

PUBLIC DISCLOSURE COPY

Form **990****Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

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.**2023****Open to Public Inspection**

A For the 2023 calendar year, or tax year beginning <u>07/01</u> , 2023, and ending <u>06/30</u> , 20 <u>24</u>			
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 <u>CALVERTHEALTH MEDICAL CENTER, INC.</u> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>100 HOSPITAL ROAD</u> City or town, state or province, country, and ZIP or foreign postal code <u>PRINCE FREDERICK, MD 20678</u>		D Employer identification number <u>52-0619000</u>
	F Name and address of principal officer: <u>JEREMY BRADFORD</u> <u>SAME AS C ABOVE</u>		E Telephone number <u>(410) 535-4000</u>
	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		G Gross receipts \$ <u>166,336,279</u>
	J Website: <u>WWW.CALVERTHEALTHMEDICINE.ORG</u>		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.
	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: <u>1918</u> M State of legal domicile: <u>MD</u>
H(c) Group exemption number			

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>CALVERTHEALTH MEDICAL CENTER PROVIDES QUALITY INPATIENT AND AMBULATORY HEALTH CARE TO THE PEOPLE OF SOUTHERN MARYLAND THAT IS (CONTINUED ON SCHEDULE O)</u>				
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.				
	3	Number of voting members of the governing body (Part VI, line 1a)	3	<u>19</u>		
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>14</u>		
	5	Total number of individuals employed in calendar year 2023 (Part V, line 2a)	5	<u>1,283</u>		
	6	Total number of volunteers (estimate if necessary)	6	<u>149</u>		
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	<u>305,899</u>		
b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	<u>0</u>			
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	<u>760,182</u>	Current Year	<u>2,955,515</u>
	9	Program service revenue (Part VIII, line 2g)	<u>150,611,547</u>	<u>161,176,933</u>		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>947,111</u>	<u>246,452</u>		
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>2,205,222</u>	<u>1,957,379</u>		
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>154,524,062</u>	<u>166,336,279</u>		
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	<u>0</u>	<u>0</u>	
14		Benefits paid to or for members (Part IX, column (A), line 4)	<u>0</u>			
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<u>83,093,321</u>	<u>84,879,776</u>		
16a		Professional fundraising fees (Part IX, column (A), line 11e)	<u>0</u>	<u>0</u>		
b		Total fundraising expenses (Part IX, column (D), line 25)	<u>0</u>			
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	<u>77,679,670</u>	<u>79,567,050</u>		
18		Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<u>160,772,991</u>	<u>164,446,826</u>		
19	Revenue less expenses. Subtract line 18 from line 12	<u>(6,248,929)</u>	<u>1,889,453</u>			
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	<u>143,295,217</u>	End of Year	<u>144,776,794</u>
	21	Total liabilities (Part X, line 26)	<u>86,004,034</u>	<u>87,179,516</u>		
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>57,291,183</u>	<u>57,597,278</u>		

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date

JEREMY BRADFORD, PRESIDENT & CEO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

AMY BIBBY

Preparer's signature

AMY BIBBY

Date

Check ☐ if self-employed

PTIN

P00445891Firm's name FORVIS MAZARS, LLPFirm's EIN 44-0160260Firm's address 500 RIDGEFIELD COURT, ASHEVILLE, NC 28806Phone no. (828) 254-2254May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2023)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission:

CALVERTHEALTH MEDICAL CENTER PROVIDES QUALITY INPATIENT AND AMBULATORY HEALTH CARE TO THE PEOPLE OF SOUTHERN MARYLAND THAT IS ACCESSIBLE, COST-EFFECTIVE AND COMPASSIONATE. CHMC WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS.

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

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

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 141,966,946 including grants of \$) (Revenue \$ 162,446,427)

CALVERTHEALTH MEDICAL CENTER'S MISSION IS TO IMPROVE THE HEALTH AND WELL-BEING OF THOSE WE SERVE. THE HOSPITAL WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS. THE HOSPITAL PROVIDES MEDICAL SERVICES TO PATIENTS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. IN FY 2024, THE HOSPITAL SERVED 5,795 INPATIENTS, 29,187 OUTPATIENTS AND PROVIDED 36,107 EMERGENCY ROOM VISITS. IN ADDITION TO THE INPATIENTS SERVED, THE HOSPITAL ALSO TREATED 3,026 MEDICAL OBSERVATION PATIENTS. FOR FY 2024, THE HOSPITAL FILED WITH THE STATE OF MARYLAND A COMMUNITY BENEFIT REPORT THAT DOCUMENTED \$3,149,123 IN COMMUNITY BENEFIT PROVIDED BY CALVERTHEALTH MEDICAL CENTER. THE COMMUNITY BENEFIT REPORT IS AVAILABLE UPON REQUEST. ALL FINANCIAL SURPLUSES THE HOSPITAL GENERATES ARE USED EXCLUSIVELY TO FURTHER THE CHARITABLE PURPOSES OF THE ORGANIZATION. THE HOSPITAL IS GOVERNED BY A COMMUNITY BOARD COMPRISED OF CIVIC LEADERS THROUGHOUT CALVERT COUNTY WHO ARE COMMITTED TO AND

(CONTINUED ON SCHEDULE O)

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 141,966,946

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 ✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors? See instructions	2 ✓	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	✓
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	✓
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III	5	✓
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	✓
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	✓
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	✓
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi-endowments? If "Yes," complete Schedule D, Part V	10	✓
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a ✓	
b Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	✓
c Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c ✓	
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d ✓	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e ✓	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f ✓	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	✓
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b ✓	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	✓
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	✓
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	✓
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	✓
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	✓
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions	17	✓
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	✓
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	✓
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a ✓	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b ✓	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	✓

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	74
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)			Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 1,283		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	✓	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b	✓	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		✓
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9	Sponsoring organizations maintaining donor advised funds.			
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	Section 501(c)(12) organizations. Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c	Enter the amount of reserves on hand	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		✓
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		✓
17	Section 501(c)(21) organizations. Did the trust, or any disqualified or other person, engage in any activities that would result in the imposition of an excise tax under section 4951, 4952, or 4953? If "Yes," complete Form 6069.	17		

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

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year . . .	1a 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 . . .	1b 14		
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? . . .	2		✓
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? . . .	3		✓
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . .	4		✓
5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . .	5		✓
6 Did the organization have members or stockholders? . . .	6	✓	
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? . . .	7a	✓	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . .	7b	✓	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body? . . .	8a	✓	
b Each committee with authority to act on behalf of the governing body? . . .	8b	✓	
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 . . .	9		✓

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? . . .	10a	✓
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? . . .	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . .	11a	✓
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 . . .	12a	✓
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . .	12b	✓
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done . . .	12c	✓
13 Did the organization have a written whistleblower policy? . . .	13	✓
14 Did the organization have a written document retention and destruction policy? . . .	14	✓
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 . . .	15a	✓
b Other officers or key employees of the organization . . .	15b	✓
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? . . .	16a	✓
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? . . .	16b	✓

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.
CAROLYN HEITHAUS, 100 HOSPITAL ROAD, PRINCE FREDERICK, MD 20678, (410) 535-8241

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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 dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/ 1099-MISC/ 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) DEAN TEAGUE PRESIDENT & CEO-RETIRED	40.0 8.0						✓	1,144,434	0	2,606
(2) JEREMY S BRADFORD PRESIDENT & CEO	40.0 8.0	✓		✓				779,873	0	102,596
(3) ANTHONY M BLADEN CHIEF OPERATING OFFICER	40.0 5.0			✓				748,647	0	47,639
(4) CAROLYN M HEITHAUS VP FINANCE	40.0 8.0			✓				613,746	0	56,711
(5) THEODORE N TSANGARIS, MD VP MEDICAL AFFAIRS/CHIEF MEDICAL OFFICER	40.0 40.0				✓			464,765	0	14,850
(6) KASIA A SWEENEY VP STRATEGY & BUSINESS DEVELOPMENT	40.0 5.0				✓			325,108	0	13,129
(7) MELISSA HALL VP CLINICAL SERVICES CHIEF NURSING OFFICER	40.0 5.0			✓				303,213	0	30,696
(8) THERESA L JOHNSON VP BRAND STRATEGY & PHILANTHROPY	40.0 5.0				✓			311,287	0	13,191
(9) PETER GLOGGNER VICE PRESIDENT HUMAN RESOURCES	40.0 5.0					✓		266,273	0	4,051
(10) KARA A HARRER AVP ANCILLARY OPERATIONS	40.0 5.0				✓			255,419	0	11,395
(11) JOSEPH PATRICK GARCIA-VALLE CHIEF COMPLIANCE COUNSEL	40.0 5.0			✓				251,123	0	11,238
(12) FRANKLIN DALEY PLANT OPERATIONS PROJECT COORDINATOR	40.0 0.0					✓		241,594	0	13,879
(13) NICOLE M HEDDERICH ASSOC VP QUALITY & RISK MGMT	40.0 5.0				✓			236,402	0	11,850
(14) DIANE COUCHMAN VICE PRESIDENT HUMAN RESOURCES-INTERIM	40.0 5.0				✓			205,477	0	37,434

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/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			
(15) BENJAMIN I COX AVP INFORMATION SERVICES/CIO	40.0 5.0				✓			201,515	0	31,235
(16) KATHLEEN LANHAM CHARGE NURSE	40.0 0.0					✓		203,280	0	10,998
(17) RICHARD PELLEGRINO DIRECTOR FINANCIAL PLANNING & REIMBURSEMENT	40.0 0.0					✓		182,842	0	8,246
(18) KIMBERLY S GIRARD CHARGE NURSE	40.0 0.0					✓		181,306	0	8,627
(19) LAURAL H BRINKLEY VP CLINICAL SERVICES CHIEF NURSING OFFICER	40.0 5.0	✓						137,019	0	20,171
(20) CHRISTIAN J SOROCHTY VICE PRESIDENT HUMAN RESOURCES	40.0 5.0			✓				105,487	0	2,106
(21) STEPHANIE DABULIS, MD DIRECTOR	40.0 1.0	✓						37,000	0	0
(22) SAMUEL FOSTER, MD DIRECTOR	4.0 1.0	✓						36,663	0	0
(23) GAIL HARKINS DIRECTOR	4.0 2.5	✓						675	0	0
(24) ANTHONY BUTTERS DIRECTOR	2.0 1.0	✓						0	0	0
(25) (SEE STATEMENT)										
1b Subtotal								7,233,148	0	452,648
c Total from continuation sheets to Part VII, Section A								0	0	0
d Total (add lines 1b and 1c)								7,233,148	0	452,648

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 **164**

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

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
L2 CONSTRUCTION MANAGEMENT CORP, 15002 NORTHRIDGE DR, SUITE 150, CHANTILLY, VA 20151	CONSTRUCTION	4,571,952
MDICS AT CALVERT LLC, 7250 PARKWAY DRIVE, SUITE 500, HANOVER, MD 21076	MEDICAL SERVICES	2,956,031
BENERATION LLC, 2124 RACE STREET, GROUND FLOOR, PHILADELPHIA, PA 19103	HEALTH BENEFITS	1,661,946
COMPUTER DESIGN & INTEGRATION LLC, PO BOX 23246, NEW YORK, NY 10087-3246	COMPUTER CONSULTING	1,499,038
CFA, LLC, 1501 S CLINTON ST, 7TH FLOOR, BALTIMORE, MD 21224	HEALTH BENEFITS	1,036,600

