) Reclassified section 965(b) PTEP	(c) General section 959(c)(1) PTEP
1a Balance at beginning of year (see instructions)			
b Beginning balance adjustments (attach statement)			
c Adjusted beginning balance (combine lines 1a and 1b)			
2 Reduction for taxes unsuspended under anti-splitter rules			
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation			
4 Previously taxed E&P carried over in nonrecognition transaction			
5 Other adjustments (attach statement)			
6 Total previously taxed E&P (combine lines 1c through 5)			
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P			
8 Actual distributions of previously taxed E&P			
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P			
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)			
11 Other adjustments (attach statement)			
12 Balance at beginning of next year (combine lines 6 through 11)			

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Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(d) Reclassified section 951A PTEP	(e) Reclassified section 245A(d) PTEP	(f) Section 965(a) PTEP	(g) Section 965(b) PTEP	(h) Section 951A PTEP	(i) Section 245A(d) PTEP	(j) Section 951(a)(1)(A) PTEP	(k) Total
1a								
b								
c								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

Public Disclosure Copy

**SCHEDULE Q
(Form 5471)**

(Rev. December 2022)
Department of the Treasury
Internal Revenue Service

CFC Income by CFC Income Groups

Attach to Form 5471.

Go to www.irs.gov/Form5471 for instructions and the latest information.

OMB No. 1545-0123

Name of person filing Form 5471 SHEPPARD PRATT HEALTH SYSTEM, INC.		Identifying number 52-0591684
Name of foreign corporation SHEPPARD PRATT ASSURANCE COMPANY	EIN (if any) 98-1668282	Reference ID number (see instructions) SPAC1

Complete a separate Schedule Q with respect to each applicable category of income (see instructions).

- A** Enter separate category code with respect to which this Schedule Q is being completed (see instructions for codes) PAS
- B** If category code "PAS" is entered on line A, enter the applicable grouping code (see instructions) III
- C** If code "901j" is entered on line A, enter the country code for the sanctioned country (see instructions)

Complete a separate Schedule Q for U.S. source income and foreign source income (see instructions for an exception).

- D** Indicate whether this Schedule Q is being completed for: U.S. source income or Foreign source income

Complete a separate Schedule Q for FOGEI or FORI income.

- E** If this Schedule Q is being completed for FOGEI or FORI income, check this box

<i>Enter amounts in functional currency of the foreign corporation (unless otherwise noted).</i>	(i) Country Code	(ii) Gross Income	(iii) Definitely Related Expenses	(iv) Related Person Interest Expense	(v) Other Interest Expense	(vi) Research & Experimental Expenses	(vii) Other Expenses (attach schedule)
1 Subpart F Income Groups							
a Dividends, Interest, Rents, Royalties, & Annuities (Total)		1,799,145.	1,952,943.				
(1) Unit name: <u>SHEPPARD PRA</u>	CJ	1,799,145.	1,952,943.				
(2) Unit name: _____							
b Net Gain From Certain Property Transactions (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
c Net Gain From Commodities Transactions (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
d Net Foreign Currency Gain (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
e Income Equivalent to Interest (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
f Other							
(1) Unit name: _____							
(2) Unit name: _____							
g Foreign Base Company Sales							
Income (Total)							
(1) Unit name: _____							
(2) Unit name: _____							

Important: See Computer-Generated Schedule Q in instructions.

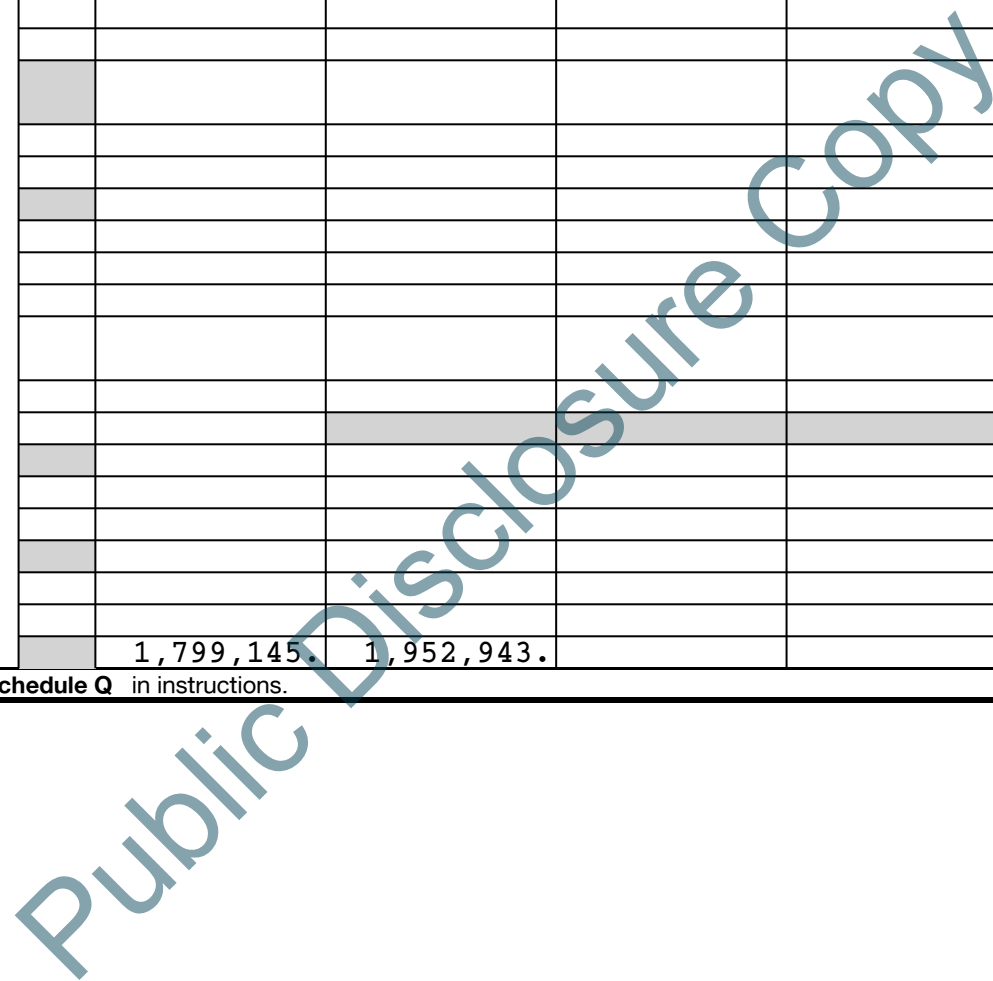
LHA For Paperwork Reduction Act Notice, see instructions.

	(viii) Current Year Tax on Reattributed Income From Disregarded Payments	(ix) Current Year Tax on All Other Disregarded Payments	(x) Other Current Year Taxes	(xi) Net Income (column (ii) less columns (iii) through (x))	(xii) Foreign Taxes for Which Credit Allowed (U.S. Dollars)	(xiii) Average Asset Value	(xiv) High Tax Election	(xv) Loss Allocation	(xvi) Net Income After Loss Allocation (column (xi) minus column (xv))
1									
a				-153,798.		3,647,233.			
(1)				-153,798.		3,647,233.			
(2)									
b									
(1)									
(2)									
c									
(1)									
(2)									
d									
(1)									
(2)									
e									
(1)									
(2)									
f									
(1)									
(2)									
g									
(1)									
(2)									

Important: See Computer-Generated Schedule Q in instructions.

Enter amounts in functional currency of the foreign corporation (unless otherwise noted).	(i) Country Code	(ii) Gross Income	(iii) Definitely Related Expenses	(iv) Related Person Interest Expense	(v) Other Interest Expense	(vi) Research & Experimental Expenses	(vii) Other Expenses (attach schedule)
1 Subpart F Income Groups							
h Foreign Base Company Services							
Income (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
i Full Inclusion Foreign Base Company							
Income (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
j Insurance Income (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
k International Boycott Income							
l Bribes, Kickbacks, and Other Payments							
m Section 901(j) income							
2 Recaptured Subpart F Income							
3 Tested Income Group (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
4 Residual Income Group (Total)							
(1) Unit name: _____							
(2) Unit name: _____							
5 Total		1,799,145.	1,952,943.				

Important: See Computer-Generated Schedule Q in instructions.



	(viii) Current Year Tax on Reattributed Income From Disregarded Payments	(ix) Current Year Tax on All Other Disregarded Payments	(x) Other Current Year Taxes	(xi) Net Income (column (ii) less columns (iii) through (x))	(xii) Foreign Taxes for Which Credit Allowed (U.S. Dollars)	(xiii) Average Asset Value	(xiv) High Tax Election	(xv) Loss Allocation	(xvi) Net Income After Loss Allocation (column (xi) minus column (xv))
1									
h									
(1)									
(2)									
i									
(1)									
(2)									
j									
(1)									
(2)									
k									
l									
m									
2									
3									
(1)									
(2)									
4									
(1)									
(2)									
5				-153,798.					

Important: See **Computer-Generated Schedule Q** in instructions.

**SCHEDULE R
(Form 5471)**

(December 2020)
Department of the Treasury
Internal Revenue Service

Distributions From a Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471: **SHEPPARD PRATT HEALTH SYSTEM, INC.** Identifying number: **52-0591684**

Name of foreign corporation: **SHEPPARD PRATT ASSURANCE COMPANY** EIN (if any): **98-1668282** Reference ID number (see instructions): **SPAC1**

	(a) Description of distribution	(b) Date of distribution	(c) Amount of distribution in foreign corporation's functional currency	(d) Amount of E&P distribution in foreign corporation's functional currency
1	NONTAXABLE DEEMED DIVIDEND UNDER IRC 301	06/30/2023	10,039.	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				

Public Disclosure Copy

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

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

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

Name of transferor SHEPPARD PRATT HEALTH SYSTEM, INC.	Identifying number (see instructions) 52-0591684
---	--

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

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

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership

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

Part II Transferee Foreign Corporation Information (see instructions)

4 Name of transferee (foreign corporation) SHEPPARD PRATT ASSURANCE COMPANY	5a Identifying number, if any 98-1668282
--	---

6 Address (including country) P.O. BOX 1159 GRAND CAYMAN, KY1-1102 CAYMAN ISLANDS	5b Reference ID number
--	-------------------------------

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

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

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	06/30/2023		1,796,548.		

10 Was cash the only property transferred? Yes No
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

- 11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? Yes No
- 12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? Yes No
 If "Yes," go to line 12b.
- b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? Yes No
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.
- c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? Yes No
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.
- d** Enter the transferred loss amount included in gross income as required under section 91 ▶ \$ _____
- 13** Did the transferor transfer property described in section 367(d)(4)? Yes No
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)

SEE STATEMENT 12

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

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
(a) Before 100.000 % (b) After 100.000 %
- 17 Type of nonrecognition transaction (see instructions) ▶ 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
If "Yes," complete lines 20b and 20c.
- b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ _____
- c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

Form 926 (Rev. 11-2018)

SHEPPARD PRATT ASSURANCE COMPANY

FOLLOWING IS ADDITIONAL INFORMATION AS REQUESTED BY REGULATIONS
1.6038B-1(C) AND TEMPORARY REGULATIONS 1.6038B-1T(C)(5) AND 1.6038B-1T(D).

REGULATION 1.6038B-1T(C)(1): TRANSFEROR:

SHEPPARD PRATT HEALTH SYSTEM INC
EIN: 52-0591684
6501 N. CHARLES STREET
BALTIMORE, MARYLAND 21204
UNITED STATES OF AMERICA

REGULATION 1.6038B-1T(C)(2): TRANSFEREE:

(I): SHEPPARD PRATT ASSURANCE COMPANY
EIN: 98-1668282
P.O. BOX 1159
GRAND CAYMAN KY1-1102, CAYMAN ISLANDS

INCORPORATED IN THE CAYMAN ISLANDS

(II): CASH RECEIVED FROM RELATED PARTIES OF THE ABOVE CORPORATION OCCURRED ON
VARIOUS DATES THROUGHOUT THE YEAR. THE TOTAL AMOUNT OF THESE DEEMED
CONTRIBUTIONS WAS \$1,796,548.

Public Disclosure Copy

SHEPPARD PRATT ASSURANCE COMPANY

REGULATION 1.6038B-1T(C)(3): CONSIDERATION RECEIVED:
NOTHING WAS RECEIVED IN CONSIDERATION IN EXCHANGE FOR CONTRIBUTIONS TO CAPITAL
OF \$1,796,548. THE TAXPAYER OWNED 100% OF THE STOCK OF THE TRANSFEREE
CORPORATION AFTER THESE TRANSFERS. REGULATION 1.6038B-1T(C)(4): PROPERTY
TRANSFERRED: CASH IN THE AMOUNT OF \$1,796,548. THE TAXPAYER OWNED 100% OF THE
STOCK OF THE TRANSFEREE CORPORATION AFTER THESE TRANSFERS.

Public Disclosure Copy

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements and Supplementary Information

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

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KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

Independent Auditors' Report

The Board of Trustees
Sheppard and Enoch Pratt Foundation, Inc.:

Opinion

We have audited the consolidated financial statements of Sheppard and Enoch Pratt Foundation, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023 and 2022, and the results of its operations, changes in net assets, and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1(r) to the consolidated financial statements, effective July 1, 2022, the Company adopted new accounting guidance FASB ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material



misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Baltimore, Maryland
October 27, 2023

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets

June 30, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash	\$ 66,783,376	69,460,209
Investments limited or restricted as to use	1,007,798	2,280,719
Accounts receivable, net	44,256,366	43,451,051
Prepaid expenses and other current assets	10,152,189	8,457,378
Total current assets	122,199,729	123,649,357
Investments limited or restricted as to use, less current portion	190,127,686	199,704,208
Property and equipment, net	333,781,578	330,959,298
Third-party payor settlements receivable	7,261,077	7,261,077
Right of use assets	18,794,793	—
Other assets	6,264,275	4,884,185
Total assets	\$ 678,429,138	666,458,125
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	\$ 10,851,758	5,888,185
Current portion of obligations under finance leases	514,647	908,553
Current portion of obligations under operating leases	3,688,980	—
Accounts payable	8,933,382	15,141,301
Accrued salaries, wages, and employee benefits	30,437,866	29,129,268
Accrued pension liabilities	—	9,714,066
Self-insurance liabilities	7,074,413	4,749,043
Other accrued expenses	17,600,782	21,514,320
Total current liabilities	79,101,828	87,044,736
Long-term liabilities:		
Long-term debt, less current portion	157,802,388	168,045,781
Obligations under finance leases, less current portion	5,706,592	2,122,869
Obligations under operating leases, less current portion	16,553,282	—
Self-insurance liabilities, less current portion	4,840,688	5,996,540
Other long-term liabilities	4,839,655	4,109,323
Total liabilities	268,844,433	267,319,249
Net assets:		
Without donor restrictions	383,363,612	371,411,855
With donor restrictions	26,221,093	27,727,021
Total net assets	409,584,705	399,138,876
Total liabilities and net assets	\$ 678,429,138	666,458,125

See accompanying notes to consolidated financial statements.

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidated Statements of Operations

Years ended June 30, 2023 and 2022

	2023	2022
Revenues, gains, and other support:		
Patient service revenue	\$ 185,490,474	153,872,336
Residential and educational service revenue	189,124,643	174,370,944
Net service revenue	374,615,117	328,243,280
Net assets released from restrictions used for operations	2,039,203	534,428
Other operating revenue	80,976,039	71,711,346
Total revenues, gains, and other support	457,630,359	400,489,054
Expenses:		
Salaries and wages	260,542,166	240,210,018
Employee benefits	48,101,709	43,154,745
Expendable supplies	15,147,831	13,579,249
Purchased services	90,496,976	81,553,392
Interest	5,385,508	5,620,016
Repairs and maintenance	7,300,722	8,090,693
Depreciation and amortization	25,956,567	25,184,405
Total expenses	452,931,479	417,392,518
Operating income (loss)	4,698,880	(16,903,464)
Other (expense) income:		
Investment (loss) income	(430,493)	644,421
Realized gains on investments, net	1,289,849	39,236,237
Loss related to pension settlement	(54,220,883)	—
Unrealized gains (losses) on investments, net	7,725,636	(55,399,786)
Other	(1,954,965)	(1,134,476)
Total other (expense) income	(47,590,856)	(16,653,604)
Deficiency of revenues over expenses	(42,891,976)	(33,557,068)
Other changes in net assets:		
Net assets released from restrictions used for purchases of property and equipment	733,368	1,500,000
Pension liability adjustment	50,372,249	(13,076,285)
Capital grants and other	3,738,116	2,555,114
Reclassification	—	(1,293,483)
Increase (decrease) in net assets without donor restrictions	\$ 11,951,757	(43,871,722)

See accompanying notes to consolidated financial statements.

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2023 and 2022

	2023	2022
Net assets without donor restrictions:		
Deficiency of revenues over expenses	\$ (42,891,976)	(33,557,068)
Other changes in net assets:		
Net assets released from restrictions used for purchases of property and equipment	733,368	1,500,000
Pension liability adjustment	50,372,249	(13,076,285)
Capital grants and other	3,738,116	2,555,114
Reclassification	—	(1,293,483)
Increase (decrease) in net assets without donor restrictions	11,951,757	(43,871,722)
Net assets with donor restrictions:		
Gifts and grants	905,367	1,796,463
Investment loss	(9,239)	(64,254)
Net realized gains on investments	50,737	1,187,287
Net unrealized gains (losses) on investments	319,777	(1,645,092)
Other changes	1	2,712
Net assets released from restrictions for operations	(2,039,203)	(534,428)
Net assets released from restrictions for purchases of property and equipment	(733,368)	(1,500,000)
Reclassification	—	1,293,483
(Decrease) increase in net assets with donor restrictions	(1,505,928)	536,171
Increase (decrease) in net assets	10,445,829	(43,335,551)
Net assets, beginning of year	399,138,876	442,474,427
Net assets, end of year	\$ 409,584,705	399,138,876

See accompanying notes to consolidated financial statements.

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 10,445,829	(43,335,551)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,956,567	25,184,405
Pension liability adjustment	—	13,076,285
Gifts and grants, net	1,133,836	(1,262,035)
Net realized gains on investments	(1,340,586)	(40,423,524)
Net unrealized (gains) losses on investments	(8,045,413)	57,044,878
Restricted investment losses on restricted net assets	9,239	64,254
Capital grants and other	(3,738,116)	(2,555,114)
Increase in accounts receivable, net	(630,040)	(6,701,967)
Increase in prepaid expenses and other assets	(1,694,813)	(138,317)
Increase in third-party payor settlements receivable	—	(2,354,085)
Decrease in right of use assets, net	868,488	—
Decrease in obligations under operating leases	(561,880)	—
Decrease in accounts payable, accrued expenses and other	(10,637,607)	(831,196)
Increase (decrease) in self-insurance liabilities	1,169,518	(487,355)
Decrease in accrued pension liability	(9,714,066)	(13,024,650)
Net cash provided by (used in) operating activities	3,220,956	(15,743,972)
Cash flows from investing activities:		
Purchases of property and equipment	(23,341,328)	(21,509,372)
Increase (decrease) in others assets and notes receivable	1,426,349	(288,520)
Proceeds from sale of property and equipment	12,700	9,841
Purchases of alternative investments	(26,837,317)	(178,938,651)
Sales of alternative investments	34,771,953	136,756,345
Decrease in investments limited or restricted as to use, net	11,452,409	71,084,654
Acquired cash	226,907	—
Net cash (used in) provided by investing activities	(2,288,327)	7,114,297
Cash flows from financing activities:		
Payment of long-term debt principal	(6,144,343)	(5,505,418)
Payment on finance lease obligations	(908,553)	(815,258)
Capital grants and other	3,738,116	2,555,114
Gifts and grants, net	(966,113)	4,300,782
Net cash (used in) provided by financing activities	(4,280,893)	535,220
Net decrease in cash and cash equivalents	(3,348,264)	(8,094,455)
Cash, beginning of year	78,441,468	86,535,923
Cash, end of year	\$ 75,093,204	78,441,468
Supplemental disclosure of noncash investing and financing activities:		
Noncash purchases of property and equipment	\$ 2,858,156	1,538,983
Restricted cash included in investments limited or restricted as to use, net	8,309,828	8,981,259
Hunt Valley lease modification	4,098,370	—

See accompanying notes to consolidated financial statements.

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(1) Summary of Significant Accounting Policies

(a) Organization

Sheppard and Enoch Pratt Foundation, Inc. (Foundation or the Company), a not-for-profit, nonstock Company, was organized on June 15, 1984 to engage in activities necessary to provide mental health services to the public through the planning and implementation of programs provided by its various subsidiaries. Subsidiary companies, controlled by Foundation, include Sheppard Pratt Health System, Inc. (Health System), Sheppard Pratt Non-Contracted Services, LLC (Non-Contracted Services), Sheppard Pratt Physicians, P.A. (Physicians), Sheppard Pratt Investment, Inc. (Investment Company), Sheppard Pratt Properties, LLC (Properties), and the community services organizations (Community Services), collectively, comprised of Mosaic Community Services, Inc. (Mosaic), Way Station, Inc. (Way Station), Omni House, Inc. (Omni), Family Services, Inc. (Family Services), Alliance, Inc., and Behavioral Health Partners of Frederick, Inc. (Behavioral Health Partners).

Health System is a not-for-profit, nonstock company that operates two inpatient hospitals, day hospitals, residential and educational services for children and adolescents, and outpatient programs.

Physicians is a not-for-profit professional company of licensed medical professionals organized on July 1, 1985 exclusively to carry out the charitable, educational and scientific purposes of Foundation. The common stock of Physicians is held solely by the President and Chief Executive Officer of the system and subject to the terms of a stock agreement. Under the terms of the agreement, the stockholder is required to consult with Foundation regarding views on any matter with respect to which the stockholder is entitled to vote, and the stockholder may not transfer shares (by sale or gift) without the permission of Foundation. The stock agreement does not allow for the stockholder to receive dividends or any other benefit for having held the stock. If the stockholder ceases to be employed by Foundation, Health System, or Physicians, Physicians shall require the stockholders to sell and transfer all of the stock such stockholder owns to a person designated by Foundation. The purchase price for each share of stock of the Company is \$1 per share.

Investment Company is a not-for-profit, nonstock company that manages the investments of the organization.

On March 31, 2020, Foundation formed Sheppard Pratt Non-Contracted Services, LLC. The sole member of the company is Sheppard Pratt Health System, Inc., and its established purpose is to provide non-insured services on behalf of Sheppard Pratt Health System and its affiliates.

On July 1, 2022, the organization acquired Omni House, Inc. a community based residential and outpatient service provider. The sole member of the company is Way Station, Inc.

Mosaic, Alliance, Way Station, Omni House, Family Services and Behavioral Health Partners are not-for-profit, nonstock Maryland companies that provide residential, rehabilitation, vocational, and outpatient mental health services across the state of Maryland.

On April 1, 2022, the Health System formed Sheppard Pratt Assurance Company, LLC, incorporated in the Cayman Islands. The sole member of the company is Sheppard Pratt Health System, Inc. and its established purpose is to provide insurance services for Sheppard Pratt.

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(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 (U.S. GAAP). All majority-owned and affiliated member entities are consolidated. All entities where Foundation exercises significant influence but for which it does not have control are accounted for under the equity method. All other entities are accounted for under the cost method. All significant intercompany accounts and transactions have been eliminated.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Board-designated funds are included within this category of net assets.

Net assets with donor restrictions – Net assets whose use by Foundation has been limited by donors to a specific time or purpose. Also included in this category are net assets that have been restricted by donors to be maintained by the Foundation in perpetuity. Generally, donors of assets to be held in perpetuity permit Foundation to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Contributions with no donor-imposed restrictions are recognized as revenues in the period received as increases in net assets without donor restrictions.

Unconditional promises to give cash and other assets to Foundation with donor-imposed restrictions are reported as increases in net assets 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 condition is met. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

Net assets with donor restrictions are available for the purposes of providing indigent care, health and educational programs and the purchase of property and equipment. The income from net assets with donor restrictions that are restricted in perpetuity is expendable to provide health and educational programs.

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(c) Charity Care

Foundation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Foundation does not pursue collection of amounts determined to qualify for charity care, such amounts are not reported as revenue.

(d) Cash

Cash balances may exceed amounts insured by federal agencies and, therefore, bear risk of loss.

(e) Investments Limited or Restricted as to Use

Investments limited or restricted as to use, primarily recorded at fair value, represent assets that have been designated by the board of trustees for special purposes restricted by donors, and self-insurance trust arrangements. The principal, income and capital appreciation of the Moses Sheppard and Enoch Pratt bequests are legally unrestricted but are classified, for financial reporting purposes, as board-designated and limited as to use. Assets designated by the board of trustees for particular purposes are controlled by the board of trustees, who at their discretion may subsequently use the assets for other purposes.

Investments of board-designated and funds restricted by donors are maintained in a combined investment pool or in a related investment account. Related income and realized and unrealized gains and losses on sales of investments are apportioned on the basis of the shares held by each of the respective funds and in accordance with donor restrictions on the use of investment earnings.

Foundation classifies its investment portfolio as trading securities with unrealized gains and losses included in other (expense) income, which is included in the deficiency of revenues over expenses. Investment income and realized gains and losses from all other investments are reported as other (expense) income, unless the income is restricted by donors, which is reported as previously described above. The investment portfolio is classified as current or noncurrent assets based on management's intention as to use.

Alternative investments represent both subscriptions in private equity venture capital funds and subscriptions in funds-of-funds utilized to diversify the portfolio of Foundation. Annual audited financial statements for these funds are submitted to Foundation and reviewed by management. Foundation's alternative investments are accounted for under the equity method of accounting. The investment balance is equal to Foundation's proportionate interest in the fund's net equity. Individual investment holdings within the investment portfolio may, in turn, include investments in both nonmarketable and market-traded securities. Valuations of these investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. Certain of these investments contain additional capital call requirements, based upon the provisions of the investment agreements.

The investment portfolio includes cash and cash equivalents, which are classified as investments limited or restricted as to use funds on the consolidated balance sheet and the cash equivalent amounts are excluded from the cash balance on the statement of cash flows.

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Investment income from unrestricted cash equivalents and the self-insurance trust are reported as other operating revenue since such income is considered to be a part of Foundation's ongoing central operations of providing healthcare services.

(f) Pledges

Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year the pledge is made unless the pledge carries conditions that have not been met. Conditional pledges are recorded as contributions when the conditions of the pledge have been satisfied. Pledges receivable are recorded at net realizable value, which is calculated using a discount rate of 3% at June 30, 2023 and 2022.

(g) Property and Equipment

Property and equipment acquisitions are recorded at cost (except donated property and equipment that are recorded at their fair market value at the date of receipt). Depreciation is computed on the straight-line method and charged to operations over estimated useful lives ranging from 20 to 40 years for buildings and improvements and 3 to 10 years for furniture, equipment, information systems hardware and software and motor vehicles. Property and equipment under finance lease obligations are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the property and equipment. Interest costs incurred on borrowed funds 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 other changes in net assets without donor restrictions, and are excluded from the deficiency of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(h) Costs of Borrowing

Deferred financing costs and debt premiums, which are a direct deduction to long term debt, are amortized using the effective-interest method and charged to operations as a component of interest expense over the term of the related debt.

(i) Estimated Self-Insurance Liability Claims

The estimated self-insured professional liability claims are reflected as a liability and include actuarially determined estimates of the ultimate costs for both reported claims and claims incurred but not reported. Costs under self-insurance programs for employee health benefits and workers' compensation include estimates for both reported claims and claims incurred but not reported, based on an evaluation of pending claims and past experience. These estimates are based on actuarial analysis of historical trends, claims asserted and reported incidents. Receivables for amounts in excess of self-insurance retention limits are recorded at their net realizable value and are due from highly rated commercial insurance companies.

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(j) Pension Benefits

Pension benefits are recorded in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 715-30, *Defined Benefit Plans – Pension*, which requires the recognition of the funded status of pension plans within the accompanying consolidated balance sheets.

(k) Patient Service Revenue and Net Patient Accounts Receivable

FASB ASC 606 provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Patient service revenue is recognized, over time, as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided. Revenue for performance obligations satisfied over time is recognized at the estimated net realizable amounts from patients and third-party payors for services rendered.

The Company generates revenues, primarily by providing healthcare services to its patients. Revenues are recognized when control of the promised good or service is transferred to our patients, in an amount that reflects the consideration to which the Company expects to be entitled from patients, third-party payors (including government programs and insurers) and others, in exchange for those goods and services.

Performance obligations are determined based on the nature of the services provided. The majority of the Company's healthcare services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation satisfied over time as services are rendered. The Company also provides certain ancillary services which are not included in the bundle of services, and as such, are treated as separate performance obligations satisfied at a point in time, if and when those services are rendered.

The Company's estimate of the transaction price includes estimates of price concessions for such items as contractual allowances, charity care, potential adjustments that may arise from payment and other reviews, and uncollectible amounts, which are determined using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. Estimates for uncollectible amounts are based on the aging of the accounts receivable, historical collection experience for similar payors and patients, current market conditions, and other relevant factors.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the 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 recorded as bad debt expense. Implicit price concessions and subsequent changes in the estimated transaction prices for the years ended June 30, 2023 and 2022 were not significant to the consolidated financial statements.

The Company has agreements with third-party payors that provide for payments to Foundation at amounts different from its established rates. Payment arrangements include prospectively determined

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rates per day, reimbursed costs, discounted charges, and per diem payments. Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with certain third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Differences between the estimated amounts and final settlements are reported in operations in the year of settlement.

The Company's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered (note 12).

(l) Residential and Educational Service Revenue

Foundation also operates residential treatment center services for adolescents. Substantially all of the residential treatment centers services are reimbursed by the State of Maryland Medicaid Program on a cost basis subject to annual ceilings. Foundation receives an interim per diem rate during the year and ultimately settles final payment based upon an audited cost report filing.

Foundation provides educational services to special needs children under arrangements with the Maryland State Department of Education (MSDE). On an annual basis, a prospective rate per student is set with MSDE based upon an approved operating budget. Subsequently, as services are provided, invoices are submitted to each student's local school district for payment on a monthly basis.

(m) Other Operating Revenue

Other operating revenue is primarily comprised of grant revenues, which is recognized when funds are released to cover qualified expenses, and business service revenue, which is recognized when earned.

(n) Impairment of Long-Lived Assets

Management regularly evaluates whether events or changes in circumstances have occurred that could indicate an impairment in the value of long-lived assets. In accordance with the provisions of FASB ASC Subtopic 360-10, *Property, Plant, and Equipment – Overall*, if there is an indication that the carrying amount of an asset is not recoverable, Foundation estimates the projected undiscounted cash flows, excluding interest, to determine if an impairment loss should be recognized. The amount of impairment loss is determined by comparing the historical carrying value of the asset to its estimated fair value. Estimated fair value is determined through an evaluation of recent and projected financial performance using standard industry valuation techniques.