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 **113**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants, and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	1,071,762			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,883,753			
	g	Noncash contributions included in lines 1a-1f	1g	\$			
	h	Total. Add lines 1a-1f		2,955,515			
Program Service Revenue				Business Code			
	2a	INPATIENT REVENUE	621110	66,041,163	66,041,163		
	b	OUTPATIENT REVENUE	621110	69,048,027	69,048,027		
	c	EMERGENCY REVENUE	621110	26,087,743	26,087,743		
	d						
	e						
	f	All other program service revenue		0	0	0	0
g	Total. Add lines 2a-2f		161,176,933				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		64,711			64,711
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross rents	(i) Real 408,386	(ii) Personal			
	b	Less: rental expenses	0				
	c	Rental income or (loss)	408,386	0			
	d	Net rental income or (loss)		408,386		26,400	381,986
	7a	Gross amount from sales of assets other than inventory	(i) Securities 175,741	(ii) Other 6,000			
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)	175,741	6,000			
	d	Net gain or (loss)		181,741			181,741
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	8a				
	b	Less: direct expenses	8b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities. See Part IV, line 19	9a				
	b	Less: direct expenses	9b				
	c	Net income or (loss) from gaming activities					
10a	Gross sales of inventory, less returns and allowances	10a					
b	Less: cost of goods sold	10b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue				Business Code			
	11a	CAFETERIA SALES	722514	638,925	638,925		
	b	BUILDING SERVICES FEES	811000	251,528		251,528	
	c	AMBER EHR SERVICE REVENUE	621910	210,513	210,513		
	d	All other revenue	561000	448,027	420,056	27,971	0
e	Total. Add lines 11a-11d		1,548,993				
12	Total revenue. See instructions			166,336,279	162,446,427	305,899	628,438

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	4,939,081	791,237	4,147,844	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	66,111,319	60,546,573	5,564,746	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,457,845	2,121,858	335,987	
9 Other employee benefits	6,285,425	5,426,207	859,218	
10 Payroll taxes	5,086,106	4,390,835	695,271	
11 Fees for services (nonemployees):				
a Management				
b Legal	129,707		129,707	
c Accounting	219,087		219,087	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.)	14,943,214	13,201,591	1,741,623	0
12 Advertising and promotion	182,417	157,481	24,936	
13 Office expenses	5,226,983	4,512,454	714,529	
14 Information technology	3,098,484	2,674,921	423,563	
15 Royalties				
16 Occupancy	5,452,688	4,707,306	745,382	
17 Travel	116,184	100,302	15,882	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	106,165	91,652	14,513	
20 Interest	1,071,891	925,364	146,527	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,286,972	5,393,947	4,893,025	
23 Insurance	1,643,685	1,418,993	224,692	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a <u>MEDICAL SUPPLIES</u>	25,506,923	25,506,923		
b <u>REPAIRS AND MAINTENANCE</u>	6,469,021	5,584,706	884,315	
c <u>PURCHASED SERVICES</u>	4,974,058	4,294,104	679,954	
d <u>BAD DEBT EXPENSE</u>	139,571	120,492	19,079	
e All other expenses	0	0	0	0
25 Total functional expenses. Add lines 1 through 24e	164,446,826	141,966,946	22,479,880	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 SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	5,947,880	1	3,294,309
	2 Savings and temporary cash investments	398,562	2	818,568
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	15,896,236	4	18,956,724
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	0
	7 Notes and loans receivable, net	266,881	7	0
	8 Inventories for sale or use	2,864,110	8	2,758,249
	9 Prepaid expenses and deferred charges	3,829,138	9	2,753,846
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 242,678,426		
	b Less: accumulated depreciation	10b 152,095,257		
	11 Investments—publicly traded securities	89,035,356	10c	90,583,169
	12 Investments—other securities. See Part IV, line 11	816,889	11	602,280
	13 Investments—program-related. See Part IV, line 11	273,961	12	263,514
	14 Intangible assets	11,348,314	13	12,481,208
	15 Other assets. See Part IV, line 11		14	
16 Total assets. Add lines 1 through 15 (must equal line 33)	12,617,890	15	12,264,927	
Liabilities	17 Accounts payable and accrued expenses	143,295,217	16	144,776,794
	18 Grants payable	20,829,883	17	25,017,432
	19 Deferred revenue		18	
	20 Tax-exempt bond liabilities	75,000	19	70,000
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	15,846,901	20	14,807,427
	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		21	
	23 Secured mortgages and notes payable to unrelated third parties		22	0
	24 Unsecured notes and loans payable to unrelated third parties	32,380,750	23	31,102,775
	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	
	26 Total liabilities. Add lines 17 through 25	16,871,500	25	16,181,882
	27 Net assets without donor restrictions	86,004,034	26	87,179,516
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	54,510,103	27	54,009,584
	28 Net assets with donor restrictions	2,781,080	28	3,587,694
	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	57,291,183	32	57,597,278	
33 Total liabilities and net assets/fund balances	143,295,217	33	144,776,794	

Part XI Reconciliation of Net AssetsCheck 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	166,336,279
2	Total expenses (must equal Part IX, column (A), line 25)	2	164,446,826
3	Revenue less expenses. Subtract line 2 from line 1	3	1,889,453
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	57,291,183
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	(1,583,358)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	57,597,278

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain 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. <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<input checked="" type="checkbox"/>
b Were the organization's financial statements audited by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both. <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
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? . . .	<input checked="" type="checkbox"/>	
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 .	<input checked="" type="checkbox"/>	

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(25) BARBARA GARDNER ----- DIRECTOR / SECRETARY	44.0 ----- 4.0	✓						0	0	0
(26) CHANG CHOI, MD ----- DIRECTOR	40.0 ----- 1.0	✓						0	0	0
(27) CHRISTOPHER GARCIA ----- DIRECTOR	4.0 ----- 1.0	✓						0	0	0
(28) DAVID SHOWERS ----- DIRECTOR / CHAIRPERSON	4.0 ----- 8.0	✓						0	0	0
(29) GERALD CLARK ----- DIRECTOR	1.0 ----- 1.0	✓						0	0	0
(30) KAREN O'BRIEN ----- DIRECTOR	2.0 ----- 3.0	✓						0	0	0
(31) KATHY DICKENSON ----- DIRECTOR	2.0 ----- 1.0	✓						0	0	0
(32) MARJORIE CLAGETT ----- DIRECTOR	1.0 ----- 1.0	✓						0	0	0
(33) MIKE COX ----- DIRECTOR	1.0 ----- 1.0	✓						0	0	0
(34) SALLY SHOWALTER ----- DIRECTOR	1.5 ----- 1.0	✓						0	0	0
(35) SCOTT REEVES ----- DIRECTOR / TREASURER	1.0 ----- 3.0	✓						0	0	0
(36) UDAY PATEL, MD ----- DIRECTOR	1.0 ----- 1.0	✓						0	0	0
(37) WILSON PARRAN ----- DIRECTOR / VICE CHAIRPERSON	1.0 ----- 1.0	✓						0	0	0
(38) YOLANDA WILSON ----- DIRECTOR	1.0 ----- 1.0	✓						0	0	0

**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

2023

**Open to Public
Inspection**

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(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) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(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 2023 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	%
16a 33¹/₃% support test—2023. 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 33¹/₃% support test—2022. 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—2023. 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—2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here . Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First 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

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	%
19a 33¹/₃% support tests—2023. 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 <input type="checkbox"/>		
b 33¹/₃% support tests—2022. 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 <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

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)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
2 Activities Test. Answer lines 2a and 2b below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
2a			
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
2b			
3 Parent of Supported Organizations. Answer lines 3a and 3b below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No," provide details in Part VI .			
3a			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			
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 (<i>explain in detail in Part VI</i>):		
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 2023 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-2023	(iii) Distributable Amount for 2023
1 Distributable amount for 2023 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2023 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2023			
a From 2018			
b From 2019			
c From 2020			
d From 2021			
e From 2022			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2023 distributable amount			
i Carryover from 2018 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2023 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2023 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2023, 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 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2024. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2019 . . .			
b Excess from 2020 . . .			
c Excess from 2021 . . .			
d Excess from 2022 . . .			
e Excess from 2023 . . .			

Part VI

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

**Schedule B
(Form 990)**

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2023

Name of the organization

[CALVERTHEALTH MEDICAL CENTER, INC.](#)

Employer identification number

[52-0619000](#)

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)([3](#)) (enter number) organization

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % 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

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

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		\$ 1,071,762	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

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

Name of organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

Part III

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

Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE 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

2023

Open to Public
Inspection

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

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). <input type="checkbox"/> Preservation of land for public use (for example, recreation or education) <input type="checkbox"/> Preservation of a historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> 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.	
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included on line 2a	2c
d Number of conservation easements included on line 2c acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year	
4 Number of states where property subject to conservation easement is located	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year	
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year	
8 Does each conservation easement reported on line 2d above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> 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	\$
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	\$

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 in Part XIII ☐

Part V Endowment Funds

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

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

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment _____%

b Permanent endowment _____%

c Term endowment _____%

The percentages on lines 2a, 2b, and 2c should equal 100%.

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

(i) Unrelated organizations? ☐ Yes ☐ No

(ii) Related organizations? ☐ Yes ☐ No

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

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		5,239,640		5,239,640
b Buildings		104,138,447	58,604,964	45,533,483
c Leasehold improvements		2,560,559	2,593,497	(32,938)
d Equipment		124,105,652	87,634,095	36,471,557
e Other		6,634,128	3,262,701	3,371,427
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				90,583,169

Part VII Investments—Other Securities

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

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

Part VIII Investments—Program Related

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

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) INVESTMENT IN FREESTATE	33,875	END OF YEAR MARKET VALUE
(2) INVESTMENT IN CPHA	4,227,267	END OF YEAR MARKET VALUE
(3) INVESTMENT IN FOUNDATION	7,560,155	END OF YEAR MARKET VALUE
(4) INVESTMENT IN CHOICEONE	659,911	END OF YEAR MARKET VALUE
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, line 13, col. (B))	12,481,208	

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) LT BOND FINANCING COSTS	72,749
(2) OTHER RECEIVABLES	817,162
(3) GOODWILL	15,000
(4) MALPRACTICE INS RECOVERY	5,720,463
(5) DUE FROM RELATED PARTIES	75,459
(6) RIGHT OF USE ASSET	5,564,094
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 15, col. (B))	12,264,927

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) EXECUTIVE 457B 457F PLANS	605,938
(3) ADVANCES FROM THIRD PARTIES	3,662,370
(4) ACCRUED PENSION COSTS	758,858
(5) PROFESSIONAL LIABILITY	6,745,130
(6) OTHER LIABILITIES	3,401,232
(7) CAPITAL LEASE LIABILITY	1,008,354
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	16,181,882

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

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

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

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

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

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

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

Part XIII Supplemental Information

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

[SEE STATEMENT](#)