In addition to consideration of impairment upon the events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are changed, the carrying value of affected assets is allocated over the remaining lives.

In estimating the future cash flows for determining whether an asset is impaired and if expected future cash flows used in measuring assets are impaired, Foundation groups its assets at the lowest level for

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which there are identifiable cash flows independent of other groups of assets. The Company recorded no impairment charges for the years ended June 30, 2023 and 2022, respectively.

(o) Rental Income

Foundation has agreements with various organizations and individual clinicians to rent office space and land. Foundation recognizes the rent under the leases, using the straight-line method, net of an allowance for doubtful accounts, where necessary, in other (expense) income.

(p) Deficiency of Revenues over Expenses

The consolidated statements of operations include a performance indicator, the deficiency of revenues over expenses. Changes in net assets without donor restrictions that are excluded from deficiency of revenues over expenses, consistent with industry practice, include changes in pension liability adjustments, contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets) and grants for capital purposes.

(q) Income Taxes

Foundation and its subsidiaries have been recognized as tax-exempt organizations under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are not subject to income taxes on related income pursuant to Section 501(a) of the IRC.

Investment Company recognizes taxable unrelated business income from alternative investment funds held in a combined investment pool. Investment Company will utilize available losses incurred to offset taxable income as allowed under the related tax regulations.

(r) Leases

Effective July 1, 2022, the Company adopted FASB ASU 2016-02, Leases (Topic 842), the primary impact of which required lessees to recognize right-of-use assets and liabilities for most operating leases and present enhanced annual disclosures on key quantitative and qualitative information. The Company elected the practical expedient package to not reassess at adoption (i) existing contracts for whether they include a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Company did not elect the hindsight transitional practical expedient. Additionally, the Company elected not to recognize the lease assets and liabilities for leases with a term of twelve months or less and account for such leases using existing guidance for operating leases. Comparative periods continue to be reported in accordance with ASC Topic 840, Leases. The adoption had significant impacts relating to the recognition of lease liabilities and right-of-use assets for operating leases greater than one year on the consolidated balance sheet. Upon adoption, the Company recorded \$19,663,281 in operating lease right-of-use (ROU) assets, \$20,738,809 in operating lease liabilities and a reduction of \$1,075,528 in other long-term liabilities on the consolidated balance sheet.

The Company determines if an arrangement contains a lease at inception of the contract. Right-of-use assets represent the right to use the underlying assets for the lease term and the associated lease liabilities represent lease payments arising from the lease. Leases are classified as either operating or

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finance, with the classification determining whether the expense is recognized on a straight-line basis (for operating leases) or based on an effective interest method (for finance leases). These assets and liabilities are recognized at commencement date, when all the risks and benefits incidental to ownership have been conveyed, based on the present value of lease payments over the lease term. Lease term is equal to the noncancelable term plus any options to renew that the Company is reasonably certain to renew. The depreciable life of right-of-use assets are limited by the expected lease term unless there is a transfer of title or purchase option that is reasonably certain to be exercised at the inception of the lease. A right-of-use asset and lease liability is not recognized for leases with an initial term of 12 months or less.

(s) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

(t) Management's Assessment and Plans

ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, requires management to evaluate an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued, when applicable). Through the date of this report, management determined that there were no conditions or events that raise substantial doubt about the Company's ability to continue as a going concern and the Company will continue to meet its obligations through October 28, 2024.

(u) COVID-19

On March 11, 2020, the World Health Organization designated the Novel Coronavirus (COVID-19) as a global pandemic. The pandemic negatively impacted the global economy, our clients, the communities we serve, our employees, and our suppliers. It has also created significant volatility and disruption of the financial markets. Patient volumes and the related revenue for the Company's health care services were significantly impacted during the first half of 2020 due to state and local policies implemented to contain the spread of COVID-19 and preserve personal protective equipment. However, the Company saw a gradual and steady recovery beginning in the spring of 2020 through the end of the current of the fiscal year as states began to re-open and allow for non-emergency procedures.

In response to COVID-19, the U.S. government enacted the Coronavirus Aid, Relief and Economic Security Act (CARES Act) on March 27, 2020. Subsequent to the CARES act enactment, the Consolidated Appropriations Act 2021 (CAA) was signed into law on December 27, 2020. The CAA extended certain provisions of the CARES Act and provided additional COVID-19 relief.

During the years ending June 30, 2023 and 2022 the Company received \$0 and \$1,068,874 respectively through the CARES Act Provider Relief Fund. Payments from the Fund are intended to compensate healthcare providers for lost revenue and incremental expenses incurred in response to the COVID-19 pandemic and are not required to be repaid provided the recipients attest to and comply with specific terms and conditions. During the years ending June 30, 2023 and 2022, the Company

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recognized \$45,448 and \$1,023,426 as Other Operating Revenue within the Consolidated Statement of Operations related to such funds.

As a way to increase cash flow to Medicare providers impacted by the COVID-19 pandemic, the CARES Act expanded the Medicare Accelerated and Advance Payment Program. Health Systems were provided with the opportunity to request accelerated payments of up to 100% of the Medicare payment amount for a six-month period. Accelerated payments are interest free for up to 29 months, and the program currently requires CMS to start recouping the payments beginning 12 months after receipt by the provider by withholding future Medicare fee for service payments for claims until the full accelerated payment has been returned. In September 2020, the Company received approximately \$3.8 million of accelerated payments which the Company has repaid during the year ended June 30, 2023.

The CARES Act also provided for deferred payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020 with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. The company began deferring the employer portion of social security taxes in mid-April 2020. As of June 30, 2023 and 2022, the deferred amount was \$0 and \$2,157,135 respectively.

(2) Charity Care and Community Services

Foundation maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and equivalent service statistics. The estimated cost of charity care provided during the years ended June 30, 2023 and 2022 was \$7,437,150 and \$4,920,839, respectively.

Foundation provides the community with other healthcare services and programs, including teaching of psychiatric residents, providing programs and facilities for teaching other medical health professionals, providing behavioral health educational programs for the general public, and conducting research to improve treatment of behavioral health problems.

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(3) Investments Limited or Restricted as to Use

Investments limited or restricted as to use, stated at fair value, except for the real estate investment, which is recorded at cost and investments in partnerships and alternative investments, which are recorded under the equity method, include the following at June 30:

	2023	2022
Board designated, without restrictions:		
Portion of pooled investments	\$ 155,963,685	156,582,865
Other investments	18,833,349	27,336,258
Held by trustees:		
Under self-insurance trusts	5,176,358	5,446,098
With donor restrictions:		
Pooled investments	7,854,625	7,718,092
Restricted investments	3,307,467	4,901,614
Total investments limited or restricted as to use	191,135,484	201,984,927
Current portion	1,007,798	2,280,719
Total investments limited or restricted as to use, less current portion	\$ 190,127,686	199,704,208

Foundation manages a significant component of its investments limited or restricted as to use in a combined investment pool. The combined investment pool has been allocated based on donor restrictions, where applicable, as follows at June 30:

	2023	2022
Board designated, without restrictions	\$ 155,963,685	156,582,865
With donor restrictions	7,854,625	7,718,092
Total	\$ 163,818,310	164,300,957

The combined investment pool is comprised of the following at June 30:

	2023	2022
Cash and cash equivalents	\$ 2,663,000	5,052,040
Corporate bonds	8,976,523	7,583,223
Other (primarily alternative funds under equity method)	152,178,787	151,665,694
Total	\$ 163,818,310	164,300,957

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Other board designated-investments consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 10,353,209	19,909,222
Mutual funds	4,474,426	4,236,614
Real estate held for future development, at cost	3,022,786	3,022,786
Other	<u>982,928</u>	<u>167,636</u>
Total	<u>\$ 18,833,349</u>	<u>27,336,258</u>

The funds held by trustees under self-insurance-trusts are comprised of the following at June 30:

	<u>2023</u>	<u>2022</u>
Equity Investments	\$ 79,795	319,257
Fixed income investments	<u>5,096,563</u>	<u>5,126,841</u>
Total	<u>\$ 5,176,358</u>	<u>5,446,098</u>

The total investment return, net of investment fees, including the return from the combined investment pool, is summarized as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Investment (losses) income, net:		
Without donor restrictions	\$ (430,493)	644,421
With donor restrictions	<u>(9,239)</u>	<u>(64,254)</u>
	<u>(439,732)</u>	<u>580,167</u>
Realized gains on sales of investments, net:		
Without donor restrictions	1,289,849	39,236,237
With donor restrictions	<u>50,737</u>	<u>1,187,287</u>
	<u>1,340,586</u>	<u>40,423,524</u>

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	2023	2022
Unrealized gains (losses) on sales of investments, net:		
Without donor restrictions	\$ 7,725,636	(55,399,786)
With donor restrictions	319,777	(1,645,092)
Total unrealized gains (losses)	8,045,413	(57,044,878)
Total investment income (loss)	8,946,267	(16,041,187)
Investment income on other unrestricted investments and cash and cash equivalents	247,470	600,550
Total investment income (loss)	\$ 9,193,737	(15,440,637)

(4) Disclosures about Fair Value of Financial Instruments

Foundation accounts for its financial assets and liabilities, in accordance with ASC Subtopic 820-10 as discussed in note 1. ASC Subtopic 820-10 defines fair value, establishes a framework for measuring fair value in accordance with U.S. generally accepted accounting principles, and expands disclosures about fair value measurements. Specifically, the guidance provides for the following:

- Defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value;
- Establishes a three-level hierarchy for fair value measurement;
- Requires consideration of Foundation's nonperformance risk when valuing liabilities; and
- Expands disclosures about instruments measured at fair value.

The three level-valuation hierarchy for fair value measurements is based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Foundation's market assumptions. The three level-valuation hierarchy is defined as follows:

- Level 1 – Quoted prices for identical instruments in active markets;
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar investments in markets that are not active; and model-derived valuations whose significant inputs are observable; and
- Level 3 – Instruments whose significant inputs are unobservable.

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The table below presents Foundation's investable assets and liabilities as of June 30, 2023, aggregated by the three level-valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 11,173,400	—	—	11,173,400
Equities:				
Common stocks	18,780	—	—	18,780
Mutual funds	5,334,705	364,484	—	5,699,189
Fixed income:				
Collateralized mortgage obligations	—	6,166	—	6,166
Government issued bonds	—	14,066,920	—	14,066,920
Other financial instruments	—	217	—	217
Total assets	<u>\$ 16,526,885</u>	<u>14,437,787</u>	<u>—</u>	<u>30,964,672</u>
Liabilities:				
Interest rate swap	\$ —	(56,284)	—	(56,284)

The table below presents Foundation's investable assets and liabilities as of June 30, 2022, aggregated by the three-level valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 11,551,716	—	—	11,551,716
Equities:				
Common stocks	15,313	—	—	15,313
Mutual funds	5,141,353	8,545,896	—	13,687,249
Fixed income:				
Collateralized mortgage obligations	—	4,881	—	4,881
Government issued bonds	—	12,705,182	—	12,705,182
Other financial instruments	—	975	—	975
Total assets	<u>\$ 16,708,382</u>	<u>21,256,934</u>	<u>—</u>	<u>37,965,316</u>
Liabilities:				
Interest rate swap	\$ —	(45,821)	—	(45,821)

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Foundation did not have transfers between Levels, or Level 3 measurements.

Foundation's Level 1 securities primarily consist of common stock, exchange traded mutual funds, and cash. Foundation determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets.

Foundation's Level 2 securities consist of collateralized mortgage obligations, corporate bonds, government issued bonds, mutual funds, and derivative instruments, which are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active or model derived valuations whose significant inputs are observable. Valuation models require a variety of inputs, including contractual terms, market fixed prices, inputs from forward price yield curves, notional quantities, measures of volatility, and correlations of such inputs.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

The carrying amount of cash and cash equivalents, accounts receivable, third-party payor settlements receivable or payable, other current assets, investments in alternative investments, accounts payable and accrued expenses approximate fair value because of the short term maturity of these instruments. The fair value of Foundation's long-term debt is estimated to approximate the carrying amount because interest rates are variable and determined frequently based on prevailing market conditions. The estimated fair value of the Series 2017 Bond at June 30, 2023 and June 30, 2022 was approximately \$156,275,000 and \$160,713,000, respectively. Due to the subjective nature of the terms of the Foundation's notes receivable and finance lease obligations, their fair values cannot be estimated.

(5) Donor Restricted Assets

Donor restricted assets consist of the following at June 30:

	2023	2022
Pledges receivable, net of unamortized discount of \$129,000 at June 30, 2023 and \$158,000 at June 30, 2022	\$ 2,280,732	2,454,455
Less allowance for uncollectible pledges	72,000	78,000
Net pledges receivable	2,208,732	2,376,455
Other investments (primarily property)	15,059,001	15,107,316
Pooled investments (note 3)	7,854,625	7,718,092
Restricted cash and investments	1,098,735	2,525,158
	\$ 26,221,093	27,727,021

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The net realizable value of the unconditional pledges receivable at June 30, 2023 was calculated using an average discount rate of 3%. The net present value of pledges receivable and the expected collection period at June 30, 2023 are as follows:

2024		\$	966,002	
2025			689,038	
2026			623,440	
2027			1,111	
2028			1,141	
			2,280,732	
		\$	2,280,732	

(6) Property and Equipment

Property and equipment at June 30 are summarized as follows:

	2023	2022
Land	\$ 26,427,925	26,427,925
Land improvements	40,686,819	38,851,260
Buildings and building improvements	478,259,596	486,955,647
Furniture and equipment	100,551,208	84,280,256
Vehicles	11,230,788	10,415,137
CIP	7,495,514	7,885,895
Total	664,651,850	654,816,120
Less accumulated depreciation	330,870,272	323,856,822
	\$ 333,781,578	330,959,298

Assets under finance lease at June 30, 2023 and 2022 of \$10,521,357 and \$9,512,732, respectively, were included in buildings and building improvements and furniture and equipment in the table above.

Accumulated depreciation of assets under finance leases totaled \$5,509,927 and \$8,041,331 at June 30, 2023 and 2022, respectively.

Certain land, buildings, improvements, and equipment are pledged as collateral for the debt described in note 8.

Depreciation expense for the years ended June 30, 2023 and 2022 was \$25,737,996 and \$25,151,133 respectively.

In June 2001, the Health System entered into a 40 year ground lease with MEDCO, whereby MEDCO leases certain parcels of land from Foundation. The base year rental income, included in other operating revenue in the accompanying consolidated statements of operations is \$885,500 and increases by 3.00% per annum over the life of the lease. MEDCO has constructed student housing on the leased parcels of land (the MEDCO lease). Unpaid accrued rent bears interest at 12.65% per annum.

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The payment of ground rent is subordinate to the payment of debt on the MEDCO loan. Foundation has recorded a reserve on the unpaid accrued rent. As of June 30, 2023 and 2022, Foundation has recorded total ground rent receivable in the accompanying consolidated balance sheets of \$18,222,988 and \$14,758,527, respectively, with a related reserve of \$18,222,988 and \$13,309,128, respectively.

(7) Other Assets

The other assets balance is composed of the following at June 30:

	2023	2022
Workers compensation excess insurance receivable	\$ 414,979	294,717
Notes receivable and net ground rent	1,449,399	2,925,251
Intangible assets	1,307,000	1,307,000
Goodwill	2,839,111	—
Unemployment trust	717,035	749,703
Other	240,298	278,389
	6,967,822	5,555,060
Less accumulated amortization	(703,547)	(670,875)
	\$ 6,264,275	4,884,185

(8) Long-Term Debt and Note Payable

Long-term debt consists of the following at June 30:

	2023	2022
Maryland Health and Higher Educational Facilities Authority (MHHEFA) Revenue Bonds, Series 2017	\$ 156,276,000	160,713,000
MHHEFA Revenue Bond – 2013	2,690,443	3,197,815
MHHEFA Revenue Bond – 2014	2,896,363	4,466,541
MHHEFA Revenue Bond – 2016	1,449,000	1,866,000
Bank notes	1,824,746	747,433
Mortgages on real estate	4,086,774	3,678,882
Other debt	37,113	41,023
	169,260,439	174,710,694
Less deferred financing costs	(606,293)	(776,728)
Less current portion	(10,851,758)	(5,888,185)
	\$ 157,802,388	168,045,781

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In December 2017, Health System, Physicians, Foundation and Investment Company (Obligated Group) acquired new financing to fund a portion of the construction costs of a new hospital in Elkridge, Maryland and other capital improvements and equipment, to refinance certain outstanding indebtedness and to fund transaction related costs. The 2017 Series bonds were issued by the Maryland Health and Higher Educational Facilities Authority (MHHEFA) and purchased by a bank in a direct placement loan arrangement.

The 2017 Series bonds is a tax exempt fixed rate bond with an original principal amount of \$178,748,000 bearing a fixed interest rate of 2.88% at June 30, 2023 and 2022. The initial term of the bond provided by the direct placement loan arrangement is 15 years, and the final scheduled maturity of the bonds is June 1, 2048. The Series 2017 bonds are secured by a trust indenture and Obligated Group has granted the bank and MHHEFA a security interest in its revenues. The Series 2017 Bonds require Obligated Group to satisfy certain measures of financial performance as long as the bonds are outstanding.

On May 2, 2013, MHHEFA issued a \$7,200,000 bank qualified tax exempt revenue bond (MHHEFA Revenue Bond 2013) for the purpose of reimbursing Way Station for certain capital expenditures associated with the acquisition and development of two properties in Frederick, Maryland, a property in Hagerstown, Maryland, and a property in Columbia, Maryland. The bond was purchased by Capital One Bank, and Way Station was scheduled to make payments to Capital One over 15 years, at a fixed interest rate of 3.11%. Way Station owed \$2,690,443 and \$3,197,815 as of June 30, 2023 and 2022, respectively. The tax exempt loan is secured by a deed of trust covering six of the Company's properties in Frederick, Hagerstown, and Columbia, Maryland. Way Station's ability to obtain additional borrowings is limited without the bank's consent.

On March 4, 2014, MHHEFA issued a \$4,430,000 bank qualified tax exempt revenue bond (MHHEFA Revenue Bond – 2014) for the purpose of refinancing Family Services existing mortgage debt. The bond was purchased by a bank, and Family Services is required to make payments over 25 years at interest rates ranging from 2.75 to 3.40%. As part of the same transaction, the same bank loaned Family Services \$1,683,000 in a taxable term bank note that is amortized over 25 years; however, it is due in 10 years, at fixed interest rates that vary from 4.25% in year one to 5.25% in subsequent years. On February 24, 2015, Family Services received a \$676,540 term bank loan, bearing an interest rate of 4.70% with a term of nine years. The tax exempt and taxable term bank notes are secured by a deed in trust covering the Company's properties, which require Family Services to satisfy certain measures of financial performance as long as the loans are outstanding.

On September 28, 2016, Mosaic borrowed \$4,066,000 variable rate debt (MHHEFA Revenue Bond 2016) via a tax-exempt nonbank qualified direct purchase. The bonds accrue interest at a variable rate at 83% of the 30 Day London Interbank Offered Rate (LIBOR) plus 142 basis points and are being amortized over 10 years and have principal payments beginning November 2016 and terminating October 2026. The loan was amended in May 2023 to reflect the replacement of LIBOR with the Secured Overnight Financing Rate (SOFR) as the benchmark. The loan is secured by collateral, including, but not limited to, gross revenue, fixed assets (excluding buildings), and cash accounts. In conjunction with the refinance, Mosaic entered into a 10-year interest rate swap agreement with a third party under which the Company will make monthly payments at a fixed rate of 0.92% in exchange for payments based on LIBOR. The interest rate swap was recorded as a liability of (\$56,284) and (\$45,821) as of June 30, 2023 and 2022 respectively.

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Community Services have mortgages on multiple properties with a total outstanding balance of \$2,407,355 as of June 30, 2023 and \$1,893,967 as of June 30, 2022. The interest rates and years of maturity range from 0% to 7.45%, and 2023 to 2038, respectively.

As of June 30, 2023, Sheppard and Enoch Pratt Foundation, Inc. holds a \$30 million variable rate line of credit, with no outstanding balances on the line of credit. The available amount on the original line of credit has been reduced by \$7.9 million related to letters of credit issued on behalf of the Health System. As of June 30, 2023 and 2022, there were no outstanding balances on the lines of credit.

Repayment of long-term debt, including mandatory sinking fund redemptions, in each of the next five fiscal years is as follows:

2024	\$	10,851,758
2025		5,974,976
2026		6,129,269
2027		5,973,632
2028		5,783,807
2029 and thereafter		<u>134,546,997</u>
	\$	<u>169,260,439</u>

Interest payments were \$5,226,722 and \$5,235,738 in 2023 and 2022, respectively.

(9) Pension Plan, Employees' Thrift Plan and Life, Accident and Health Plan

Foundation had a noncontributory defined benefit pension plan (the Plan) that covered eligible employees of Health System and Physicians. The benefits were based on the employees' credited service and average compensation during the five consecutive years, taken from the last 10 years of service before retirement. The funding policy was to contribute annually amounts actuarially determined to provide for benefits attributed to service to date and benefits expected to be earned in the future. Prior service cost was being amortized on a straight-line basis over the estimated term of employment of current employees.

During 2013, the Plan was amended to permanently allow certain vested terminated participants to take a lump-sum payment of Plan benefits not previously available as a lump-sum in lieu of a deferred monthly benefit. This offer is available to terminating participants with a vested benefit value of less than \$25,000. Foundation made lump-sum payments of approximately \$0 and \$51,254 in 2023 and 2022, respectively.

Effective July 1, 2006, Foundation elected to not allow employees hired on or after July 1, 2006 to participate in the defined benefit pension plan. Instead, such employees participate in a defined contribution plan based on their individual company programs. The new employee's thrift plan expense for Sheppard Pratt employees was \$2,503,574 and \$338,067 in 2023 and 2022, respectively. The retirement benefits for employees hired on or prior to June 30, 2006 under the defined benefit plan remain unchanged through December 31, 2020, when the Foundation elected to freeze the future accrual of benefits relating to the plan. Foundation may provide a discretionary contribution to these employees' thrift plan beginning with January 1, 2021. Foundation contributed to the eligible participants of the thrift plan \$2,002,347 and \$609,975 in 2023 and 2022, respectively.

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During the year ended June 30, 2023, the Foundation entered into a non-participating contract with an insurance company which irrevocably relieved the Foundation of its responsibility for the pension obligation. The Foundation transferred the Plan assets in connection with such transaction. Accordingly, the Foundation applied settlement accounting, which resulted in an expense of approximately \$54.2 million in fiscal year 2023 that was recorded in other (expense) income.

ASC Subtopic 715-30, *Defined Benefit Plans-Pension*, requires Foundation to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan in the accompanying consolidated balance sheets, with a corresponding adjustment to net assets without donor restrictions. The Plan's change in benefit obligations, the change in plan assets, current funded status and the components of net periodic pension cost as of and for the years ended June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Accumulated benefit obligation at the end of the year	\$ —	218,875,980
Changes in benefit obligations:		
Projected benefit obligation at the beginning of the year	\$ 218,875,980	252,701,141
Interest cost	1,026,246	5,498,374
Actuarial loss	9,123,593	(27,545,560)
Actuarial gain due to refund from Midland	(1,421,843)	—
Benefits paid	(1,999,753)	(11,777,975)
Lump sum payments to participants	(74,740,528)	—
Payments to insurance company	(150,863,695)	—
Projected benefit obligation at the end of the year	<u>—</u>	<u>218,875,980</u>
Changes in plan assets:		
Fair value of plan assets at beginning of the year	209,161,914	243,063,360
Actual return on plan assets	3,327,348	(35,123,471)
Contributions to the plan	13,692,871	13,000,000
Benefits paid	(1,999,753)	(11,777,975)
Lump sum payments to participants	(74,740,528)	—
Payments to insurance company	(150,863,695)	—
Refund from insurance company	1,421,843	—
Fair value of plan assets at end of the year	<u>—</u>	<u>209,161,914</u>
Funded status	<u>\$ —</u>	<u>(9,714,066)</u>

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Net periodic pension expense includes the following components for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Interest cost	\$ 1,026,246	5,498,374
Expected return on plan assets	(958,530)	(8,111,331)
Amortization of net loss	697,919	1,909,512
Settlement loss	54,220,883	—
Net pension expense	<u>\$ 54,986,518</u>	<u>(703,445)</u>

The components of net benefit income other than the service cost and the loss related to the pension settlement of \$0.8 million and \$0.7 million were recorded in other (expense) income in the consolidated statements of operations for the year ended June 30, 2023 and June 30, 2022. The loss related to the pension settlement of \$54.2 million during the year ended June 30, 2023 was recorded in other (expense) income in the consolidated statements of operations.

The following table presents the weighted average assumptions used to determine benefit obligations and net periodic benefit expense for the Plan as of June 30, 2022:

	<u>2022</u>
PBO Discount Rate (EOY)	4.18 %
Interest Cost Discount Rate (BOY)	2.21
Expected long-term return on plan assets	3.25

The pension liability adjustment to net assets without donor restrictions represents the change in net unrecognized actuarial losses and unrecognized prior service costs that have not yet been recognized as part of deficiency of revenues over expenses. Those amounts will be subsequently recognized as a component of net periodic pension cost pursuant to Foundation's historical accounting policy for amortizing such amounts. Such amounts were recognized in other (expense) income during the year ended June 30, 2023 as a result of the settlement accounting.

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The following are deferred pension costs that have not yet been recognized in periodic pension expense but instead are included as a component of net assets without donor restrictions, as of June 30, 2022. Unrecognized actuarial losses represent unexpected changes in the projected benefit obligation and plan assets over time, primarily due to changes in assumed discount rates and investment experience. Unrecognized prior service cost is the impact of changes in plan benefits applied retrospectively to employee service previously rendered. Deferred pension costs are amortized into annual pension expense over the average remaining assumed service period for active employees.

	Amounts recognized in net assets without donor restrictions at June 30, 2022
Net actuarial loss	\$ 49,585,870

(a) Determination of Expected Long-Term Rate of Return

In developing the expected long-term rate of return on assets assumption, Foundation considered the current level of expected returns on risk free investments (primarily government bonds), 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 was then weighted based on the target allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

(b) Investment Policy and Objectives

The investment policy and objectives are established by the trustees of Foundation. The plan objectives include achieving and maintaining fully funded status and minimizing volatility with reasonable and prudent levels of risk. The investment policy is based on a long-term perspective. An investment advisory firm engaged by Foundation trustees selects investment managers, makes investment decisions in keeping with the Pension Investment Policy Statement developed by the trustees, and reviews fund performance and funding status routinely. The percentage allocation to each asset class may vary depending upon the funded status of the Plan.

Foundation monitors the investment managers' performance and ensures adequate diversification by asset class to further mitigate the risks associated with the investment program. Management believes that its assets were invested in accordance with its overall investment policies at June 30, 2022.

(c) Plan Assets

In accordance with ASC Subtopic 715-20, *Defined Benefit Plans-General-Disclosures*, nonpublic entities are required to report the fair value of each major category of pension plan asset within the fair value hierarchy. ASC Subtopic 820-10, *Fair Value Measurements-Overall*, provides guidance for the fair value hierarchy, which is a valuation technique that maximizes the use of relevant observable

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inputs and minimizes the use of unobservable inputs. Refer to note 4 for descriptions of each of the three levels within the valuation hierarchy.

The table below presents Foundation's pension plan investable assets as of June 30, 2022 aggregated by the three level valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Reported at NAV¹</u>
Assets:					
Cash and cash equivalents	\$ 65,198,487	—	—	65,198,487	—
Collective trusts – equity	—	143,388,314	—	143,388,314	—
Private equity and real estate funds	—	—	—	—	575,113
Total assets	<u>\$ 65,198,487</u>	<u>143,388,314</u>	<u>—</u>	<u>208,586,801</u>	<u>575,113</u>

¹ Investments reported at NAV as the practical expedient for fair value

The majority of the investments held by the plan are Level 2 securities. Foundation has the ability to liquidate the collective trusts on a daily basis.

Foundation's pension plan invests in alternative investments, which were primarily hedge funds of funds and private equity funds. Such investments were carried at their estimated fair value using the practical expedient. Most of the funds have not had changes in the redemption policies during the year ended June 30, 2022, and the policies range primarily from 30 to 90 days. Determination of fair value is performed on a quarterly basis by the general partner(s) of the funds. Because of the inherent uncertainty of valuation, the determined values may differ significantly from the values that would have been used had a ready market for these investments existed.

(d) Contributions

On March 18, 2021, the Foundation approved the termination of the defined pension plan. The plan was terminated effective June 30, 2021 and plan termination distributions were completed during the year ended June 30, 2023.

The Foundation contributed \$13.7 million to its pension plan during the year ending June 30, 2023 in anticipation of the pension termination.

(e) Estimated Future Benefit Payments

Foundation maintains a self-insured life, accident and health plan for employees of Health System, Physicians and Way Station, which provides for monthly contributions in amounts sufficient to cover the costs of basic hospital, surgical and diagnostic benefits and administrative expenses. The life, accident, and health plan expense was \$20,244,760 in 2023 and \$16,051,308 in 2022.

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(10) Leases

The Company's leases are primarily for real estate, including schools, residential properties, and corporate and other administrative offices, as well as other various equipment. Real estate lease agreements typically have initial terms of one to fifteen years, and equipment lease agreements typically have initial terms between three and five years.

Real estate leases may include one or more options to renew, with renewals that can extend the lease term from one to ten years. The exercise of lease renewal options is typically at the Company's sole discretion. Renewal options are assessed at the commencement date, modification date and when a reassessment event has occurred. The renewal option is included in the lease term when it is reasonably certain to be exercised.

Certain lease agreements for real estate include variable payments based on actual common area maintenance and other operating expenses. These variable lease payments are recognized in purchased services but are not included in the right of use asset or liability balances. Real estate leases generally include rental escalation clauses that are factored into our determination of lease payments when appropriate.

In determining the present value of lease payments, the Company uses the implicit rate noted within the contract, unless unknown in which case the Company uses a risk-free discount rate. The risk-free discount rate is based upon the published rates of the Treasury bonds that corresponds to the lease term.

The Company elected the practical expedient package to not reassess at adoption (i) existing contracts for whether they include a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. Additionally, the Company elected not to recognize the lease assets and liabilities for leases with a term of twelve months or less.