Part XIII

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

Return Reference - Identifier	Explanation
SCHEDULE D, PART X, LINE 2 - FIN 48 (ASC 740) FOOTNOTE	<p>THE MEDICAL CENTER IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE IRC AS A PUBLIC CHARITY. THE MEDICAL CENTER IS ENTITLED TO RELY ON THIS DETERMINATION AS LONG AS THERE ARE NO SUBSTANTIAL CHANGES IN ITS CHARACTER, PURPOSES, OR METHODS OF OPERATION. MANAGEMENT HAS CONCLUDED THAT THERE HAVE BEEN NO SUCH CHANGES AND, THEREFORE, THE MEDICAL CENTER'S STATUS AS A PUBLIC CHARITY EXEMPT FROM FEDERAL INCOME TAXATION REMAINS IN EFFECT.</p> <p>THE STATE IN WHICH THE MEDICAL CENTER OPERATES ALSO PROVIDES GENERAL EXEMPTION FROM STATE INCOME TAXATION FOR ORGANIZATIONS THAT ARE EXEMPT FROM FEDERAL INCOME TAXATION. HOWEVER, THE MEDICAL CENTER IS SUBJECT TO BOTH FEDERAL AND STATE INCOME TAXATION AT CORPORATE TAX RATES ON ITS UNRELATED BUSINESS INCOME. EXEMPTION FROM OTHER STATE TAXES, SUCH AS REAL AND PERSONAL PROPERTY TAXES, IS SEPARATELY DETERMINED.</p> <p>THE MEDICAL CENTER HAD NO UNRECOGNIZED TAX BENEFITS OR SUCH AMOUNTS WERE IMMATERIAL DURING THE PERIODS PRESENTED. FOR TAX PERIODS WITH RESPECT TO WHICH NO UNRELATED BUSINESS INCOME WAS RECOGNIZED, NO TAX RETURN WAS REQUIRED.</p> <p>MANAGEMENT HAS ALSO CONSIDERED THE IMPACT OF UNRELATED BUSINESS ACTIVITIES AND HAS CONCLUDED THAT THE MEDICAL CENTER IS NOT SUBJECT TO UNRELATED BUSINESS TAX OR ANY OTHER TAXES THAT COULD BE IMPOSED BY THE IRC OR STATE TAXING AUTHORITIES. AS SUCH, NO PROVISION IS MADE FOR INCOME TAXES AND NO ASSET OR LIABILITY HAS BEEN RECOGNIZED FOR DEFERRED TAXES.</p>

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

2023

Open to Public Inspection

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52 0619000

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.	✓	
1b If "Yes," was it a written policy?	✓	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year: <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	✓	
b Did the organization use FPG as a factor in determining eligibility for providing discounted 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> %	✓	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	✓	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	✓	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		✓
6a Did the organization prepare a community benefit report during the tax year?	✓	
b If "Yes," did the organization make it available to the public?	✓	

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)			2,594,412		2,594,412	1.58
b Medicaid (from Worksheet 3, column a)					0	0.00
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0.00
d Total. Financial Assistance and Means-Tested Government Programs	0	0	2,594,412	0	2,594,412	1.58
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			862,086	55,397	806,689	0.49
f Health professions education (from Worksheet 5)			92,734		92,734	0.06
g Subsidized health services (from Worksheet 6)			1,208,712	104,261	1,104,451	0.67
h Research (from Worksheet 7)					0	0.00
i Cash and in-kind contributions for community benefit (from Worksheet 8)			44,578		44,578	0.03
j Total. Other Benefits	0	0	2,208,110	159,658	2,048,452	1.25
k Total. Add lines 7d and 7j	0	0	4,802,522	159,658	4,642,864	2.82

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing					0	0.00
2 Economic development					0	0.00
3 Community support			13,685		13,685	0.01
4 Environmental improvements					0	0.00
5 Leadership development and training for community members			21,256		21,256	0.01
6 Coalition building			40,983		40,983	0.02
7 Community health improvement advocacy			46,413		46,413	0.03
8 Workforce development			3,283		3,283	0.00
9 Other					0	0.00
10 Total	0	0	125,620	0	125,620	0.08

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	597,875	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debts as community benefit	3	492,589	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	64,751,237
6 Enter Medicare allowable costs of care relating to payments on line 5	6	54,650,921
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	10,100,316
8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

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

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

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

Section A. Hospital Facilities

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

1 CALVERTHEALTH MEDICAL CENTER, INC.

100 HOSPITAL ROAD, PRINCE FREDERICK, MD 20678

WWW.CALVERTHEALTHMEDICINE.ORG STATE LICENSE

NO. : 04-001

2

3

4

5

6

7

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	✓
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	✓
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply):	3	✓
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 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 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>23</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	✓
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	✓
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	✓
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	7	✓
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>(SEE STATEMENT)</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	8	✓
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>23</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	✓
a If "Yes," (list url): <u>(SEE STATEMENT)</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	✓
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group: CALVERTHEALTH MEDICAL CENTER, INC.

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	13 ✓	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>2</u> <u>0</u> <u>0</u> % and FPG family income limit for eligibility for discounted care of <u>5</u> <u>0</u> <u>0</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 ✓	
15 Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	15 ✓	
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	16 ✓	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group: CALVERTHEALTH MEDICAL CENTER, INC.

	Yes	No	
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	✓	
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?	19		✓
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?	21	✓	
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:** CALVERTHEALTH MEDICAL CENTER, INC.

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care:		
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input checked="" 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 type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	23	✓
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	✓

Part V, Section C

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

Return Reference - Identifier	Explanation
SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED	FACILITY NAME: CALVERTHEALTH MEDICAL CENTER, INC. DESCRIPTION: FACILITY AND COMMUNITY LEADERS CONDUCTED A COMMUNITY WIDE ONLINE SURVEY AND CONDUCTED KEY INFORMANT INTERVIEW.
SCHEDULE H, PART V, SECTION B, LINE 6B - CHNA CONDUCTED WITH ONE OR MORE ORGANIZATIONS OTHER THAN HOSPITAL FACILITIES	FACILITY NAME: CALVERTHEALTH MEDICAL CENTER, INC. DESCRIPTION: CALVERT COUNTY GOVERNMENT, CALVERT COUNTY GOVERNMENT OFFICE OF AGING, CALVERT COUNTY HEALTH DEPARTMENT, CALVERT COUNTY LIBRARY, CALVERT COUNTY PARKS AND RECREATION, CALVERT COUNTY SHERIFF'S DEPARTMENT, LOCAL BEHAVIORAL HEALTH AUTHORITY, NAACP AND ST. JOHN VIANNEY CATHOLIC CHURCH
SCHEDULE H, PART V, SECTION B, LINE 7 - HOSPITAL FACILITY'S WEBSITE (LIST URL)	HTTPS://WWW.CALVERTHEALTHMEDICINE.ORG/COMMUNITY-HEALTH-NEEDS-ASSESSMENT
SCHEDULE H, PART V, SECTION B, LINE 10 - IF "YES", (LIST URL)	HTTPS://WWW.HEALTHYCALVERT.ORG/CONTENT/SITES/CALVERTHOSPITAL/CHNA/2023/CALVERTHEALTH_FY_2023-2025_CHNA_REPORT_FINAL.PDF
SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA	FACILITY NAME: CALVERTHEALTH MEDICAL CENTER, INC. DESCRIPTION: SEE IMPLEMENTATION STRATEGY ON WEBSITE.
SCHEDULE H, PART V, SECTION B, LINE 13B - ELIGIBILITY FOR FREE OR DISCOUNTED CARE	FACILITY NAME: CALVERTHEALTH MEDICAL CENTER, INC. DESCRIPTION: THE FACILITY USES THE FPG IN ADDITION TO STATE MANDATED ASSISTANT PROGRAMS, WHICH ARE HSCRC STATE MANDATED PROGRAMS.
SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE	WWW.CALVERTHEALTHMEDICINE.ORG
SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE	WWW.CALVERTHEALTHMEDICINE.ORG
SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE	WWW.CALVERTHEALTHMEDICINE.ORG

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? 4

Name and address	Type of facility (describe)
1 SHELDON E GOLDBERG CTR FOR BREAST CARE 130 HOSPITAL ROAD SUITE 201 PRINCE FREDERICK, MD 20678	OUTPATIENT CLINIC
2 CALVERTHEALTH OUTPATIENT REHABILITATION 130 HOSPITAL ROAD SUITE 103 PRINCE FREDERICK, MD 20678	OUTPATIENT REHAB
3 CALVERTHEALTH OUTPATIENT REHABILITATION 10845 TOWN CENTER BLVD SUITE 100 DUNKIRK, MD 20754	OUTPATIENT REHAB
4 CALVERTHEALTH OUTPATIENT REHABILITATION 14090 H.G. TRUEMAN ROAD SUITE 1500 SOLOMONS, MD 20688	OUTPATIENT REHAB
5	
6	
7	
8	
9	
10	

Provide the following information.