The following table presents the components of the right-of-use assets and liabilities related to leases and their classification in the consolidated balance sheet:

	2023
Assets:	
Total operating lease assets Right of use assets	\$ 18,794,793
Finance lease assets Property and equipment, net	5,011,430
Total leased assets	\$ 23,806,223

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		2023
Liabilities:		
Operating lease liabilities:		
Current	Current portion of obligations under operating leases	\$ 3,688,980
Long-term	Obligations under operating leases, less current portion	16,553,282
Total operating lease liabilities		20,242,262
Finance lease liabilities:		
Current	Current portion of obligations under finance leases	514,647
Long-term	Obligations under finance leases, less current portion	5,706,592
Total finance lease liabilities		6,221,239
Total lease liabilities		\$ 26,463,501

The following table presents the components of lease expense, which is recorded within purchased services in the consolidated statements of operations and changes in net assets for the year ended June 30, 2023:

		2023
Finance lease expense:		
Amortization of ROU assets		\$ 514,070
Interest on lease liabilities		166,524
Operating lease expense		3,975,895
Variable and short-term lease expense		1,805,543
Total lease expenses		\$ 6,462,032

The weighted average lease term and discount rate for operating and finance leases as of June 30, 2023 are as follows:

		2023
Weighted average remaining lease term for operating leases (years)		7.5
Weighted average remaining lease term for finance leases (years)		14.2
Weighted average discount rate for operating leases		2.88 %
Weighted average discount rate for finance leases		2.99 %

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The following table reconciles the undiscounted cash flows to the operating lease liabilities recorded on the consolidated balance sheet as of June 30, 2023:

	Operating leases	Finance leases
2024	\$ 4,213,240	686,628
2025	3,954,022	409,479
2026	2,271,345	421,334
2027	2,143,185	433,545
2028	1,887,551	446,121
2029 and thereafter	8,100,062	5,338,878
Total future minimum lease payments	22,569,405	7,735,985
Less amount of lease payments representing interest	(2,327,143)	(1,514,746)
Present value of future minimum lease payments	20,242,262	6,221,239
Less current obligations under leases	(3,688,980)	(514,647)
Long-term lease obligations	\$ 16,553,282	5,706,592

The following is a schedule of the future minimum lease payments under operating leases as of June 30, 2022 that have initial or remaining lease terms in excess of one year for each of the years ending June 30:

2023	\$ 2,534,084
2024	2,233,875
2025	1,955,475
2026	1,386,373
2027	1,022,134
Thereafter	3,481,493
Total minimum lease payments	\$ 12,613,434

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The following is a schedule of future minimum lease payments under finance leases as of June 30, 2022:

2023	\$	1,049,203
2024		726,696
2025		395,166
2026		407,021
2027		419,231
Thereafter		<u>431,808</u>
Total minimum lease payments		3,429,125
Less amount representing interest		<u>397,703</u>
Present value of net minimum lease payments		3,031,422
Less obligations under finance leases, current portion		<u>908,553</u>
Obligations under finance leases, less current portion	\$	<u><u>2,122,869</u></u>

(11) Self-insurance-Programs and Litigation

Foundation is from time to time subject to claims and suits arising in the ordinary course of business. In the opinion of management, the ultimate resolution of pending legal proceedings will not have a material effect on the consolidated financial statements. In this regard, Foundation maintains a self-insurance program for professional liability claims, and a related trust fund has been established for the purpose of setting aside assets based on actuarial funding recommendations. Under the trust agreement, the assets can only be used for the payment of professional and general liability claims, related expenses, and the cost of administering the trust. Certain claims made based professional and occurrence based general liability insurance coverages have been purchased to provide protection for claims in excess of the self-insured amounts. The assets of the trust are classified as investments limited as to use in the accompanying consolidated balance sheets in the amount of approximately \$79,000 and \$319,000 at June 30, 2023 and 2022, respectively. The related claims liabilities of approximately \$3,590,000 and \$2,995,000 as of June 30, 2023 and 2022, respectively, are recorded in current and long-term self-insurance liabilities on an undiscounted basis and represent estimates for asserted claims and unasserted claims arising from reported incidents and unreported incidents. Management believes that the provision for loss is adequate at June 30, 2023 and 2022; however, the ultimate liability may differ significantly. Management is aware of certain asserted and unasserted legal claims, none of which, in the opinion of management, are expected to result in losses in excess of insurance limits.

Health System and Physicians are also self-insured for unemployment claims and have established a letter of credit arrangement of approximately \$987,000 and \$1,194,000 for 2023 and 2022, respectively, in accordance with the requirements of the Maryland Department of Employment and Training.

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Also, Foundation is self-insured for workers' compensation claims up to \$550,000 for both 2023 and 2022. Investments of approximately \$5,100,000 and \$5,100,000 at both June 30, 2023 and 2022, respectively, are being held in an account at a financial institution to secure the payment of claims. These investments are included in the balance of investments limited or restricted as to use. The related liabilities of approximately \$4,659,000 and \$4,867,000 as of June 30, 2023 and 2022, respectively, are recorded in current and long-term self-insurance liabilities in the accompanying consolidated balance sheets. Foundation records outstanding losses and loss expenses for workers' compensation liability claims based on the estimates of the amount of reported losses together with a provision for losses incurred but not reported, the recommendations of an independent actuary, and management's judgment using its past experience and industry experience.

Foundation offers employees a self-insured health plan. Foundation maintains an accrual for claims that have been incurred but not reported to the plan administrator. The accrued liability for claims incurred but not reported is based on the historical claim lag period and current payment trends of health insurance claims. The accrued liability for health claims is approximately \$3,667,000 and \$2,883,000, respectively, as of June 30, 2023 and 2022, and recorded in current self-insurance liabilities in the accompanying consolidated balance sheets.

While management believes that the provision for self-insurance claims is adequate, at June 30, 2023 and 2022, the ultimate liabilities may be significantly different from the estimates.

Sheppard Pratt created Sheppard Pratt Assurance Company for the principal activity of primary professional liability and general liability coverage, to the Company and its subsidiaries, employed physicians, and affiliates. The primary policy for medical professional liability is limited to \$3,000,000 each loss event, primary policy for general liability is limited to \$1,000,000 for each loss event, subject to an annual aggregate of \$3,000,000. The Company issued a policy to cover Excess Umbrella Liability which will provide \$25,000,000 limits of liability excess of scheduled underlying coverages. The Excess Umbrella Liability coverage is 100% reinsured with carriers that are A.M. Best rated A- or better.

(12) Rate Setting Matters and Business and Credit Concentrations

Foundation provides healthcare services through its inpatient and outpatient care facilities located throughout Maryland. Foundation grants credit to patients and 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/Blue Shield, health maintenance organizations (HMOs), and commercial insurance policies).

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Revenues from contracts with customers by line of business are as follows for the years ended:

	<u>2023</u>	<u>2022</u>
Hospital and physician services	\$ 185,490,474	153,872,336
Adolescent residential treatment centers	33,290,973	30,213,317
Special education	54,954,802	53,086,706
Community services	<u>100,878,868</u>	<u>91,070,921</u>
Total revenue from contract with customers	374,615,117	328,243,280
Other nonpatient care	<u>83,015,242</u>	<u>72,245,774</u>
Total operating revenue	<u>\$ 457,630,359</u>	<u>400,489,054</u>

The mix of receivables and total net service revenue from patients and third parties as of June 30, 2023 and 2022 was as follows:

	<u>Accounts receivable</u>		<u>Revenue</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Medicare	8 %	10 %	7 %	6 %
Medicaid	24	39	50	46
Commercial insurers and HMO's	23	14	14	14
Local government	20	18	15	15
Blue Cross/Blue Shield	7	6	9	10
Self-pay and other	<u>18</u>	<u>13</u>	<u>5</u>	<u>9</u>
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Foundation accepts all patients covered by the Medicare and Medicaid programs. These programs reimburse Foundation at amounts less than charges. The difference between the charges for healthcare services and the related reimbursement amounts for these and other third-party payors are recorded as a reduction of revenues.

Patient charges of the Health System (other than Medicare and Medicaid) are recorded at rates established by the State of Maryland Health Services Cost Review Commission (HSCRC), reviewed on an annual basis and adjusted prospectively giving effect to, among other things, the anticipated impact of inflation on operating expenses, variances between actual volume of patient services and the volume budgeted for such services, and variances between actual unit rates and approved unit rates during the previous rate year. Such rate adjustments are reflected in revenue of Health System in the subsequent rate year, which coincides with Health System's fiscal year.

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The Foundation is reimbursed for certain services to their Medicare and Medicaid program beneficiaries based upon cost reimbursement methodologies. The Maryland Medicaid program's inpatient reimbursement methodology is a prospective payment system, which is set at 94% of HSCRC rates. Medicaid outpatient services continue to be reimbursed on a cost report basis. Effective July 1, 2005, the Medicare program changed its reimbursement methodology to a prospective payment system. Health System has received either the final settlement or the notice of final settlement on Medicare cost reports through June 30, 2018, and on Medicaid cost reports for all programs through June 30, 2018. As of June 30, 2023 and 2022, the Company has recorded third-party payor settlements receivable of \$7,261,077.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount. Management periodically reviews recorded amounts receivable from or payable to third party payors and may adjust these balances as new information becomes available. In addition, revenue received under certain third party agreements are subject to audit.

During 2023 and 2022, some of Foundation's prior year third party cost reports were audited and settled, or tentatively settled, by third party payors. Adjustments resulting from such audits and management reviews of unaudited years and open claims are reflected as adjustments to revenue in the year the adjustment becomes known. The effect of these adjustments was to increase patient service revenue by approximately \$0 and \$1,047,000 during the years ended June 30, 2023 and 2022, respectively. Although certain other prior year cost reports submitted to third party payors remain subject to audit and retroactive adjustment, management does not expect any material adverse settlements.

(13) Functional Expenses

Members of Foundation provide healthcare, educational, and residential and psychiatric rehabilitative services to the communities they serve. Expenses related to providing these services, based on management's estimates of expense allocations, are as follows for the years ended June 30, 2023 and 2022:

	2023									
	Program services								Supporting services	Total
	Healthcare services	Residential services	Education services	Rehabilitation and recovery	Community treatment	Families and communities	Community development	Program services		
Salaries and wages	\$ 88,348,077	14,205,948	31,874,772	41,723,087	20,360,017	13,717,816	12,670,834	222,900,551	37,641,615	260,542,166
Employee benefits	15,446,462	2,550,539	6,230,949	8,215,533	3,855,701	2,605,523	2,672,456	41,577,163	6,524,546	48,101,709
Expendable supplies	6,549,040	850,745	1,170,625	3,570,437	204,795	759,606	816,745	13,921,993	1,225,838	15,147,831
Purchased services	21,291,569	2,419,907	5,934,089	14,724,859	2,278,079	3,472,474	3,434,113	53,555,090	36,941,886	90,496,976
Interest	4,293,682	501,500	132,494	149,410	19,550	61,685	—	5,158,321	227,187	5,385,508
Repairs and maintenance	3,204,216	406,088	567,584	1,651,683	149,726	60,816	91,707	6,131,820	1,168,902	7,300,722
Depreciation, amortization, and impairment	13,871,529	1,716,495	1,414,099	2,789,820	465,808	190,198	67,711	20,515,660	5,440,907	25,956,567
	<u>\$ 153,004,575</u>	<u>22,651,222</u>	<u>47,324,612</u>	<u>72,824,829</u>	<u>27,333,676</u>	<u>20,868,118</u>	<u>19,753,566</u>	<u>363,760,598</u>	<u>89,170,881</u>	<u>452,931,479</u>

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	2022									Total
	Program services							Program services	Supporting services	
	Healthcare services	Residential services	Education services	Rehabilitation and recovery	Community treatment	Families and communities	Community development			
Expenses:										
Salaries and wages	\$ 91,367,412	12,122,930	28,512,501	37,664,933	16,079,571	10,277,398	11,644,371	207,669,116	32,540,902	240,210,018
Employee benefits	12,329,000	1,772,257	6,071,978	7,068,107	2,760,269	2,723,984	2,372,571	35,098,166	8,056,579	43,154,745
Expendable supplies	6,830,752	257,623	1,016,092	2,787,959	86,345	673,139	653,106	12,305,016	1,274,233	13,579,249
Purchased services	30,592,873	1,237,493	4,870,558	11,499,194	2,186,797	3,531,058	3,630,773	57,548,746	24,004,646	81,553,392
Interest	4,817,805	—	115,798	155,176	7,836	40,404	—	5,137,019	482,997	5,620,016
Repairs and maintenance	157,308	65,053	541,798	1,703,567	188,373	87,144	87,727	2,830,970	5,259,723	8,090,693
Depreciation, amortization, and impairment	10,998,232	232,489	1,680,952	2,655,281	475,773	58,139	60,157	16,161,023	9,023,382	25,184,405
	<u>\$ 157,093,382</u>	<u>15,687,845</u>	<u>42,809,677</u>	<u>63,534,217</u>	<u>21,784,964</u>	<u>17,391,266</u>	<u>18,448,705</u>	<u>336,750,056</u>	<u>80,642,462</u>	<u>417,392,518</u>

(14) Certain Significant Risks and Uncertainties

Foundation provides psychiatric healthcare services in the State of Maryland. Foundation and other healthcare providers 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
- Lawsuits alleging malpractice or other claims

Such inherent risks require the use of certain management estimates in the preparation of Foundation'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 Foundation's revenues and Foundation'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 Foundation.

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

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments, and the government has aggressively increased enforcement of Medicare and Medicaid anti-fraud and abuse laws. Foundation's compliance with these laws and regulations is subject to periodic governmental review, which could result in enforcement actions unknown or unasserted at this time. The federal government and many states have aggressively increased enforcement under Medicare and Medicaid anti-fraud 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

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federal government and many states have implemented programs to audit and recover potential overpayments to providers from the Medicare and Medicaid programs.

As a result of recently enacted and pending federal healthcare reform legislation, substantial changes are anticipated in the U.S. healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement to healthcare providers and the legal obligations of health insurers, providers, and employers. These provisions are currently slated to take effect at specified times over the next decade.

(15) Endowment Net Assets

Foundation's endowments consist of both individual donor restricted funds established for a variety of purposes and funds designated by the Board of Trustees to function as endowments. 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

Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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, Foundation classifies its permanently restricted net assets as (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 that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, Foundation 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 Foundation and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of Foundation
- (7) The investment policies of Foundation

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(b) Net Asset Classification by Type of Endowment as of June 30, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	4,401,987	4,401,987
Board-designated endowment funds	148,129,687	—	148,129,687
	<u>\$ 148,129,687</u>	<u>4,401,987</u>	<u>152,531,674</u>

Changes in endowment net assets for the year ended June 30, 2023:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 146,119,751	4,283,062	150,402,813
Investment return:			
Net investment expense	(388,351)	—	(388,351)
Net depreciation (realized and unrealized gain and losses)	7,616,895	8,925	7,625,820
Total investment return	7,228,544	8,925	7,237,469
Contributions	—	150,000	150,000
Appropriation of endowment assets for expenditure	(5,218,608)	(40,000)	(5,258,608)
	<u>\$ 148,129,687</u>	<u>4,401,987</u>	<u>152,531,674</u>

(c) Net Asset Classification by Type of Endowment as of June 30, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	4,283,062	4,283,062
Board-designated endowment funds	146,119,751	—	146,119,751
	<u>\$ 146,119,751</u>	<u>4,283,062</u>	<u>150,402,813</u>

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Changes in endowment net assets for the year ended June 30, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 162,403,030	4,265,617	166,668,647
Investment return:			
Investment income	509,783	—	509,783
Net depreciation (realized and unrealized gain and losses)	<u>(11,468,386)</u>	<u>(83,605)</u>	<u>(11,551,991)</u>
Total investment return	(10,958,603)	(83,605)	(11,042,208)
Contributions	—	101,050	101,050
Appropriation of endowment assets for expenditure	<u>(5,324,676)</u>	<u>—</u>	<u>(5,324,676)</u>
	<u>\$ 146,119,751</u>	<u>4,283,062</u>	<u>150,402,813</u>

(d) 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 SPMIFA requires Foundation to retain as a fund of perpetual duration as a result of unfavorable market fluctuations. During the years ended June 30, 2023 and 2022, the fair value did not fall below the specified amounts.