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

Return Reference - Identifier	Explanation
SCHEDULE H, PART I, LINE 5A -	CHMC OFFERS FREE OR DISCOUNTED CARE TO PATIENTS WHO ARE UNABLE TO PAY FOR THEIR SERVICES AND MEET THE ELIGIBILITY CRITERIA REGARDLESS OF THE AMOUNT BUDGETED FOR FINANCIAL ASSISTANCE IN THE HOSPITAL'S ANNUAL OPERATING PLAN.
SCHEDULE H, PART I, LINE 6A -	MARYLAND'S HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) REQUIRES ALL MARYLAND HOSPITALS TO COMPLETE AND SUBMIT A COMMUNITY BENEFITS REPORT ANNUALLY. THE HSCRC IS RESPONSIBLE FOR COLLECTING THE DATA FROM THE INDIVIDUAL HOSPITALS AND COMPILING A STATEWIDE DOCUMENT THAT CONTAINS SUMMARY INFORMATION AS WELL AS INDIVIDUAL HOSPITAL REPORTS. THE STATEWIDE DOCUMENT IS MADE AVAILABLE TO THE PUBLIC ON THE HSCRC'S WEBSITE.
SCHEDULE H, PART I, LINE 6A - NAME OF RELATED ORGANIZATION THAT PREPARED COMMUNITY BENEFIT REPORT	CALVERT COUNTY GOVERNMENT, CALVERT COUNTY GOVERNMENT OFFICE OF AGING, CALVERT COUNTY HEALTH DEPARTMENT, CALVERT COUNTY LIBRARY, CALVERT COUNTY PARKS AND RECREATION, CALVERT COUNTY SHERIFF'S DEPARTMENT, LOCAL BEHAVIORAL HEALTH AUTHORITY, NAACP AND ST. JOHN VIANNEY CATHOLIC CHURCH
SCHEDULE H, PART I, LINE 7 -	MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE SETTING SYSTEM.
SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE	THE COSTING METHODOLOGY USED TO CALCULATE AMOUNTS REPORTED IN LINE 7 WAS A COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART II - DESCRIBE HOW COMMUNITY BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY</p>	<p>CHMC IS RECOGNIZED AS A LEADER IN THE PROVISION OF HEALTH CARE IN THE LOCAL AREA. IT PARTNERS WITH MANY ORGANIZATIONS AND AGENCIES TO EXPAND THE REACH FOR IMPROVING THE HEALTH OF ITS COMMUNITY.</p> <p>COMMUNITY SUPPORT</p> <p>FARMERS MARKET – PROMOTES LOCAL FARMERS AND PRODUCERS OF GOODS, PROMOTES HEALTHY EATING AND PROVIDES VENUE FOR NUTRITIOUS FOOD, AND INFORMATION TO REDUCE FOOD INSECURITIES. MOBILE HEALTH UNIT AND COMMUNITY WELLNESS ONSITE AT MARKET TO PROVIDE EDUCATION AND SOME SCREENING SERVICES.</p> <p>MEN'S HEALTH EXPO - PROVIDES EDUCATION, AWARENESS, AND RESOURCE TOPICS HIGHLIGHTING MEN'S HEALTH AT EVENTS IN THE COMMUNITY.</p> <p>LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS</p> <p>COMMUNITY EDUCATION/PRESENTATIONS/HEALTH FAIRS/SCHOOLS - PROVIDES EDUCATION, RESOURCES, AND AWARENESS THROUGHOUT THE COMMUNITY AT SCHOOLS, FOOD PANTRIES, BUSINESSES, CHURCHES, AND COMMUNITY PARTNERS TO HIGHLIGHT THE AREAS OF HEALTH WHERE IMPROVEMENT IS NEEDED.</p> <p>DIABETES WELLNESS WORKSHOP - PROVIDES EDUCATION, AWARENESS, SUPPORT, AND PREVENTION FOR COMMUNITY MEMBERS AND CAREGIVERS THAT HAVE EXPERIENCED DIABETES OR HAVE A LOVED ONE WHO HAS EXPERIENCED DIABETES.</p> <p>PARKINSONS WELLNESS WORKSHOP - PROVIDES EDUCATION, AWARENESS, SUPPORT, AND PREVENTION FOR COMMUNITY MEMBERS AND CAREGIVERS THAT HAVE EXPERIENCED PARKINSONS OR HAVE A LOVED ONE WHO HAS EXPERIENCED PARKINSONS.</p> <p>STROKE WELLNESS WORKSHOP - PROVIDES EDUCATION, AWARENESS, SUPPORT, AND PREVENTION FOR COMMUNITY MEMBERS AND CAREGIVERS THAT HAVE EXPERIENCED A STROKE OR HAVE A LOVED ONE WHO HAS EXPERIENCED A STROKE.</p> <p>COALITION BUILDING</p> <p>DIABETES EXPO - EVENT HOSTED BY 42 VENDORS AND IMPLEMENTED STRATEGIES BASED ON THE MARYLAND DEPARTMENT OF HEALTH DIABETES ACTION PLAN WHICH PROVIDED A DIABETES FOCUSED COMMUNITY EVENT THAT EDUCATED, PROVIDED RESOURCES, CREATED AWARENESS, AND PROMOTED PREVENTION.</p> <p>WOMEN'S HEALTH EXPO, FAIRS, LUNCHEONS - PROVIDE EDUCATION, AWARENESS, AND RESOURCE TOPICS HIGHLIGHTING WOMEN'S HEALTH AT EVENTS IN THE COMMUNITY.</p> <p>BEHAVIORAL HEALTH OUTREACH - COLLABORATE WITH COMMUNITY PARTNERS TO ADDRESS BEHAVIORAL HEALTH AND SUBSTANCE ABUSE, INCLUDING STRESS REDUCTION AND COPING SKILLS.</p> <p>TOBACCO ROAD SHOW - EXPANSION OF EXISTING PROGRAM WHICH EDUCATES CHILDREN ON RISKS AND HEALTH IMPACT OF TOBACCO USE, INCLUDING SMOKING AND VAPING.</p> <p>ADVERTISING FOR COMMUNITY PROGRAMS - ADVERTISING FOR COMMUNITY EDUCATIONS PROGRAMS, PODCASTS, VLOGS, AND BLOGS TO EDUCATE THE COMMUNITY ON HEALTH INFORMATION AND RESOURCES AVAILABLE.</p> <p>COMMUNITY HEALTH IMPROVEMENT ADVOCACY</p> <p>VARIOUS TUMOR BOARDS INCLUDING BREAST, MULIT-D, AND THORACIC - A MULTI-DISCIPLINARY TEAM WORKING COLLABORATIVELY TOGETHER TO IMPROVE AND NAVIGATE THE CARE OF PATIENTS WITH VARIOUS CANCERS, THE TEAM INCLUDES LOCAL HOSPITALS AND OTHER HEALTH CARE PROVIDERS.</p> <p>CANCER COMMITTEE - COMMITTEE PROVIDES CANCER SCREENINGS AND EDUCATION PROGRAMS IN THE COMMUNITY. DEVELOPS COMMUNITY RESOURCES TO EDUCATE AND CREATE AWARENESS ON CANCER, INCLUDING SKIN, ORAL, PROSTATE, LUNG, AND BREAST.</p> <p>CANCER SURVIVORSHIP - PROVIDES EDUCATION, RESOURCES, AND SUPPORT TO CANCER SURVIVORS AND THEIR SUPPORT PEOPLE.</p> <p>OPIOID STEWARDSHIP COMMITTEE - CROSS SECTIONAL HEALTH CARE TEAM TO ADDRESS OPIOID EPIDEMIC ON WAYS HOSPITALS CAN REDUCE USE OF OPIOID FOR PAIN MANAGEMENT, EDUCATE PATIENTS AND PHYSICIAN ABOUT DANGERS OF OPIOID USE AS WELL AS DEVELOP POLICIES AND PROTOCOL FOR THE HEALTH SYSTEM. THIS TEAM ALSO WORKS COLLABORATIVELY WITH OTHER COMMUNITY AGENCIES AND PROGRAMS TO PROVIDE A "COMMUNITY WIDE" APPROACH TO HELP SOLVE THE OPIOID EPIDEMIC.</p> <p>PATIENT ENGAGEMENT & RIGHTS COMMITTEE - STAFF AND COMMUNITY MEMBERS EVALUATE AND UPDATE HOSPITAL FORMS, PROCESS, POLICIES AND COMMUNICATION TOOLS TO ENSURE ALL PATIENTS RECEIVE ADEQUATE SERVICES WITHIN THEIR OWN LANGUAGE AND SPECIAL NEEDS.</p> <p>HEALTH MINISTRY - CHIR (COMMUNITY HEALTH INNOVATION REGION) SUBCOMMITTEE THAT SUPPORTS AND EDUCATES FAITH COMMUNITY IN AN EFFORT TO IMPROVE THE HEALTH OF COMMUNITY MEMBERS.</p> <p>ADOLESCENT CLUBHOUSE - PROVIDES RESOURCES, EDUCATION, AND AWARENESS ADDRESSING THE FOLLOWING; HEALTHY BEHAVIORS INCLUDING ANTI-VAPING, ANTI-TOBACCO AND ANTI-MARIJUANA, NUTRITION AND PREPARING HEALTHY MEALS, FITNESS AND PHYSICAL ACTIVITY THROUGH ACTIVITIES SUCH AS TEAM BUILDING, GAMES, WORK GROUPS, AND DEMONSTRATIONS.</p> <p>ASK THE EXPERT - PROVIDES COMMUNITY RESOURCES, EDUCATION, AND HEALTH SERVICES TO INCREASE UNDERSTANDING OF MEDICATIONS, PROVIDES BLOOD PRESSURE SCREENINGS, PROVIDES FITNESS CONSULTATIONS AND CLASSES TO INCREASE MOBILITY, AND INCREASE REFERRALS FOR FOLLOW UP CARE WITH PROVIDERS TO INCREASE COMPLIANCE.</p> <p>COOL KIDS CAMP - PROVIDES EDUCATION AND AWARENESS TO ENCOURAGE ELEMENTARY AND MIDDLE SCHOOL AGED CHILDREN TO LIVE A LIFE OF HEALTHY BEHAVIORS INCLUDING PHYSICAL ACTIVITY AND EATING HEALTHY.</p> <p>BARIATRIC INFORMATION SESSIONS AND WELLNESS WORKSHOPS - INFORMATION SESSIONS PROVIDED FOR COMMUNITY BY BARIATRIC SURGEON TO PROMOTE HEALTHY WEIGHT AND LIFESTYLE. WORKSHOPS PROVIDE EDUCATION, AWARENESS, SUPPORT FOR COMMUNITY MEMBERS TO MANAGE WEIGHT.</p>

Return Reference - Identifier	Explanation
	<p>CALVERT COUNTY INTERAGENCY COUNCIL AND COMMUNITY HEALTH IMPROVEMENT ROUNDTABLE - COMMUNITY PARTNERSHIPS THAT PROVIDE RESOURCES AND EDUCATION THROUGHOUT NONPROFIT ORGANIZATIONS AND COMMUNITY LEADERS; AND MEETINGS THAT PROMOTE CHNA (COMMUNITY HEALTH NEEDS ASSESSMENT) HEALTH PRIORITIES.</p> <p>CLERGY PROGRAMS - PROVIDES EDUCATION AND SUPPORT TO INTERFAITH COUNTY ORGANIZATIONS, SUPPORT PROGRAMS, AND PARISHES INCLUDING PROVIDING GRIEF SUPPORT FOR THE HOLIDAYS.</p> <p>DIABETES COMMUNITY CLASSES - FREE CLASSES OFFERED TO THE COMMUNITY TO EDUCATE, PREVENT, AND PROVIDE SUPPORT TO INDIVIDUALS WITH DIABETES OR PRE-DIABETES.</p> <p>THERAPUTIC RECREATION HEALTH LIFESTYLES - PROVIDES EDUCATION ON HEALTHY LIVING AND NUTRITION TO ADULTS WITH DISABILITIES.</p> <p>WORKFORCE DEVELOPMENT</p> <p>LBHA COALITION BUILDING - HOSPITAL REPRESENTATION ON LBHA COMMITTEE MEETINGS.</p>
<p>SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT</p>	<p>A PROCEDURE SIMILAR TO THAT USED TO DETERMINE CONTRACTUAL ALLOWANCES IS USED TO DETERMINE THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. HISTORICAL COLLECTIONS DATA, FROM THE SAME PERIODS AS USED IN THE CONTRACTUAL PROCEDURES, IS USED TO DETERMINE COLLECTIONS PERCENTAGES BY SERVICE LINE (IN-PATIENT, OUT-PATIENT, UNREGULATED, ETC.) PER AGING CATEGORY. THOSE PERCENTAGES ARE THEN APPLIED TO THE OUTSTANDING AR TO DETERMINE THE AMOUNTS LIKELY COLLECTIBLE AND UNCOLLECTIBLE. THE AMOUNT DETERMINED UNLIKELY TO BE COLLECTED IS PLACED TO THE ALLOWANCE.</p> <p>CALVERT ATTEMPTS TO COLLECT ON SERVICES PROVIDED AT THE TIME THE SERVICE IS PROVIDED. FOR SCHEDULED PROCEDURES, CALVERT ATTEMPTS TO COLLECT THE PERTINENT PATIENT INFORMATION AND GIVES THE PATIENT NOTICE OF WHAT THE AMOUNT DUE WILL BE BEFORE THEY ARE SCHEDULED. A BILL IS SENT TO EACH PATIENT, WHETHER SCHEDULED OR UNSCHEDULED, APPROXIMATELY 3 DAYS AFTER THE SERVICES WERE PROVIDED. IF THE AMOUNT REMAINS UNPAID, THE PATIENT WILL RECEIVE ADDITIONAL BILLS AT APPROXIMATELY 30, 60, 90 DAYS AND A FINAL NOTICE AFTER THE SERVICE WAS PROVIDED. FINAL SCREENINGS FOR CHARITY AND PATIENT CALLS ARE MADE BEFORE THE ACCOUNT IS SENT TO A COLLECTION AGENCY. THE ACCOUNT IS TYPICALLY AGED AT GREATER THAN 120 DAYS BEFORE REACHING AN AGENCY.</p>
<p>SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY</p>	<p>THE ESTIMATED BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY IS THE RATIO OF PATIENT CARE COST TO CHARGES TO THE ORGANIZATION'S BAD DEBT EXPENSE FOR THE YEAR (\$597,875) * 82.39%</p>
<p>SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT</p>	<p>CALVERT PATIENTS WHO ARE COVERED BY THIRD PARTY PAYORS ARE RESPONSIBLE FOR RELATED DEDUCTIBLES AND COINSURANCE, WHICH VARY IN AMOUNT. THE HOSPITAL ALSO PROVIDES SERVICES TO UNINSURED PATIENTS, AND OFFERS THOSE UNINSURED OR UNDERINSURED PATIENTS FINANCIAL ASSISTANCE, BY EITHER POLICY OR LAW, FROM STANDARD CHARGES. THE HOSPITAL ESTIMATES THE TRANSACTION PRICE FOR PATIENTS WITH DEDUCTIBLES AND COINSURANCE AND FROM THOSE WHO ARE UNINSURED BASED ON HISTORICAL EXPERIENCE AND CURRENT MARKET CONDITIONS.</p> <p>THE INITIAL ESTIMATE OF THE TRANSACTION PRICE IS DETERMINED BY REDUCING THE STANDARD CHARGES BY ANY EXPLICIT PRICE CONCESSION, FINANCIAL ASSISTANCE, AND IMPLICIT PRICE CONCESSIONS. SUBSEQUENT CHANGES TO THE ESTIMATE OF THE TRANSACTION PRICE ARE GENERALLY RECORDED AS ADJUSTMENT TO NET PATIENT SERVICE REVENUE IN THE PERIOD OF THE CHANGE. SUBSEQUENT CHANGES THAT ARE DETERMINED TO BE THE RESULT OF AN ADVERSE CHANGE IN THE PATIENT'S ABILITY TO PAY ARE RECORDED AS BAD DEBT EXPENSE (PG. 15 OF THE AUDITED FINANCIAL STATEMENTS).</p> <p>CALVERT ATTEMPTS TO COLLECT ON SERVICES PROVIDED AT THE TIME THE SERVICE IS PROVIDED. FOR SCHEDULED PROCEDURES, CALVERT ATTEMPTS TO COLLECT THE PERTINENT PATIENT INFORMATION AND GIVES THE PATIENT NOTICE OF WHAT THE AMOUNT DUE WILL BE BEFORE THEY ARE SCHEDULED. A BILL IS SENT TO EACH PATIENT, WHETHER SCHEDULED OR UNSCHEDULED, APPROXIMATELY 3 DAYS AFTER THE SERVICES WERE PROVIDED. IF THE AMOUNT REMAINS UNPAID, THE PATIENT WILL RECEIVE ADDITIONAL BILLS AT APPROXIMATELY 30, 60, 90 DAYS AND A FINAL NOTICE AFTER THE SERVICE WAS PROVIDED. FINAL SCREENINGS FOR CHARITY AND PATIENT CALLS ARE MADE BEFORE THE ACCOUNT IS SENT TO A COLLECTION AGENCY. THE ACCOUNT IS TYPICALLY AGED AT GREATER THAN 120 DAYS BEFORE REACHING AN AGENCY.</p>
<p>SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED</p>	<p>THE COSTING SOURCE IS THE MEDICARE COST REPORT AND THE METHODOLOGY IS MEDICARE ALLOWABLE COST TO MEDICARE REVENUES RECEIVED.</p>
<p>SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE</p>	<p>AS STATED IN CALVERT HEALTH SYTEM'S (CHS) FINANCIAL ASSISTANCE POLICY, PART IV, SECTION H:</p> <p>CHS'S MANAGEMENT SHALL DEVELOP POLICIES AND PROCEDURES FOR INTERNAL AND EXTERNAL COLLECTION PRACTICES THAT TAKE INTO ACCOUNT THE EXTENT TO WHICH THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, A PATIENT'S GOOD FAITH EFFORT TO APPLY FOR A GOVERNMENTAL PROGRAM OR FOR FINANCIAL ASSISTANCE FROM CHS, AND A PATIENT'S GOOD FAITH EFFORT TO COMPLY WITH HIS OR HER PAYMENT AGREEMENTS WITH CHS. DURING THE FINANCIAL ASSISTANCE APPLICATION PROCESS, THE HOSPITAL WILL NOT SEND UNPAID BILLS TO OUTSIDE COLLECTION AGENCIES IF THE PATIENT COOPERATES WITH THE APPLICATION PROCESS.</p>

Return Reference - Identifier	Explanation
SCHEDULE H, PART V, SECTION B, LINE 22 -	PURSUANT TO THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) ALL-PAYOR SYSTEM FOR HOSPITALS IN THE STATE OF MARYLAND, THE GREATEST DISCOUNT OFF OF GROSS CHARGES FOR THE PROVISION OF EMERGENCY AND OTHER MEDICALLY NECESSARY CARE PERMITTED TO ANY COMMERCIAL INSURER OR MEDICARE IS ONLY 6%. AS A RESULT, THE HOSPITAL FACILITY WAS ABLE TO DETERMINE THAT THE MAXIMUM AMOUNT CHARGED TO INDIVIDUALS THAT WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY WAS NOT GREATER THAN THE AMOUNT GENERALLY BILLED TO INDIVIDUALS WHO HAVE INSURANCE COVERING SUCH CARE.
SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT	<p>THROUGHOUT FY 2024, THE HOSPITAL CONTINUED TO UTILIZE THE HEALTH COMMUNITY INSTITUTE'S COMMUNITY PLATFORM (HEALTHYCALVERT.ORG) TO PROVIDE HEALTH INDICATORS AS AN ONGOING ASSESSMENT OF THE NEEDS OF OUR COMMUNITY. HEALTH INDICATORS ARE UPATED AS SOON AS NEW DATA BECOMES AVAILABLE AND ALLOWS THE HOSPITAL AND COMMUNITY MEMBERS TO UTILIZE THE MOST UP-TO-DATE DATA TO ASSESS THE IMPACT OF PROGRAMS AND SERVICES AS WELL AS MODIFY EXISTING PROGRAMS AND SERVICES OR BEGIN INITIATION OF NEW SERVICES BASED UPON TRENDING OF NEW DATA.</p> <p>THE PLATFORM ALSO INCORPORATES THE STATE AND NATIONAL HEALTH IMPROVEMENT GOALS. THIS ALLOWS THE HOSPITAL AND COMMUNITY PARTNERS TO MONITOR IMPACT OF COMMUNITY PROGRAMS BY EVALUATION IF DATA IS TRENDING UP OR DOWN AND TO ENSURE THE HOSPITAL IS TRENDING IN THE CORRECT DIRECTION. AN ADDITIONAL HEALTH INDICATORS, THE FOOD INSECURITY INDEX WAS ADDED IN 2021.</p> <p>THE ALICE (ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED) REPORT CONDUCTED BY THE UNITED WAY WAS ADDED TO THE CHNA INTERACTIVE WEBSITE AS ANOTHER DATA SOURCE. ALICE HOUSEHOLDS REPRESENT MEN AND WOMEN OF ALL AGES AND RACES WHO ARE WORKING BUT UNABLE TO AFFORD THE BASIC NECESSITIES OF HOUSING, FOOD, CHILD CARE, HEALTH CARE AND TRANSPORTATION DUE TO THE LACK OF JOBS THAT CAN SUPPORT BASIC NECESSITIES AND INCREASES IN THE BASIC COST OF LIVING.</p> <p>THE HOSPITAL AND THE LOCAL HEALTH DEPARTMENT CO-HOST QUARTERLY LOCAL HEALTH IMPROVEMENT COALITION MEETINGS TO HEAR INPUT FROM OTHER AGENCIES, HEALTH CARE ORGANIZATIONS, THE SCHOOL SYSTEM, COUNTY GOVERNMENT, LOCAL LAW ENFORCEMENT AND OTHER COMMUNITY PARTNERS. DURNG FY 2023, THE STRUCTURE, COLLOBORATION, AND IMPLACT OF THIS COALITION WAS STRENGTHENED BY ESTABLISHING BYLAWS, A GOVERNANCE COMMITTEE, AND FORMALIZING THE WORK OF ITS SUBCOMMITTEES.</p>
SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION	NOTIFICATION ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE FROM CHMC INCLUDES A CONTACT NUMBER AND IS DISSEMINATED BY CHMC BY VARIOUS MEANS, WHICH INCLUDES, BUT IS NOT LIMITED TO, THE PUBLICATION OF NOTICES IN PATIENT BILLS AND BY POSTING NOTICES IN THE EMERGENCY DEPARTMENT, URGENT CARE CENTERS, WAITING ROOMS, ADMITTING AND REGISTRATION DEPARTMENTS, AND PATIENT FINANCIAL SERVICES OFFICES. INFORMATION IS ALSO INCLUDED ON THE HOSPITAL'S WEBSITE AND AT LEAST ANNUALLY, THE HOSPITAL PUBLISHES IN THE LOCAL NEWSPAPERS A NOTICE OF FINANCIAL ASSISTANCE AND ALSO HIGHLIGHTS OTHER PROGRAMS THE HOSPITAL OFFERS FOR PATIENTS WITHOUT INSURANCE OR FOR PATIENTS IN FINANCIAL NEED. NOTIFICATION OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY PROGRAM IS PROVIDED TO EACH PATIENT AT THE TIME OF REGISTRATION AND A SECOND TIME WHEN PATIENTS RECEIVE THEIR BILL/STATEMENT. SUCH INFORMATION IS PROVIDED IN THE PRIMARY LANGUAGES SPOKEN BY THE POPULATION SERVICED BY CHMC. REFERRAL OF PATIENTS FOR FINANCIAL ASSISTANCE MAY BE MADE BY ANY MEMBER OF THE CHMC STAFF OR MEDICAL STAFF, INCLUDING PHYSICIANS, NURSES, FINANCIAL COUNSELORS, SOCIAL WORKERS, CASE MANAGERS, AND CHAPLAINS. A REQUEST FOR FINANCIAL ASSISTANCE MAY BE MADE BY THE PATIENT OR A FAMILY MEMBER, CLOSE FRIEND, OR ASSOCIATE OF THE PATIENT, SUBJECT TO APPLICABLE PRIVACY LAWS.
SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION	<p>ACCORDING TO THE NIELSEN CLARITAS MARCH 2024 POPULATION ESTIMATES, CALVERT COUNTY HAS A POPULATION OF APPROXIMATELY 95,265 PERSONS.</p> <p>THE RACIAL MAKEUP OF CALVERT COUNTY IS SOMEWHAT HOMOGENOUS, WITH 73.1% OF THE POPULATION IDENTIFYING AS WHITE. THE PROPORTION OF BLACK/AFRICAN AMERICAN COMMUNITY MEMBERS IS THE SECOND LARGEST OF ALL RACES IN CALVERT COUNTY AT 13.97% AND IS THE ONLY OTHER RACE THAT MAKES UP MORE THAN 10% OF THE POPULATION. 9.12% OF THE POPULATION OF CALVERT COUNTY IDENTIFIES AS 2+ RACES.</p> <p>THE OVERALL MEDIAN HOUSEHOLD INCOME FOR THE COUNTY IS \$130,287. TWO RACES, WHITE AND ASIAN, HAVE MEDIAN HOUSEHOLD INCOMES THAT FALL ABOVE THE OVERALL MEDIAN VALUE. ALL OTHER RACES ARE BELOW THE OVERALL VALUE WITH NATIVE HAWAIIAN/PACIFIC ISLANDER HAVING THE LOWEST VALUE AT \$62,500. IN THIS CASE, IT IS IMPORTANT TO CONSIDER THAT THE AMERICAN INDIAN/ALASKAN NATIVE AND NATIVE HAWAIIAN/PACIFIC ISLANDER SUBGROUPS MAKE UP ONLY 0.34% AND 0.10%, RESPECTIVELY, OF THE COMMUNITY'S POPULATION.</p> <p>THE HIGHEST PERCENTAGE OF FAMILIES LIVING BELOW THE POVERTY LEVEL ARE IN THE FOLLOWING ZIP CODES: 20732 (CHESAPEAKE BEACH), 20678 (PRINCE FREDERICK), 20676 (PORT REPUBLIC), 20689 (SUNDERLAND), AND 20657 (LUSBY).</p>
SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH	CALVERT HEALTH MEDICAL CENTER IS AN INDEPENDENT COMMUNITY HOSPITAL LOCATED IN SOUTHERN MARYLAND. THE 90,000 COMMUNITY MEMBERS SERVED HAVE ACCESS TO OTHER HOSPITALS WITHIN A 30-MILE RADIUS. CALVERT HEALTH MEDICAL CENTER HAS A 62% MARKET SHARE OF INPATIENT ADMISSIONS. THE MAJORITY OF THE 20 MEMBER BOARD ARE LOCATED WITHIN THE COUNTY. THE 300 MEMBER MEDICAL STAFF IS COMPRISED OF EMPLOYED AND PRIVATE PRACTICING PROVIDERS FROM THE COUNTY AND SURROUNDING COUNTIES. THE HOSPITAL RENOVATED THE INPATIENT MEDICAL SURGICAL AREA TO PROVIDE ALL PRIVATE ROOMS AND MODERNIZE THE PATIENT CARE AREA.
SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP	CHMC IS PART OF AN AFFILIATED HEALTH CARE SYSTEM, CALVERT HEALTH SYSTEM, INC. (CHS) THAT COOPERATES IN PROVIDING HEALTH CARE SERVICES TO ITS COMMUNITY. THE HOSPITAL, AS A SOLE COMMUNITY PROVIDER, PROVIDES ESSENTIAL HEALTH CARE SERVICES SUCH AS OBSTETRICS, PSYCHIATRY (INPATIENT AND OUTPATIENT) AND EMERGENCY SERVICES THAT OTHERWISE WOULD NOT BE PROVIDED WITHIN CALVERT COUNTY DUE TO THEIR UNPROFITABLE NATURE (HIGH COST SERVICES WITH LOW REIMBURSEMENT), OR WOULD NEED TO BE PROVIDED BY ANOTHER TAX-EXEMPT ORGANIZATION OR THE GOVERNMENT. FOR THE 2022 TAX YEAR, THE HOSPITAL PROVIDED CHARITY CARE, AT COST, TO PATIENTS THAT QUALIFIED FOR FINANCIAL ASSISTANCE. IN ADDITION TO THE HOSPITAL, CHS IS ALSO THE SOLE MEMBER AND EMPLOYER OF A PHYSICIAN GROUP, CALVERTHEALTH MEDICAL GROUP, LLC, WHICH PROVIDES PRIMARY AND SPECIALTY CARE SERVICES TO CALVERTHEALTH MEDICAL CENTER, THE COMMUNITY. THE PROVISION OF THESE PHYSICIAN SERVICES TO THE COMMUNITY MEETS AN IDENTIFIED NEED.