(e) Investment Strategies

Foundation 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 Foundation 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. Foundation 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, Foundation 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). Foundation employs a diversified asset allocation structure to achieve its long-term return objectives within prudent risk constraints.

Foundation monitors the endowment funds returns and appropriates average returns for use. In establishing this practice, Foundation considered the long-term expected return on its endowment. This is consistent with Foundation'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.

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(16) Liquidity

Foundation funds its operations through cash and investments. Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and Sheppard and Enoch Pratt Foundation, Inc has access to variable rate lines of credit in the amount of \$30,000,000 less \$7,900,000 used for the letters of credit referenced in note 8 to support liquidity.

Foundation's endowment funds consist of donor and board restricted endowments. Donor restricted endowments are restricted for specific purposes and, therefore, are not available for general expenditure. While it is not the intent of Foundation to utilize board restricted endowments to fund operations (other than spending policy), these funds, amounting to approximately \$167,600,000, could be available to fund operations if needed. Foundation has an endowment spending rate policy of 4%. Approximately \$5,300,000 of appropriations from this endowment will be available within the next 12 months to support liquidity.

The following is a reconciliation of current financial assets as of June 30, 2023 to financial assets available to fund general expenditures for the following fiscal year. General expenditures include all programmatic and supporting operating expenses.

	2023	2022
Financial assets at year end:		
Current assets:		
Cash	\$ 66,783,376	69,460,209
Investments limited or restricted as to use	1,007,798	2,280,719
Accounts receivable, net	44,256,366	43,451,051
Prepaid expenses and other current assets	10,152,189	8,457,378
Total current assets	122,199,729	123,649,357
Other:		
Investments	12,608,783	12,586,936
Borrowings available under lines of credit	22,100,000	24,900,000
Subtotal	156,908,512	161,136,293
Less assets unavailable for general expenditures within one year:		
Investments limited or restricted as to use	(1,007,798)	(2,280,719)
Prepaid expenses	(8,370,964)	(6,784,173)
Financial assets available to meet cash needs for general expenditures within one year	\$ 147,529,750	152,071,401

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(17) Subsequent Events

Foundation has evaluated all events and transactions from the balance sheet date through October 27, 2023, the date at which the consolidated financial statements are available to be issued. The Foundation did not have any material recognizable subsequent events during the period.

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SUPPLEMENTARY INFORMATION

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Consolidating Balance Sheet Information

June 30, 2023

Assets	Obligated group					Combined Obligated Group subtotal	Sheppard Pratt Properties, LLC	Eliminations	Subtotal
	Sheppard Pratt Health System, Inc.	Sheppard Pratt Physicians, P.A.	Sheppard Pratt Investment, Inc.	Sheppard and Enoch Pratt Foundation, Inc.	Obligated Group combining eliminations				
Current assets:									
Cash	\$ 23,176,245	725,698	—	1,501,794	—	25,403,737	1,548,886	—	26,952,623
Investments limited or restricted as to use	—	—	—	994,982	—	994,982	—	—	994,982
Accounts receivable, net	25,504,447	1,999,635	—	—	—	27,504,082	—	—	27,504,082
Due from affiliates	23,476,743	6,435,279	326	26,642	(6,244,792)	23,694,198	33,836	(3,272,211)	20,455,823
Prepaid expenses and other current assets	7,731,660	—	(19,803)	—	—	7,711,857	—	—	7,711,857
Total current assets	79,889,095	9,160,612	(19,477)	2,523,418	(6,244,792)	85,308,856	1,582,722	(3,272,211)	83,619,367
Investments limited or restricted as to use, less current portion	40,363,393	—	146,976,335	11,769,101	(10,423,246)	188,685,583	—	(11,687,293)	176,998,290
Property and equipment, net	265,243,875	—	—	—	—	265,243,875	13,403,825	—	278,647,700
Third-party payor settlements receivable	7,261,077	—	—	—	—	7,261,077	—	—	7,261,077
Right of use assets	8,551,119	—	—	—	—	8,551,119	—	—	8,551,119
Other assets	603,452	—	1,449,399	—	—	2,052,851	—	—	2,052,851
Total assets	\$ 401,912,011	9,160,612	148,406,257	14,292,519	(16,668,038)	557,103,361	14,986,547	(14,959,504)	557,130,404
Liabilities and Net Assets									
Current liabilities:									
Current maturities of long-term debt	\$ 4,540,000	—	—	—	—	4,540,000	113,299	—	4,653,299
Current portion of obligations under finance leases	514,647	—	—	—	—	514,647	—	—	514,647
Current portion of obligations under operating leases	1,487,304	—	—	—	—	1,487,304	—	—	1,487,304
Accounts payable	6,281,890	38,145	—	—	—	6,320,035	480	—	6,320,515
Accrued salaries, wages, and employee benefits	18,745,325	2,866,386	—	—	—	21,611,711	—	—	21,611,711
Accrued pension liabilities	—	—	—	—	—	—	—	—	—
Due to affiliates	459,029	6,589,012	98,156	451,163	(6,244,792)	1,352,568	3,238,376	(3,272,211)	1,318,733
Self-insurance liabilities	5,537,187	302,139	—	—	—	5,839,326	—	—	5,839,326
Other accrued expenses	7,540,073	1,015,996	178,414	—	—	8,734,483	107,295	—	8,841,778
Total current liabilities	45,105,455	10,811,678	276,570	451,163	(6,244,792)	50,400,074	3,459,450	(3,272,211)	50,587,313
Long-term liabilities:									
Long-term debt, less current portion	151,315,890	—	—	—	—	151,315,890	1,603,233	—	152,919,123
Obligations under finance leases, less current portion	5,706,592	—	—	—	—	5,706,592	—	—	5,706,592
Obligations under operating leases, less current portion	8,049,293	—	—	—	—	8,049,293	—	—	8,049,293
Self-insurance liabilities	3,913,634	—	—	—	—	3,913,634	—	—	3,913,634
Other long-term liabilities	—	—	—	114,249	—	114,249	—	—	114,249
Total liabilities	214,090,864	10,811,678	276,570	565,412	(6,244,792)	219,499,732	5,062,683	(3,272,211)	221,290,204
Net assets (deficit):									
Without donor restrictions	177,397,901	(1,651,066)	148,129,687	2,980,140	—	326,856,662	9,923,864	(11,687,293)	325,093,233
With donor restrictions	10,423,246	—	—	10,746,967	(10,423,246)	10,746,967	—	—	10,746,967
Total net assets (deficit)	187,821,147	(1,651,066)	148,129,687	13,727,107	(10,423,246)	337,603,629	9,923,864	(11,687,293)	335,840,200
Total liabilities and net assets	\$ 401,912,011	9,160,612	148,406,257	14,292,519	(16,668,038)	557,103,361	14,986,547	(14,959,504)	557,130,404

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June 30, 2023

Assets	Mosaic Community Services, Inc.						Total Mosaic Community Services, Inc.	Family Services Inc.	Way Station, Inc.	Consolidating eliminations	Consolidated totals
	Mosaic Community Services, Inc.	Alliance	Behavioral Health Partners	DuCHoDo	ReCHoDo	Eliminations					
Current assets:											
Cash	\$ 5,137,403	7,689,410	4,780,953	46,259	20,842	—	17,674,867	7,498,959	14,656,927	—	66,783,376
Investments limited or restricted as to use	—	—	—	—	—	—	—	—	12,816	—	1,007,798
Accounts receivable, net	3,847,370	4,339,898	(65,187)	—	—	—	8,122,081	6,209,292	2,420,911	—	44,256,366
Due from affiliates	8,116,940	3,746,278	—	294,485	4,004	(7,460,007)	4,701,700	834,252	2,450,167	(28,441,942)	—
Prepaid expenses and other current assets	1,103,990	130,233	10,469	—	—	—	1,244,692	407,215	788,425	—	10,152,189
Total current assets	18,205,703	15,905,819	4,726,235	340,744	24,846	(7,460,007)	31,743,340	14,949,718	20,329,246	(28,441,942)	122,199,729
Investments limited or restricted as to use, less current portion	4,896,735	—	—	—	—	—	4,896,735	44,000	8,188,661	—	190,127,686
Property and equipment, net	14,428,687	3,141,642	31,897	234,969	829,513	—	18,666,708	10,026,500	26,440,670	—	333,781,578
Third-party payor settlements receivable	—	—	—	—	—	—	—	—	—	—	7,261,077
Right of use assets	5,461,942	500,565	166,747	—	—	—	6,129,254	2,498,552	1,615,868	—	18,794,793
Other assets	577,761	226,114	—	—	142,136	—	946,011	—	3,265,413	—	6,264,275
Total assets	\$ 43,570,828	19,774,140	4,924,879	575,713	996,495	(7,460,007)	62,382,048	27,518,770	59,839,858	(28,441,942)	678,429,138
Liabilities and Net Assets											
Current liabilities:											
Current maturities of long-term debt	\$ 483,411	72,573	—	—	301,198	—	857,182	4,721,109	620,168	—	10,851,758
Current portion of obligations under finance leases	—	—	—	—	—	—	—	—	—	—	514,647
Current portion of obligations under operating leases	649,161	246,598	122,065	—	—	—	1,017,824	929,074	254,778	—	3,688,980
Accounts payable	1,164,774	213,857	12,681	4,074	13,515	—	1,408,901	393,822	810,144	—	8,933,382
Accrued salaries, wages, and employee benefits	3,197,525	227,995	—	—	—	—	3,425,520	2,399,608	3,001,027	—	30,437,866
Accrued pension liabilities	—	—	—	—	—	—	—	—	—	—	—
Due to affiliates	7,965,850	1,441,762	8,625,247	788,253	2,511,163	(7,460,007)	13,822,268	2,986,928	10,314,013	(28,441,942)	—
Self-insurance liabilities	372,217	1,500	—	—	—	—	373,717	283,450	577,920	—	7,074,413
Other accrued expenses	1,834,791	1,451,584	31,868	3,413	4,653	—	3,326,309	2,591,763	2,840,932	—	17,600,782
Total current liabilities	15,667,729	3,655,869	8,791,861	745,740	2,830,529	(7,460,007)	24,231,721	14,305,754	18,418,982	(28,441,942)	79,101,828
Long-term liabilities:											
Long-term debt, less current portion	1,226,706	536,108	—	400,000	78,219	—	2,241,033	—	2,642,232	—	157,802,388
Obligations under finance leases, less current portion	—	—	—	—	—	—	—	—	—	—	5,706,592
Obligations under operating leases, less current portion	5,127,800	260,265	44,583	—	—	—	5,432,648	1,687,134	1,384,207	—	16,553,282
Self-insurance liabilities	248,147	—	—	—	—	—	248,147	18,353	660,554	—	4,840,688
Other long-term liabilities	295,853	763,465	—	—	172,472	—	1,231,790	100,000	3,393,616	—	4,839,655
Total liabilities	22,566,235	5,215,707	8,836,444	1,145,740	3,081,220	(7,460,007)	33,385,339	16,111,241	26,499,591	(28,441,942)	268,844,433
Net assets:											
Without donor restrictions	20,669,302	10,546,056	(3,911,565)	(570,027)	(2,084,725)	—	24,649,041	8,910,678	24,710,660	—	383,363,612
With donor restrictions	335,291	4,012,377	—	—	—	—	4,347,668	2,496,851	8,629,607	—	26,221,093
Total net assets (deficit)	21,004,593	14,558,433	(3,911,565)	(570,027)	(2,084,725)	—	28,996,709	11,407,529	33,340,267	—	409,584,705
Total liabilities and net assets	\$ 43,570,828	19,774,140	4,924,879	575,713	996,495	(7,460,007)	62,382,048	27,518,770	59,839,858	(28,441,942)	678,429,138

See accompanying independent auditors' report.

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidating Statement of Operations Information
Year ended June 30, 2023

	Obligated group					Combined Obligated Group subtotal	Sheppard Pratt Properties, LLC	Eliminations	Subtotal
	Sheppard Pratt Health System, Inc.	Sheppard Pratt Physicians, P.A.	Sheppard Pratt Investment, Inc.	Sheppard and Enoch Pratt Foundation, Inc.	Obligated Group combining eliminations				
Revenues, gains, and other support:									
Patient service revenue (net of allowances and discounts)	\$ 173,842,203	11,648,271	—	—	—	185,490,474	—	—	185,490,474
Residential and educational service revenue (net of allowances)	88,245,775	—	—	—	—	88,245,775	—	—	88,245,775
Net service revenue	262,087,978	11,648,271	—	—	—	273,736,249	—	—	273,736,249
Net assets released from restrictions used for operations	1,995,787	2,400	—	—	—	1,998,187	—	—	1,998,187
Intercorporate revenue	355,181	—	—	—	(114,043)	241,138	171,572	(171,572)	241,138
Other revenue	18,065,947	836,325	—	186,222	—	19,088,494	504,016	—	19,592,510
Total revenues, gains, and other support	282,504,893	12,486,996	—	186,222	(114,043)	295,064,068	675,588	(171,572)	295,568,084
Expenses:									
Salaries and wages	156,644,894	11,750,601	—	—	—	168,395,495	—	—	168,395,495
Employee benefits	27,375,146	1,847,191	—	—	—	29,222,337	—	—	29,222,337
Expendable supplies	9,010,858	3,565	—	—	—	9,014,423	37	—	9,014,460
Purchased services	60,495,466	1,975,121	32,570	11,401	—	62,514,558	148,702	—	62,663,260
Intercorporate charges	(8,158,259)	(511,582)	—	—	(114,043)	(8,783,884)	—	(171,572)	(8,955,456)
Interest	4,930,275	—	—	—	—	4,930,275	51,483	—	4,981,758
Repairs and maintenance	4,629,499	163	—	—	—	4,629,662	(39,162)	—	4,590,500
Depreciation and amortization	20,570,398	4,827	—	—	—	20,575,225	476,058	—	21,051,283
Total expenses	275,498,277	15,069,886	32,570	11,401	(114,043)	290,498,091	637,118	(171,572)	290,963,637
Operating income (loss)	7,006,616	(2,582,890)	(32,570)	174,821	—	4,565,977	38,470	—	4,604,447
Other (expense) income:									
Investment income	(21,680)	—	(388,351)	128	—	(409,903)	—	—	(409,903)
Realized gains on investments, net	191,918	—	1,042,653	—	—	1,234,571	—	—	1,234,571
Loss related to pension settlement	(54,220,883)	—	—	—	—	(54,220,883)	—	—	(54,220,883)
Unrealized gains on investments, net	621,252	—	6,612,742	—	—	7,233,994	—	—	7,233,994
Other	(2,459,626)	—	(5,930)	300,000	—	(2,165,556)	—	—	(2,165,556)
Total other (expense) income	(55,889,019)	—	7,261,114	300,128	—	(48,327,777)	—	—	(48,327,777)
Deficiency of revenues over expenses	(48,882,403)	(2,582,890)	7,228,544	474,949	—	(43,761,800)	38,470	—	(43,723,330)
Other changes in net assets:									
Net assets released from restrictions used for purchases of property and equipment	733,368	—	—	—	—	733,368	—	—	733,368
Transfer (to) from affiliates	7,591,561	(2,372,953)	(5,218,608)	—	—	—	(950,449)	950,449	—
Pension liability adjustment	50,372,249	—	—	—	—	50,372,249	—	—	50,372,249
Capital grants and other	3,208,110	—	—	—	—	3,208,110	—	—	3,208,110
Reclassification	—	—	—	—	—	—	—	—	—
Increase (decrease) in net assets without donor	\$ 13,022,885	(4,955,843)	2,009,936	474,949	—	10,551,927	(911,979)	950,449	10,590,397