Return Reference - Identifier	Explanation
SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	MD

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Compensation Information

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

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

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

OMB No. 1545-0047

2023

**Open to Public
Inspection**

Employer identification number

52-0619000

Part I Questions Regarding Compensation

	Yes	No
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> First-class or charter travel <input checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </div> <div> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) </div> </div>		
<p>b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	1b	✓
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?</p>	2	✓
<p>3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations </div> <div> <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </div> </div>		
<p>4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p>		
<p>a Receive a severance payment or change-of-control payment?</p>	4a	✓
<p>b Participate in or receive payment from a supplemental nonqualified retirement plan?</p>	4b	✓
<p>c Participate in or receive payment from an equity-based compensation arrangement?</p>	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.		
<p>5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p>		
<p>a The organization?</p>	5a	✓
<p>b Any related organization?</p>	5b	✓
If "Yes" on line 5a or 5b, describe in Part III.		
<p>6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p>		
<p>a The organization?</p>	6a	✓
<p>b Any related organization?</p>	6b	✓
If "Yes" on line 6a or 6b, describe in Part III.		
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III</p>	7	✓
<p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8	✓
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9	

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC 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	DEAN TEAGUE	(i) 135,000	135,000	874,434	2,606	0	1,147,040	0
	PRESIDENT & CEO-RETIRED	(ii) 0	0	0	0	0	0	0
2	JEREMY S BRADFORD	(i) 565,548	220,694	(6,369)	89,030	13,566	882,469	0
	PRESIDENT & CEO	(ii) 0	0	0	0	0	0	0
3	ANTHONY M BLADEN	(i) 487,722	113,351	147,574	41,956	5,683	796,286	0
	CHIEF OPERATING OFFICER	(ii) 0	0	0	0	0	0	0
4	CAROLYN M HEITHAUS	(i) 448,642	69,619	95,485	50,397	6,314	670,457	0
	VP FINANCE	(ii) 0	0	0	0	0	0	0
5	THEODORE N TSANGARIS, MD	(i) 472,915	0	(8,150)	14,850	0	479,615	0
	VP MEDICAL AFFAIRS/CHIEF MEDICAL OFFICER	(ii) 0	0	0	0	0	0	0
6	KASIA A SWEENEY	(i) 240,774	88,010	(3,676)	13,129	0	338,237	0
	VP STRATEGY & BUSINESS DEVELOPMENT	(ii) 0	0	0	0	0	0	0
7	MELISSA HALL	(i) 262,806	36,447	3,960	27,744	2,952	333,909	0
	VP CLINICAL SERVICES CHIEF NURSING OFFICER	(ii) 0	0	0	0	0	0	0
8	THERESA L JOHNSON	(i) 243,870	34,800	32,617	13,191	0	324,478	0
	VP BRAND STRATEGY & PHILANTHROPY	(ii) 0	0	0	0	0	0	0
9	PETER GLOGGNER	(i) 0	3,923	262,350	4,051	0	270,324	0
	VICE PRESIDENT HUMAN RESOURCES	(ii) 0	0	0	0	0	0	0
10	KARA A HARRER	(i) 212,473	27,351	15,595	10,965	430	266,814	0
	AVP ANCILLARY OPERATIONS	(ii) 0	0	0	0	0	0	0
11	JOSEPH PATRICK GARCIA-VALLE	(i) 228,289	22,672	162	11,076	162	262,361	0
	CHIEF COMPLIANCE COUNSEL	(ii) 0	0	0	0	0	0	0
12	FRANKLIN DALEY	(i) 188,826	50,000	2,768	11,681	2,198	255,473	0
	PLANT OPERATIONS PROJECT COORDINATOR	(ii) 0	0	0	0	0	0	0
13	NICOLE M HEDDERICH	(i) 201,378	33,082	1,942	10,016	1,834	248,252	0
	ASSOC VP QUALITY & RISK MGMT	(ii) 0	0	0	0	0	0	0
14	DIANE COUCHMAN	(i) 202,352	0	3,125	26,359	11,075	242,911	0
	VICE PRESIDENT HUMAN RESOURCES-INTERIM	(ii) 0	0	0	0	0	0	0
15	BENJAMIN I COX	(i) 204,278	0	(2,763)	9,702	21,533	232,750	0
	AVP INFORMATION SERVICES/CIO	(ii) 0	0	0	0	0	0	0
16	(SEE STATEMENT)	(i)						
		(ii)						

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

(a) Name		(b) Breakdown of W-2 and/or 1099-MISC compensation			(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(16) KATHLEEN LANHAM CHARGE NURSE	(i)	194,087	1,100	8,093	10,998	0	214,278	0
	(ii)	0	0	0	0	0	0	0
(17) RICHARD PELLEGRINO DIRECTOR FINANCIAL PLANNING & REIMBURSEMENT	(i)	182,277	0	565	8,246	0	191,088	0
	(ii)	0	0	0	0	0	0	0
(18) KIMBERLY S GIRARD CHARGE NURSE	(i)	179,108	1,750	448	8,300	327	189,933	0
	(ii)	0	0	0	0	0	0	0
(19) LAURAL H BRINKLEY VP CLINICAL SERVICES CHIEF NURSING OFFICER	(i)	146,662	0	-9,643	6,602	13,569	157,190	0
	(ii)	0	0	0	0	0	0	0

Part III

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

Return Reference - Identifier	Explanation
SCHEDULE J, PART I, LINE 1A - TRAVEL FOR COMPANIONS	THE PRESIDENT/CEO RECEIVED BENEFITS THAT ARE INCLUDED IN PART I, LINE 1.
SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	THE FOLLOWING EMPLOYEES CONTRIBUTED TO (EMPLOYEE AND EMPLOYER PORTION) THE ORGANIZATION'S 457(F) DEFERRED COMPENSATION PLAN: ANTHONY BLADEN: \$1,863 JEREMY BRADFORD: \$74,180 CAROLYN HEITHAUS: \$35,547 MELISSA HALL: \$14,963

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

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

OMB No. 1545-0047

2023

**Open to Public
Inspection**

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY	52-0936091		04/15/2021	16,539,000	(SEE STATEMENT)		✓		✓		✓
B	MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY	52-0936091		07/03/2023	31,169,000	(SEE STATEMENT)		✓		✓		✓
C												
D												

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	3,263,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	16,539,000		31,169,000					
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	125,431							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds	16,413,569		31,169,000					
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	✓		✓					
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		✓		✓				
16	Has the final allocation of proceeds been made?	✓		✓					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓					

Part III Private Business Use

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

Part IV Arbitrage

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

Part VI

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

Return Reference - Identifier	Explanation
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY	REFUND THE SERIES 2023 REVENUE BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY	REFUND THE SERIES 2015 REVENUE BONDS

**SCHEDULE L
(Form 990)**

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2023

**Open To Public
Inspection**

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

Employer identification number

52-0619000

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefiting Interested Persons.

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

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

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

Part V **Supplemental Information.**

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

[illegible]

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CALVERT INTERNAL MEDICINE GROUP	DR. FOSTER IS A PARTNER IN CALVERT INTERNAL MEDICINE GROUP	\$461,242	PHYSICIAN SERVICES		✓

SCHEDULE O (Form 990) Department of Treasury Internal Revenue Service	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Go to www.irs.gov/Form990 for the latest information.	OMB No. 1545-0047 <div style="font-size: 2em; font-weight: bold; margin: 0;">2023</div> Open to Public Inspection
Name of the Organization CALVERTHEALTH MEDICAL CENTER, INC.		Employer Identification Number 52-0619000

Return Reference - Identifier	Explanation
FORM 990, PART I, LINE 1 - BRIEF MISSION	ACCESSIBLE, COST-EFFECTIVE AND COMPASSIONATE. CHMC WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS.
FORM 990, PART III, LINE 4A - PROGRAM SERVICE DESCRIPTION	REPRESENT THE HEALTHCARE NEEDS OF THE COMMUNITY. THE HOSPITAL IN FY 2024 PROVIDED \$3,149,123 IN CHARITY CARE TO RESIDENTS WHO WERE UNABLE TO PAY FOR THOSE SERVICES AND MET ELIGIBILITY CRITERIA. THE HOSPITAL, AS A SOLE COMMUNITY PROVIDER, PROVIDES ESSENTIAL HEALTHCARE SERVICES SUCH AS OBSTETRICS, PSYCHIATRY (BOTH INPATIENT AND OUTPATIENT), EMERGENCY SERVICES, URGENT CARE AND LONG-TERM CARE THAT OTHERWISE WOULD NOT BE PROVIDED WITHIN CALVERT COUNTY OR WOULD HAVE TO BE PROVIDED BY THE GOVERNMENT. MANY OF THESE SERVICES BY THEIR NATURE ARE UNPROFITABLE SERVICES DUE TO THEIR HIGH COST AND LOW REIMBURSEMENT. THESE SERVICES WOULD NOT BE PROVIDED IF THE HOSPITAL DID NOT STEP IN TO PROVIDE THEM.
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	CALVERT HEALTH SYSTEM, INC. (CHS) IS THE SOLE MEMBER OF CALVERTHEALTH MEDICAL CENTER (CHMC).
FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	BOARD MEMBERS OF CALVERTHEALTH MEDICAL CENTER (CHMC) ARE ALSO BOARD MEMBERS OF CALVERT HEALTH SYSTEM, INC. (CHS). THERE IS COMMON SUPERVISION OR CONTROL BY THE PERSONS SUPERVISING OR CONTROLLING BOTH CHS AND CHMC. AND MANAGEMENT POSITIONS AT CHS ARE HELD BY THE SAME INDIVIDUALS THAT HOLD SUCH MANAGEMENT POSITIONS AT CHMC.
FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	BECAUSE CALVERT HEALTH SYSTEM, INC. (CHS) AND CALVERTHEALTH MEDICAL CENTER (CHMC) HAVE THE SAME BOARD MEMBERS AND MANagements, ANY GOVERNANCE DECISIONS OF CHMC ARE UNDER THE SUPERVISION OF AND SUBJECT TO APPROVAL BY CHS.
FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY	THE FORM 990 IS REVIEWED BY THE AUDIT COMMITTEE OF THE CALVERT HEALTH SYSTEM, INC. BOARD OF DIRECTORS AFTER COMPLETION AND PRIOR TO SUBMISSION TO THE IRS. THE DOCUMENT IS DELIVERED TO THE COMMITTEE MEMBERS PRIOR TO THE COMMITTEE MEETING SO THAT THEY CAN REVIEW THE INFORMATION AND RESPOND TO OR QUESTION ANY OR ALL OF THE DATA. THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ARE PRESENT AT THE AUDIT COMMITTEE MEETING. PRIOR TO SUBMISSION TO THE IRS, A COPY OF THE FINAL FORM 990 IS POSTED ON THE BOARD OF DIRECTORS PORTAL WHICH IS PASSWORD-PROTECTED. ALL BOARD MEMBERS ARE NOTIFIED BY EMAIL THAT THE FORM 990 HAS BEEN POSTED ON THE PORTAL AND IS AVAILABLE FOR REVIEW. ANY ADDITIONAL COMMENTS OR QUESTIONS FROM BOARD MEMBERS ARE RESPONDED TO PRIOR TO FILING THE FORM 990.
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	CALVERT HEALTH SYSTEM, INC. AND SUBSIDIARIES (THE HEALTH SYSTEM) HAVE A CONFLICT OF INTEREST PROCESS. AT ITS CORE ARE THREE DISTINCT POLICIES: ONE EACH FOR THE BOARD OF DIRECTORS, MEDICAL STAFF, AND ALL EMPLOYEES AND ASSOCIATES OF THE HEALTH SYSTEM. THESE POLICIES REQUIRE ALL ORGANIZATIONAL LEADERSHIP, AS WELL AS RANK AND FILE ASSOCIATES IN KEY POSITIONS OR WITH RELATIONSHIPS WITH OUTSIDE PARTIES THAT DO BUSINESS WITH THE HEALTH SYSTEM, TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST. ANNUAL DISCLOSURES ARE REQUIRED AND DOCUMENTED WITH A FURTHER REQUIREMENT TO PROMPTLY SUPPLEMENT WHEN AN ACTUAL OR POTENTIAL CONFLICT IS DISCOVERED OR CREATED. THE HEALTH SYSTEM REQUIRES THAT THESE POLICIES BE CONSTRUED BROADLY TO AVOID THE APPEARANCE OF IMPROPER ACTIVITY AND REQUIRES DISCLOSURE AND RESOLUTION OF POTENTIAL CONFLICTS AS WELL. THE PROCESS IS OVERSEEN BY THE CHIEF COMPLIANCE OFFICER OF THE HEALTH SYSTEM WHO HAS ACCESS TO EXTERNAL RESOURCES, INCLUDING OUTSIDE COUNSEL. REMEDIES RANGE FROM DISCLOSURE AND MONITORING FOR THE MOST ATTENUATED POTENTIAL CONFLICTS TO RESIGNATION/TERMINATION FOR UNRESOLVABLE CONFLICTS.
FORM 990, PART VI, LINE 15A - PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE, AN INDEPENDENT COMPENSATION CONSULTANT, A WRITTEN EMPLOYMENT CONTRACT, A COMPENSATION SURVEY OR STUDY, APPROVAL BY BOARD/COMPENSATION COMMITTEE AND CONTEMPORANEOUS WRITTEN SUBSTANTIATION OF THE DECISION-MAKING PROCESS TO DETERMINE COMPENSATION OF THE CEO.
FORM 990, PART VI, LINE 15B - PROCESS TO ESTABLISH COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES	THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE, AN INDEPENDENT COMPENSATION CONSULTANT, A WRITTEN EMPLOYMENT CONTRACT, A COMPENSATION SURVEY OR STUDY, APPROVAL BY BOARD/COMPENSATION COMMITTEE AND CONTEMPORANEOUS WRITTEN SUBSTANTIATION OF THE DECISION-MAKING PROCESS TO DETERMINE COMPENSATION OF THE CEO.
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

Return Reference - Identifier	Explanation	
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	(a) Description	(b) Amount
	EQUITY CONTRIBUTION	- 1,983,091
	CHF - TRANSFER OF NET ASSETS	399,733
FORM 990, PART XII, LINE 2B -	THE ORGANIZATIONS FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM AS PART OF THE CONSOLIDATED AUDIT OF THE HEALTH SYSTEM.	
FORM 990, PART XII, LINE 2C - CHANGE OF OVERSIGHT PROCESS OR SELECTION PROCESS	THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.	

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

CALVERTHEALTH MEDICAL CENTER, INC.

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

2023

**Open to Public
Inspection**

Employer identification number

52-0619000

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) CALVERT HEALTH SYSTEM INC (52-2347324) 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	HEALTHCARE	MD	501(C)(3)	3	N/A		✓
(2) CMH HOLDING CO (52-2176827) 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	REAL ESTATE	MD	501(C)(2)		CALVERT HEALTH SYSTEM		✓
(3) CMH II HOLDING CO (52-2178784) 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	REAL ESTATE	MD	501(C)(2)		CALVERT HEALTH SYSTEM		✓
(4) CALVERTHEALTH FOUNDATION INC (52-1680647) 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	FUNDRAISING	MD	501(C)(3)	12 TYPE I	CALVERTHEALTH MEDICAL CENTER	✓	
(5)							
(6)							
(7)							

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

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

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

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

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

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

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

(a) Name of related organization	(b) Transaction type (a–s)	(c) Amount involved	(d) Method of determining amount involved
(1) CALVERTHEALTH FOUNDATION INC.	C	1,071,762	CASH
(2) CMH HOLDING CO I	K	96,123	CASH
(3) CMH HOLDING CO I	L	239,289	CASH
(4) CALVERT HEALTH SYSTEMS	Q	119,606	CASH
(5) CALVERT HEALTH SYSTEMS	R	800,000	CASH
(6) CALVERT HEALTH SYSTEMS	S	3,825,000	CASH

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

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

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

Part III**Identification of Related Organizations Taxable as a Partnership** (continued)

(a) Name, address and EIN of related organization	(b) Primary Activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income related, unrelated, excluded from tax under sections 512-514	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) CORELIFE CALVERT PARTNERSHIP LLC (84-3544145) 1099 WINTERSON RD STE 300, LINTHICUM HEIGHTS, MD 21090	HEALTHCARE	MD	N/A	N/A	0	0		✓	0		✓	0.00

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


(a) Name, address and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C-corp, S-corp or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) CALVERT HEALTH VENTURES INC (52-1625432) 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	HEALTHCARE	MD	CHS	C CORPORATION	0	0	0.00		✓
(2) CALVERT COMMUNITY HEALTH INC (52-1996371) 100 HOSPITAL RD, PRINCE FREDERICK, MD 20678	HEALTHCARE	MD	CHMC	C CORPORATION	0	0	100.00		✓



Calvert Health System, Inc. and Subsidiaries

**Independent Auditor's Report, Consolidated Financial
Statements, and Supplementary Consolidating
Information**

June 30, 2024 and 2023



Calvert Health System, Inc. and Subsidiaries
Contents
June 30, 2024 and 2023

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Calvert Health System, Inc. and Subsidiaries

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Independent Auditor's Report

Board of Directors
Calvert Health System, Inc. and Subsidiaries
Prince Frederick, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Calvert Health System, Inc. and Subsidiaries (System), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of operations and other changes in net assets without donor restrictions, 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 consolidated financial statements present fairly, in all material respects, the financial position of the System as of June 30, 2024 and 2023, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the System 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.

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 accounting principles generally accepted in the United States of America, 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 System's ability to continue as a going concern within one year after the date that the consolidated financial statements were issued.

Auditor's 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 auditor's 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 System'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 System'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as listed in the accompanying table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual companies, and it 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 accompanying consolidating supplementary 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 auditing standards, generally accepted in the United States of America. In our opinion, the consolidating supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Forvis Mazars, LLP

**Charleston, West Virginia
October 23, 2024**

Calvert Health System, Inc. and Subsidiaries
Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,835,653	\$ 11,953,640
Short-term investments	818,568	398,562
Patient accounts receivable, net	21,711,673	16,604,377
Inventories	3,067,253	3,029,801
Prepaid expenses and other assets	3,913,990	5,839,192
Assets limited as to use, current	26,556	10,545
Total current assets	38,373,693	37,836,117
Investments and Other Assets		
Investments	110,182,239	109,720,200
Investments in affiliated enterprises	10,273,641	9,774,293
Assets limited as to use	7,844,993	6,613,286
Property and equipment, net	91,988,199	90,768,576
Insurance recoverable	5,720,463	4,916,856
Other assets	80,000	80,000
Right-of-use assets - operating leases	9,891,017	8,251,056
Total assets	<u>\$ 274,354,245</u>	<u>\$ 267,960,384</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 24,002,113	\$ 19,583,155
Current portion of long-term debt	1,764,000	1,958,000
Current portion of operating lease obligations	810,279	2,001,211
Current portion of finance lease obligations	1,531,427	1,491,901
Advances from third party payors	3,746,783	3,429,645
Total current liabilities	31,854,602	28,463,912
Long-term debt, less current portion, net of unamortized debt issuance costs	42,542,026	44,685,966
Long-term operating lease obligations	9,154,515	6,239,844
Long-term finance lease obligations	1,008,354	2,539,781
Professional liability	6,745,130	5,941,590
Other long-term liabilities	605,938	816,890
Total liabilities	<u>91,910,565</u>	<u>88,687,983</u>
Net Assets		
Without donor restrictions		
Unrestricted - general	173,812,946	171,838,377
Unrestricted - board designated	5,043,040	4,652,946
With donor restrictions	3,587,694	2,781,078
Total net assets	<u>182,443,680</u>	<u>179,272,401</u>
Total liabilities and net assets	<u>\$ 274,354,245</u>	<u>\$ 267,960,384</u>