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidating Statement of Operations Information
Year ended June 30, 2023

	Mosaic Community Services, Inc.						Total Mosaic Community Services, Inc.	Family Services Inc.	Way Station, Inc.	Consolidating eliminations	Consolidated totals
	Mosaic Community Services, Inc.	Alliance	Behavioral Health Partners	DuCHoDo	ReCHoDo	Eliminations					
Revenues, gains, and other support:											
Patient service revenue (net of allowances and discounts)	\$ —	—	—	—	—	—	—	—	—	—	185,490,474
Residential and educational service revenue (net of allowances)	42,844,678	1,588,471	8,400,479	—	—	—	52,833,628	12,069,023	35,976,217	—	189,124,643
Net service revenue	42,844,678	1,588,471	8,400,479	—	—	—	52,833,628	12,069,023	35,976,217	—	374,615,117
Net assets released from restrictions used for operations	11,619	—	—	—	—	—	11,619	19,797	9,600	—	2,039,203
Intercorporate revenue	207,315	212,489	—	—	—	(419,804)	—	343,612	—	(584,750)	—
Other revenue	7,705,816	21,890,082	50,590	97,710	293,430	—	30,037,628	25,143,712	6,202,189	—	80,976,039
Total revenues, gains, and other support	50,769,428	23,691,042	8,451,069	97,710	293,430	(419,804)	82,882,875	37,576,144	42,188,006	(584,750)	457,630,359
Expenses:											
Salaries and wages	25,296,203	13,644,378	6,467,954	—	—	—	45,408,535	20,693,396	26,044,740	—	260,542,166
Employee benefits	5,028,423	2,895,841	1,221,562	—	—	—	9,145,826	3,775,126	5,958,420	—	48,101,709
Expendable supplies	2,538,086	812,308	18,931	492	446	—	3,370,263	1,388,522	1,374,586	—	15,147,831
Purchased services	11,460,833	3,839,679	446,412	40,162	160,678	—	15,947,764	7,162,491	4,723,461	—	90,496,976
Intercorporate charges	1,592,130	3,203,378	1,229,776	77,993	214,413	(419,804)	5,897,886	1,908,093	1,734,227	(584,750)	—
Interest	78,536	—	—	—	10,703	—	89,239	200,057	114,454	—	5,385,508
Repairs and maintenance	805,914	147,038	47,547	14,207	28,176	—	1,042,882	243,366	1,423,974	—	7,300,722
Depreciation and amortization	2,200,622	176,606	7,723	21,979	86,622	—	2,493,552	771,447	1,640,285	—	25,956,567
Total expenses	49,000,747	24,719,228	9,439,905	154,833	501,038	(419,804)	83,395,947	36,142,498	43,014,147	(584,750)	452,931,479
Operating income (loss)	1,768,681	(1,028,186)	(988,836)	(57,123)	(207,608)	—	(513,072)	1,433,646	(826,141)	—	4,698,880
Other (expense) income:											
Investment income	—	—	—	—	—	—	—	—	(20,590)	—	(430,493)
Realized gains on investments, net	—	—	—	—	—	—	—	—	55,278	—	1,289,849
Loss related to pension settlement	—	—	—	—	—	—	—	—	—	—	(54,220,883)
Unrealized gains on investments, net	141,070	—	—	—	—	—	141,070	—	350,572	—	7,725,636
Other	120,513	—	—	—	—	—	120,513	—	90,078	—	(1,954,965)
Total other (expense) income	261,583	—	—	—	—	—	261,583	—	475,338	—	(47,590,856)
Deficiency of revenues over expenses	2,030,264	(1,028,186)	(988,836)	(57,123)	(207,608)	—	(251,489)	1,433,646	(350,803)	—	(42,891,976)
Other changes in net assets:											
Net assets released from restrictions used for purchases of property and equipment	—	—	—	—	—	—	—	—	—	—	733,368
Transfer (to) from affiliates	258,272	80,698	768,673	—	—	—	1,107,643	(157,771)	(949,872)	—	—
Pension liability adjustment	—	—	—	—	—	—	—	—	—	—	50,372,249
Capital grants and other	483,300	—	—	—	—	—	483,300	—	46,706	—	3,738,116
Reclassification	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in net assets without donor	\$ 2,771,836	(947,488)	(220,163)	(57,123)	(207,608)	—	1,339,454	1,275,875	(1,253,969)	—	11,951,757

See accompanying independent auditors' report.

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidating Statement of Changes in Net Assets Information
Year ended June 30, 2023

	Obligated group					Combined Obligated Group subtotal	Sheppard Pratt Properties, LLC	Eliminations	Subtotal
	Sheppard Pratt Health System, Inc.	Sheppard Pratt Physicians, P.A.	Sheppard Pratt Investment, Inc.	Sheppard and Enoch Pratt Foundation, Inc.	Obligated Group combining eliminations				
Net assets without donor restrictions:									
Deficiency of revenues over expenses	\$ (48,882,403)	(2,582,890)	7,228,544	474,949	—	(43,761,800)	38,470	—	(43,723,330)
Other changes in net assets:									
Net assets released from restrictions used for purchases of property and equipment	733,368	—	—	—	—	733,368	—	—	733,368
Transfer (to) from affiliates	7,591,561	(2,372,953)	(5,218,608)	—	—	—	(950,449)	950,449	—
Pension liability adjustment	50,372,249	—	—	—	—	50,372,249	—	—	50,372,249
Capital grants and other	3,208,110	(1)	—	—	—	3,208,109	—	—	3,208,109
Reclassification	—	—	—	—	—	—	—	—	—
Increase (decrease) in net assets without donor	13,022,885	(4,955,844)	2,009,936	474,949	—	10,551,926	(911,979)	950,449	10,590,396
Net assets with donor restrictions:									
Gifts and grants	—	—	—	881,802	—	881,802	—	—	881,802
Investment income	—	—	—	(9,239)	—	(9,239)	—	—	(9,239)
Net realized gains on investments	—	—	—	50,737	—	50,737	—	—	50,737
Net unrealized gains (losses) on investments	—	—	—	319,777	—	319,777	—	—	319,777
Other changes	—	1	(2)	—	—	(1)	(1)	—	(2)
Transfer (to) from affiliates	1,204,745	2,400	—	(2,758,560)	1,524,409	(27,006)	—	—	(27,006)
Net assets released from restrictions for operations	(1,995,787)	(2,400)	—	—	—	(1,998,187)	—	—	(1,998,187)
Net assets released from restrictions for purchases of property and equipment	(733,368)	—	—	—	—	(733,368)	—	—	(733,368)
Reclassification	—	—	—	—	—	—	—	—	—
(Decrease) increase in net assets with donor restrictions	(1,524,410)	1	(2)	(1,515,483)	1,524,409	(1,515,485)	(1)	—	(1,515,486)
Increase(decrease) in net assets	11,498,475	(4,955,843)	2,009,934	(1,040,534)	1,524,409	9,036,441	(911,980)	950,449	9,074,910
Net assets (deficit), beginning of year	176,322,672	3,304,777	146,119,753	14,767,641	(11,947,655)	328,567,188	10,835,844	(12,637,742)	326,765,290
Net assets (deficit), end of year	\$ 187,821,147	(1,651,066)	148,129,687	13,727,107	(10,423,246)	337,603,629	9,923,864	(11,687,293)	335,840,200

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Consolidating Statement of Changes in Net Assets Information

Year ended June 30, 2023

	Mosaic Community Services, Inc.					Total Mosaic Community Services, Inc.	Family Services Inc.	Way Station, Inc.	Consolidating eliminations	Consolidated totals
	Mosaic Community Services, Inc.	Alliance	Behavioral Health Partners	DuCHoDo	ReCHoDo					
Net assets without donor restrictions:										
Deficiency of revenues over expenses	\$ 2,030,264	(1,028,186)	(988,836)	(57,123)	(207,608)	(251,489)	1,433,646	(350,803)	—	(42,891,976)
Other changes in net assets:										
Net assets released from restrictions used for purchases of property and equipment	—	—	—	—	—	—	—	—	—	733,368
Transfer (to) from affiliates	258,272	80,698	768,673	—	—	1,107,643	(157,771)	(949,872)	—	—
Pension liability adjustment	—	—	—	—	—	—	—	—	—	50,372,249
Capital grants and other	483,300	—	—	—	—	483,300	—	46,707	—	3,738,116
Reclassification	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in net assets without donor	2,771,836	(947,488)	(220,163)	(57,123)	(207,608)	1,339,454	1,275,875	(1,253,968)	—	11,951,757
Net assets with donor restrictions:										
Gifts and grants	12,450	—	—	—	—	12,450	9,151	1,964	—	905,367
Investment income	—	—	—	—	—	—	—	—	—	(9,239)
Net realized gains on investments	—	—	—	—	—	—	—	—	—	50,737
Net unrealized gains (losses) on investments	—	—	—	—	—	—	—	—	—	319,777
Other changes	(2)	—	(1)	—	—	(3)	(3)	8	—	—
Transfer (to) from affiliates	11,619	—	—	—	—	11,619	6,369	9,019	—	1
Net assets released from restrictions for operations	(11,619)	—	—	—	—	(11,619)	(19,797)	(9,600)	—	(2,039,203)
Net assets released from restrictions for purchases of property and equipment	—	—	—	—	—	—	—	—	—	(733,368)
Reclassification	—	—	—	—	—	—	—	—	—	—
(Decrease) increase in net assets with donor restrictions	12,448	—	(1)	—	—	12,447	(4,280)	1,391	—	(1,505,928)
Increase(decrease) in net assets	2,784,284	(947,488)	(220,164)	(57,123)	(207,608)	1,351,901	1,271,595	(1,252,577)	—	10,445,829
Net assets (deficit), beginning of year	18,220,309	15,505,921	(8,691,401)	(512,904)	(1,877,117)	27,644,808	10,135,934	34,592,844	—	399,138,876
Net assets (deficit), end of year	\$ 21,004,593	14,558,433	(3,911,565)	(570,027)	(2,084,725)	28,996,709	11,407,529	33,340,267	—	409,584,705

See accompanying independent auditors' report.

**SHEPPARD AND ENOCH PRATT FOUNDATION, INC.
AND SUBSIDIARIES**

Health Department Funding

Year ended June 30, 2023

Way Station, Inc. receives funding from Anne Arundel County Mental Health Agency, Inc. (AACMHA), Frederick County Health Department (FCHD), Howard County Health Department (HCHD), and Washington County Mental Health Authority (WCMHA) for rendering services in Carroll County, Frederick County, Howard County and Washington County Maryland, respectively. Funding received for the year ended June 30, 2023 was as follows:

	AACMHA	FCHD					WCMHA				
		Crisis Response Services F324	Crisis Response Services F828	Crisis Response Services F846	Crisis Response Services F818	Respite Care Services	Specialized Services for Individuals Dually Diagnosed with Mental Illness and Developmental Disability	Specialized Community Residential Placement	Mental Health Services, Residential Crisis Program	Healthy Transitions Initiative	Mental Health Stabilization Services
	Segue										
Total revenue	\$ 224,628	921,158	71,861	23,709	33,649	100,340	151,253	46,165	282,789	123,021	89,978
Total expenses	(224,628)	(921,158)	(71,861)	(23,709)	(33,649)	(100,340)	(179,156)	(62,411)	(282,789)	(123,021)	(89,978)
Change in net assets	\$ —	—	—	—	—	—	(27,903)	(16,246)	—	—	—

See accompanying independent auditors' report.

Public Disclosure Copy

Form **8879-TE**

IRS e-file Signature Authorization for a Tax Exempt Entity

OMB No. 1545-0047

For calendar year 2022, or fiscal year beginning JUL 1, 2022, and ending JUN 30, 2023

2022

Department of the Treasury
Internal Revenue Service

Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879TE for the latest information.

Name of filer SHEPPARD PRATT HEALTH SYSTEM, INC. EIN or SSN 52-0591684

Name and title of officer or person subject to tax KELLY SAVOCA
SVP & CFO

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a	Form 990 check here	<input type="checkbox"/>	b	Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	_____
2a	Form 990-EZ check here	<input type="checkbox"/>	b	Total revenue, if any (Form 990-EZ, line 9)	2b	_____
3a	Form 1120-POL check here	<input type="checkbox"/>	b	Total tax (Form 1120-POL, line 22)	3b	_____
4a	Form 990-PF check here	<input type="checkbox"/>	b	Tax based on investment income (Form 990-PF, Part V, line 5)	4b	_____
5a	Form 8868 check here	<input type="checkbox"/>	b	Balance due (Form 8868, line 3c)	5b	_____
6a	Form 990-T check here	<input type="checkbox"/>	b	Total tax (Form 990-T, Part III, line 4)	6b	_____
7a	Form 4720 check here	<input checked="" type="checkbox"/>	b	Total tax (Form 4720, Part III, line 1)	7b	<u>66,332.</u>
8a	Form 5227 check here	<input type="checkbox"/>	b	FMV of assets at end of tax year (Form 5227, Item D)	8b	_____
9a	Form 5330 check here	<input type="checkbox"/>	b	Tax due (Form 5330, Part II, line 19)	9b	_____
10a	Form 8038-CP check here	<input type="checkbox"/>	b	Amount of credit payment requested (Form 8038-CP, Part III, line 22)	10b	_____

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that I am an officer of the above entity or I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2022 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

I authorize SC&H TAX & ADVISORY SERVICES, LLC to enter my PIN 91684
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax _____

Date _____

Part III Certification and Authentication

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

52344321031

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2022 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature SC&H GROUP, INC. Date 05/07/24

ERO Must Retain This Form - See Instructions

Do Not Submit This Form to the IRS Unless Requested To Do So

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

Form **8879-TE** (2022)

Form **4720**

Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code

OMB No. 1545-0047

(Sections 170(f)(10), 664(c)(2), 4911, 4912, 4941, 4942, 4943, 4944, 4945, 4955, 4958, 4959, 4960, 4965, 4966, 4967, and 4968)

2022

Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form4720 for instructions and the latest information.

For calendar year 2022 or other tax year beginning **JUL 1**, 2022, and ending **JUN 30**, 2023

Name of organization, entity, or person subject to tax

EIN or SSN
52-0591684

SHEPPARD PRATT HEALTH SYSTEM, INC.

Amended return

Number, street, and room or suite no. (or P.O. box if mail is not delivered to street address)

6501 N. CHARLES STREET

Check box for type of annual return:

Form 990 Form 990-EZ

City or town, state or province, country, and ZIP or foreign postal code

BALTIMORE, MD 21204

Form 990-PF Other

Form 5227

A Is the organization a foreign private foundation within the meaning of section 4948(b)?

Yes	No
	X

Show conversion rate to U.S. dollars. See instructions

B Entity (other than the organization) or person subject to tax: Are you required to file Form 4720 with respect to more than one organization in the current tax year? See instructions

	X
--	----------

If "Yes," attach a list showing the name and EIN for each organization with respect to which you will file Form 4720 for the current tax year.

Part I Taxes on Organization (Sections 170(f)(10), 664(c)(2), 4911(a), 4912(a), 4942(a), 4943(a), 4944(a)(1), 4945(a)(1), 4955(a)(1), 4959, 4960(a), 4965(a)(1), 4966(a)(1), and 4968(a))

1	Tax on undistributed income - Schedule B, line 4	1	
2	Tax on excess business holdings - Schedule C, line 7	2	
3	Tax on investments that jeopardize charitable purpose - Schedule D, Part I, column (f)	3	
4	Tax on taxable expenditures - Schedule E, Part I, column (h)	4	
5	Tax on political expenditures - Schedule F, Part I, column (f)	5	
6	Tax on excess lobbying expenditures - Schedule G, line 4	6	
7	Tax on disqualifying lobbying expenditures - Schedule H, Part I, column (e)	7	
8	Tax on premiums paid on personal benefit contracts	8	
9	Tax on being a party to prohibited tax shelter transactions - Schedule J, Part I, column (h)	9	
10	Tax on taxable distributions - Schedule K, Part I, column (f)	10	
11	Tax on a charitable remainder trust's unrelated business taxable income. Attach statement	11	
12	Tax on failure to meet the requirements of section 501(r)(3) - Schedule M, Part II, line 2	12	
13	Tax on excess executive compensation - Schedule N	13	66,332.
14	Tax on net investment income of private colleges and universities - Schedule O	14	
15	Total (add lines 1 - 14)	15	66,332.

Part II Taxes on a Manager, Self-Dealer, Disqualified Person, Donor, Donor Advisor, or Related Person

(Sections 4912(b), 4941(a), 4944(a)(2), 4945(a)(2), 4955(a)(2), 4958(a), 4965(a)(2), 4966(a)(2), and 4967(a))

Name and address of related organization; city or town, state or province, country, ZIP or foreign postal code

Employer identification number

1	Tax on self-dealing - Schedule A, Part II, column (d); and Part III, column (d)	1	
2	Tax on investments that jeopardize charitable purposes - Schedule D, Part II, column (d)	2	
3	Tax on taxable expenditures - Schedule E, Part II, column (d)	3	
4	Tax on political expenditures - Schedule F, Part II, column (d)	4	
5	Tax on disqualifying lobbying expenditures - Schedule H, Part II, column (d)	5	
6	Tax on excess benefit transactions - Schedule I, Part II, column (d); and Part III, column (d)	6	
7	Tax on being a party to prohibited tax shelter transactions - Schedule J, Part II, column (d)	7	
8	Tax on taxable distributions - Schedule K, Part II, column (d)	8	
9	Tax on prohibited benefits - Schedule L, Part II, column (d); and Part III, column (d)	9	
10	Total - Add lines 1 through 9	10	

Part III Tax Payments

1	Total tax (Part I, line 15 or Part II, line 10)	1	66,332.
2	Total payments including amount paid with Form 8868 (see instructions)	2	80,000.
3	Tax due. If line 1 is larger than line 2, enter amount owed (see instructions)	3	
4	Overpayment. If line 1 is smaller than line 2, enter the difference. This is your refund	4	13,668.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 4720 (2022)

SCHEDULE A - Initial Taxes on Self-Dealing (Section 4941)

Part I Acts of Self-Dealing and Tax Computation					
(a) Act number	(b) Date of act	(c) Correction made?		(d) Description of act	
		Yes	No		
1					
2					
3					
4					
5					
(e) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VIII, applicable to the act			(f) Amount involved in act	(g) Initial tax on self-dealer (10% of col. (f))	(h) Tax on foundation managers (if applicable) (lesser of \$20,000 or 5% of col. (f))

Part II Summary of Tax Liability of Self-Dealers and Proration of Payments			
(a) Names of self-dealers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (g), or prorated amount	(d) Self-dealer's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (h), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE B - Initial Tax on Undistributed Income (Section 4942)

1	Undistributed income for years before 2021 (from Form 990-PF for 2022, Part XII, line 6d)	1	
2	Undistributed income for 2021 (from Form 990-PF for 2022, Part XII, line 6e)	2	
3	Total undistributed income at end of current tax year beginning in 2022 and subject to tax under section 4942 (add lines 1 and 2)	3	
4	Tax - Enter 30% of line 3 here and on Part I, line 1	4	

SCHEDULE C - Initial Tax on Excess Business Holdings (Section 4943)

Business Holdings and Computation of Tax

If you have taxable excess holdings in more than one business enterprise, attach a separate schedule for each enterprise. Refer to the instructions for each line item before making any entries.

Name and address of business enterprise

Employer identification number

Form of enterprise (corporation, partnership, trust, joint venture, sole proprietorship, etc.)

	(a) Voting stock (profits interest or beneficial interest)	(b) Value	(c) Nonvoting stock (capital interest)	Yes	No
1 Foundation holdings in business enterprise	1				
2 Permitted holdings in business enterprise	2				
3 Value of excess holdings in business enterprise	3				
4 Value of excess holdings disposed of within 90 days; or, other value of excess holdings not subject to section 4943 tax (attach statement)	4				
5 Taxable excess holdings in business enterprise - line 3 minus line 4	5				
6 Tax - Enter 10% of line 5	6				
7 Total tax - Add amounts on line 6, columns (a), (b), and (c); enter total here and on Part I, line 2	7				
8 Did the organization dispose of excess holdings subject to tax reported on line 6? Attach a statement explaining (i) corrective action taken, or (ii) why corrective action has not been taken.					

SCHEDULE D - Initial Taxes on Investments That Jeopardize Charitable Purpose (Section 4944)

Part I Investments and Tax Computation

(a) Investment number	(b) Date of investment	(c) Correction made?		(d) Description of investment	(e) Amount of investment	(f) Initial tax on foundation (10% of col. (e))	(g) Initial tax on foundation managers (if applicable) - (lesser of \$10,000 or 10% of col. (e))
		Yes	No				
1							
2							
3							
4							
5							
Total - Column (f). Enter here and on Part I, line 3							
Total - Column (g). Enter total (or prorated amount) here and in Part II, column (c), below							

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Investment no. from Part I, col. (a)	(c) Tax from Part I, col. (g), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE E - Initial Taxes on Taxable Expenditures (Section 4945)

Part I Expenditures and Computation of Tax. Table with columns: (a) Item number, (b) Amount, (c) Date paid or incurred, (d) Correction made?, (e) Name and address of recipient, (f) Description of expenditure and purposes for which made, (g) Question number from Form 990-PF, Part VI-B, or Form 5227, Part VIII, applicable to the expenditure, (h) Initial tax imposed on foundation (20% of col. (b)), (i) Initial tax imposed on foundation managers (if applicable) - (lesser of \$10,000 or 5% of col. (b)).

Total - Column (h). Enter here and on Part I, line 4

Total - Column (i). Enter total (or prorated amount) here and in Part II, column (c), below

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments. Table with columns: (a) Names of foundation managers liable for tax, (b) Item no. from Part I, col. (a), (c) Tax from Part I, col. (i), or prorated amount, (d) Manager's total tax liability (add amounts in col. (c) (see instructions)).

SCHEDULE F - Initial Taxes on Political Expenditures (Section 4955)

Part I Expenditures and Computation of Tax. Table with columns: (a) Item number, (b) Amount, (c) Date paid or incurred, (d) Correction made?, (e) Description of political expenditure, (f) Initial tax imposed on organization or foundation (10% of col. (b)), (g) Initial tax imposed on managers (if applicable) (lesser of \$5,000 or 2 1/2% of col. (b)).

Total - Column (f). Enter here and on Part I, line 5

Total - Column (g). Enter total (or prorated amount) here and in Part II, column (c), below

Part II Summary of Tax Liability of Organization Managers or Foundation Managers and Proration of Payments. Table with columns: (a) Names of organization managers or foundation managers liable for tax, (b) Item no. from Part I, col. (a), (c) Tax from Part I, col. (g), or prorated amount, (d) Manager's total tax liability (add amounts in col. (c) (see instructions)).

SCHEDULE G - Tax on Excess Lobbying Expenditures (Section 4911)

1	Excess of grass roots expenditures over grass roots nontaxable amount (from Schedule C (Form 990), Part II-A, column (b), line 1h). (See the instructions before making an entry.)	1
2	Excess of lobbying expenditures over lobbying nontaxable amount (from Schedule C (Form 990), Part II-A, column (b), line 1i). (See the instructions before making an entry.)	2
3	Excess lobbying expenditures - enter the larger of line 1 or line 2	3
4	Tax - Enter 25% of line 3 here and on Part I, line 6	4

SCHEDULE H - Taxes on Disqualifying Lobbying Expenditures (Section 4912)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of lobbying expenditures	(e) Tax imposed on organization (5% of col. (b))	(f) Tax imposed on organization managers (if applicable) - (5% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 7					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers and Proration of Payments			
(a) Names of organization managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c) (see instructions))

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958)

Part I Excess Benefit Transactions and Tax Computation				
(a) Transaction number	(b) Date of transaction	(c) Correction made?		(d) Description of transaction
		Yes	No	
1				
2				
3				
4				
5				
(e) Amount of excess benefit		(f) Initial tax on disqualified persons (25% of col. (e))		(g) Tax on organization managers (if applicable) (lesser of \$20,000 or 10% of col. (e))

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958) Continued

Part II Summary of Tax Liability of Disqualified Persons and Proration of Payments. Table with columns: (a) Names of disqualified persons liable for tax, (b) Trans. no. from Part I, col. (a), (c) Tax from Part I, col. (f), or prorated amount, (d) Disqualified person's total tax liability (add amounts in col. (c) (see instructions)).

Part III Summary of Tax Liability of 501(c)(3), (c)(4) & (c)(29) Organization Managers and Proration of Payments. Table with columns: (a) Names of 501(c)(3), (c)(4) & (c)(29) organization managers liable for tax, (b) Trans. no. from Part I, col. (a), (c) Tax from Part I, col. (g), or prorated amount, (d) Manager's total tax liability (add amounts in col. (c) (see instructions)).

SCHEDULE J - Taxes on Being a Party to Prohibited Tax Shelter Transactions (Section 4965)

Part I Prohibited Tax Shelter Transactions (PTST) and Tax Imposed on the Tax-Exempt Entity (see instructions). Table with columns: (a) Transaction number, (b) Transaction date, (c) Type of transaction (1 - Listed, 2 - Subsequently listed, 3 - Confidential, 4 - Contractual protection), (d) Description of transaction, (e) Did the tax-exempt entity know or have reason to know this transaction was a PTST when it became a party to the transaction? (Yes/No), (f) Net income attributable to the PTST, (g) 75% of proceeds attributable to the PTST, (h) Tax imposed on the tax-exempt entity (see instructions).

Total - Column (h). Enter here and on Part I, line 9

Part II Tax Imposed on Entity Managers (Section 4965) Continued

Table with 4 columns: (a) Name of entity manager, (b) Transaction number from Part I, col. (a), (c) Tax - enter \$20,000 for each transaction listed in col. (b) for each manager in col. (a), (d) Manager's total tax liability (add amounts in col. (c)).

SCHEDULE K - Taxes on Taxable Distributions of Sponsoring Organizations Maintaining Donor Advised Funds (Section 4966). See the instructions.

Part I Taxable Distributions and Tax Computation

Table with 4 columns: (a) Item number, (b) Name of sponsoring organization and donor advised fund, (c) Description of distribution, (d) Date of distribution, (e) Amount of distribution, (f) Tax imposed on organization (20% of col. (e)), (g) Tax on fund managers (lesser of 5% of col. (e) or \$10,000). Includes Total lines for columns (f) and (g).

Part II Summary of Tax Liability of Fund Managers and Proration of Payments

Table with 4 columns: (a) Name of fund managers liable for tax, (b) Item no. from Part I, col. (a), (c) Tax from Part I, col. (g) or prorated amount, (d) Manager's total tax liability (add amounts in col. (c) (see instructions)).

SCHEDULE L - Taxes on Prohibited Benefits Distributed From Donor Advised Funds (Section 4967).

See the instructions.

Part I Prohibited Benefits and Tax Computation		
(a) Item number	(b) Date of prohibited benefit	(c) Description of benefit
1		
2		
3		
4		
5		
(d) Amount of prohibited benefit	(e) Tax on donors, donor advisors, or related persons (125% of col. (d)) (see instructions)	(f) Tax on fund managers (if applicable) (lesser of 10% of col. (d) or \$10,000) (see instructions)

Part II Summary of Tax Liability of Donors, Donor Advisors, Related Persons, and Proration of Payments			
(a) Names of donors, donor advisors, or related persons liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (e) or prorated amount	(d) Donor's, donor advisor's, or related person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Fund Managers and Proration of Payments			
(a) Names of fund managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f) or prorated amount	(d) Fund manager's total tax liability (add amounts in col. (c)) (see instructions)

Schedule M - Tax on Hospital Organization for Failure to Meet the Community Health Needs Assessment Requirements (Sections 4959 and 501(r)(3)). (See instructions.)

Part I Failures to Meet Section 501(r)(3)				
(a) Item number	(b) Name of hospital facility	(c) Description of the failure	(d) Tax year hospital facility last conducted a CHNA	(e) Tax year hospital facility last adopted an implementation strategy
1				
2				
3				
4				
5				

Part II Computation of Tax	
1	Number of hospital facilities operated by the hospital organization that failed to meet the Community Health Needs Assessment requirements of section 501(r)(3) 1
2	Tax - Enter \$50,000 multiplied by line 1 here and on Part I, line 12 2

SCHEDULE N - Tax on Excess Executive Compensation (Section 4960). (See instructions.)

(a) Item number	(b) Name of covered employee	(c) Excess remuneration	(d) Excess parachute payment	(e) Total. Add column (c) and (d)
1	SEE STATEMENT 1			
2				
3				
4				
5				
6	Attachment, if necessary. See instructions			
Total (add column (e) items 1 - 6)				315,868.
Tax. Enter 21% of the amount above here and on Part I, line 13				66,332.

SCHEDULE O - Excise Tax on Net Investment Income of Private Colleges and Universities (Section 4968)

	(a) Name	(b) EIN	(c) Gross investment income (See instructions.)	(d) Capital gain net income	(e) Administrative expenses allocable to income included in cols. (c) and (d)	(f) Net investment income (See instructions.)
1	Filing Organization					
2	Related Organization					
3	Related Organization					
4	Related Organization					
5	Total from attachment, if necessary					
6	Total					
7	Excise Tax on Net Investment Income. Enter 1.4% of the amount in 6(f) here and on Part I, line 14					

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

SVP & CFO

Sign Here

Signature of officer or trustee _____ Title _____ Date _____

Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person _____ Date _____

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
LORI S. BURGHAUSER	LORI S. BURGHAUSER	05/07/24		P00370694
Firm's name	Firm's EIN			41-2069731
SC&H TAX & ADVISORY SERVICES, LLC				
Firm's address	Phone no.		410-403-1500	
910 RIDGEBROOK ROAD SPARKS, MD 21152				

Form 4720 (2022)

Public Disclosure Copy

(A) ITEM NO	(B) NAME OF COVERED EMPLOYEE	(C) EXCESS REMUNERATION	(D) EXCESS PARACHUTE PAYMENT	(E) TOTAL
1	HARSH K. TRIVEDI, M.D.	315,868.		315,868.
TOTAL EXCESS EXECUTIVE COMPENSATION				315,868.

Public Disclosure Copy