Calvert Health System, Inc. and Subsidiaries
Consolidated Statements of Operations and Other Changes in Net Assets Without Donor Restri
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue		
Net patient service revenue	\$ 182,322,868	\$ 168,805,719
Rental revenue	474,334	457,149
Other operating revenue	3,112,000	4,139,993
	<u>185,909,202</u>	<u>173,402,861</u>
Expenses		
Salaries and wages	85,944,677	82,555,960
Employee benefits	15,843,443	15,429,719
Supplies	37,858,428	34,823,950
Purchased services	25,057,671	23,095,177
Professional fees	11,317,448	10,809,028
Depreciation and amortization	10,624,567	10,607,757
Interest	1,071,891	932,930
Other	9,534,889	8,873,751
	<u>197,253,014</u>	<u>187,128,272</u>
Total operating expenses	<u>197,253,014</u>	<u>187,128,272</u>
Loss from operations	(11,343,812)	(13,725,411)
Nonoperating Gains (Losses)		
Investment income	7,048,821	4,780,552
Income from equity investments	839,618	1,299,918
Income tax expense	(441,240)	(30,000)
Net unrealized gains on investments	4,243,565	4,009,524
Loss on extinguishment of debt	-	(202,889)
	<u>11,690,764</u>	<u>9,857,105</u>
Total nonoperating gains, net	<u>11,690,764</u>	<u>9,857,105</u>
Excess (Deficit) of revenue over expenses	346,952	(3,868,306)
Net Assets Released from Restrictions for Capital Acquisitions	<u>2,017,711</u>	<u>143,709</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>\$ 2,364,663</u>	<u>\$ (3,724,597)</u>

Calvert Health System, Inc and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2022	\$ 180,215,920	\$ 2,732,111	\$ 182,948,031
Deficit of revenues over expenses	(3,868,306)	-	(3,868,306)
Contributions	-	1,517,921	1,517,921
Net assets released from restrictions for capital acquisitions	143,709	(143,709)	-
Net assets released from restrictions to fund operating programs	-	(1,184,188)	(1,184,188)
Investment losses on net assets with donor restrictions	-	(141,057)	(141,057)
(Decrease) Increase in net assets	<u>(3,724,597)</u>	<u>48,967</u>	<u>(3,675,630)</u>
Balance, June 30, 2023	176,491,323	2,781,078	179,272,401
Excess of revenue over expenses	346,952	-	346,952
Contributions	-	2,661,171	2,661,171
Net assets released from restrictions for capital acquisitions	2,017,711	(2,017,711)	-
Net assets released from restrictions to fund operating programs	-	(20,543)	(20,543)
Investment income on net assets with donor restrictions	-	183,699	183,699
Increase in net assets	<u>2,364,663</u>	<u>806,616</u>	<u>3,171,279</u>
Balance, June 30, 2024	<u>\$ 178,855,986</u>	<u>\$ 3,587,694</u>	<u>\$ 182,443,680</u>

Calvert Health System, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Increase (Decrease) in net assets	\$ 3,171,279	\$ (3,675,630)
Adjustments to reconcile to net cash from operating activities		
Depreciation and amortization	10,624,567	10,607,757
Amortization of debt issuance costs	19,035	36,316
Loss on extinguishment of debt	-	202,889
Donations and grants restricted for capital acquisition	(2,661,171)	(1,517,921)
Equity in earnings of affiliated enterprises	(839,618)	(1,299,918)
Realized net gains on investments	(3,624,349)	(1,282,641)
Unrealized net gains on investments	(4,328,151)	(3,868,467)
Noncash operating lease expense	73,774	-
Change in		
Patient accounts receivable	(5,107,296)	(2,443,596)
Inventories	(37,452)	228,850
Prepaid expenses and other assets	1,133,425	(850,075)
Accounts payable, accrued expenses and other liabilities	5,322,743	(1,122,204)
Net cash provided by (used in) operating activities	<u>3,746,786</u>	<u>(4,984,640)</u>
Investing Activities		
Purchases of investments	(27,700,906)	(49,158,613)
Sales of investments	34,106,140	52,870,971
Net decrease (increase) in assets limited as to use	1,988,498	(645,080)
Distributions from equity method investments	340,269	(175)
Purchases of property and equipment	(11,844,188)	(8,970,218)
Net cash used in investing activities	<u>(3,110,187)</u>	<u>(5,903,115)</u>
Financing Activities		
Payment of bond issuance costs	(24,975)	(41,250)
Repayment of long-term debt	(2,332,000)	(1,580,000)
Payments on finance leases	(1,498,522)	(1,451,759)
Donations and grants received restricted for capital acquisitions	2,661,171	1,517,921
Net cash used in financing activities	<u>(1,194,326)</u>	<u>(1,555,088)</u>
Net decrease in cash, cash equivalents, and restricted cash	(557,727)	(12,442,843)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	<u>12,722,376</u>	<u>25,165,219</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u><u>\$ 12,164,649</u></u>	<u><u>\$ 12,722,376</u></u>

Note 1. Organization and Nature of Business

Organization

Calvert Health System, Inc. and Subsidiaries (System), a Maryland corporation formed on January 1, 2000, is the sole member of CalvertHealth Medical Center, Inc. (the Hospital), Calvert Health Ventures, Inc. (CHV), CalvertHealth Medical Group, LLC (CHMG), CMH Holding Company (Holding Co. I), and CMH II Holding Company (Holding Co. II).

The System and the Hospital are nonprofit, nonstock membership corporations formed under the laws of the State of Maryland, organized for charitable purposes and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

The Hospital, located in Prince Frederick, Maryland, provides inpatient, outpatient and emergency care services for the residents of Calvert County and the surrounding areas. The Hospital was incorporated in Maryland in 1917. The Hospital has one wholly owned or controlled subsidiary: CalvertHealth Foundation, Inc. (the Foundation). The Foundation is a non-profit corporation that operates exclusively for the charitable purpose of supporting the Hospital and CHMG.

CHV is a for-profit corporation that owns and manages investments in certain health care related entities, including Calvert Surgery Center, LLC (CSC) and an imaging center. CSC holds a 10% interest in Prince Frederick Surgery Center, LLC (PFSC).

CHMG is a limited liability company that employs physicians who provide health care services for the residents of Calvert County and the surrounding area.

Holding Co. I and Holding Co. II are nonprofit, nonstock membership corporations formed under the laws of the State of Maryland, organized for charitable purposes and exempt from federal income taxes under Section 501(c)(2) of the IRC. Holding Co. I owns a medical office building in Solomon's Island, Maryland. Holding Co. II owns interest in Calvert Medical Arts Center, LLC (CMAC).

Principles of Consolidation

The System's consolidated financial statements include the accounts of the Hospital and its wholly owned or controlled subsidiaries, CHV, CHMG, Holding Co. I and Holding Co. II. All material intercompany transactions are eliminated.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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.

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Contributions, including unconditional promises to give, with no donor-imposed restrictions are recognized in the period received as increases in net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as increases in net assets with donor restrictions. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restricted contributions whose restrictions are met in the same reporting period are also initially reported as increases in net assets with donor restrictions and then reported as reclassifications between the applicable classes of net assets.

Income and realized net gains (losses) on investments are reported as follows:

- Increases (decreases) in net assets with donor restrictions if the terms of the gift or the System's interpretation of relevant state law require that they be added to the principal of a permanent net asset with donor restriction;
- Increases (decreases) in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income;
- Increases (decreases) in net assets without donor restrictions in all other cases.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of highly liquid, unrestricted investments in U.S. Treasury bills, commercial paper, and other interest-bearing deposits with original maturities of three months or less. Primarily all of the System's cash and cash equivalents are maintained in one commercial bank, of which an aggregate maximum of \$250,000 is insured by the Federal Deposit Insurance Corporation (FDIC). The System's cash balance routinely exceeds the maximum amount insured by the FDIC.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the accompanying consolidated statements of financial position that sum to the total amounts shown in the accompanying consolidated statements of cash flows as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 8,835,653	\$ 11,953,640
Assets whose use is limited		
Internally designated for capital acquisition and scholarships	<u>3,328,996</u>	<u>768,736</u>
Total cash, cash equivalents and restricted cash shown in consolidated statements of cash flows	<u>\$ 12,164,649</u>	<u>\$ 12,722,376</u>

Short-Term Investments

Short-term investments consist primarily of investments with maturities of less than one year from the date of purchase.

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Inventories

Inventories consist primarily of drugs and medical supplies and are carried at the lower of cost or net realizable value, as determined principally by the first-in, first-out method.

Patient Accounts Receivable

Patient accounts receivable are reported at net realizable value. For receivables associated with services provided to patients who have third-party coverage, the System estimates net realizable value based on the estimated contractual reimbursement percentage, which in turn is based on current contract provisions and historical paid claims by payor. For self-pay accounts, including uninsured and patient responsibility accounts, the net realizable value is determined using historical collection experience, adjusted for estimated conversions of patient responsibility portions, expected recoveries and changes in trends to estimate implicit price concessions. Management continually reviews the estimated net realizable value of accounts receivable by monitoring cash collections, economic conditions and trends, changes in payor mix, changes in federal or state healthcare coverage and other matters.

The System performs periodic assessments to determine if an allowance for expected credit losses is necessary. The System considers its incurred loss experience and adjusts for known and expected events and other circumstances. In estimating its expected credit losses, the System may consider changes in the length of time its receivables have been outstanding, changes in credit ratings for payors, requests from payors to alter payment terms due to financial difficulty, and notices of payor bankruptcies or payors entering receivership. Because the System's accounts receivable is typically paid for by highly-solvent, creditworthy payors, such as Medicare, other governmental programs, and highly-regulated commercial insurers on behalf of the patient, the System's credit losses are immaterial to the consolidated financial statements.

Investments

Investments in fixed maturity and equity securities are recorded at fair value. Investment income, realized gains and losses and unrealized gains and losses on equity securities are reported in the accompanying consolidated statements of operations and other changes in net assets without donor restrictions unless restricted by the donor, in which case they are reported as an addition to, or deduction from, the appropriate net assets with donor restriction balance.

As of June 30, 2024 and 2023, \$1,420,848 and \$1,215,451 of the investments balance, respectively, are available to fund an executive severance and deferred compensation plan that has been established to provide benefits to the System's executive management team. The current portion amounts are included in accounts payable and accrued expenses and the noncurrent portion amounts are recorded as noncurrent liabilities in the accompanying consolidated statements of financial position as of June 30, 2024 and 2023.

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

Investments in Affiliated Enterprises

Investments in affiliated, non-controlled enterprises are accounted for using the cost or equity method of accounting.

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture agreements, designated assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and grants receivable.

Property and Equipment

Property and equipment acquisitions are recorded at cost, except for donated items, which are recorded at fair value at the date of donation. Renovations, alterations, and improvements that increase the useful lives or the functionality of the related assets are capitalized and subsequently depreciated over the remaining useful life of each class of depreciable assets. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Useful lives range from 20 - 40 years for buildings, 5 - 10 years for equipment and 10 - 20 years for leasehold improvements. Interest cost incurred on borrowed funds during the construction period for capital assets is capitalized as a component of the cost of acquiring those assets.

Leases

At lease inception, the System determines whether an arrangement is or contains a lease. Operating leases are included in right-of-use (ROU) assets – operating leases, current portion of operating lease obligations, and long-term operating lease obligations in the accompanying consolidated financial statements. Finance leases are included in property and equipment, current portion of finance lease obligations and long-term finance lease obligations in the accompanying consolidated financial statements. ROU assets represent the System's right to use leased assets over the term of the lease. Lease liabilities represent the System's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured at the present value of the lease payments over the lease term. The System uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the System uses its incremental borrowing rate at the commencement date of the lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs and any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates and the presence of factors that would cause a significant economic penalty to the System if the option were not exercised. The System has elected not to recognize a ROU asset and obligation for leases with an initial term of twelve months or less. The expense associated with short-term leases is included in lease expense in the accompanying consolidated statements of operations. Variable lease costs include common area maintenance costs and represent non-lease components. As such, these costs are not included in the lease obligation calculation and are expensed as incurred.

For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. The discount rate used by the System for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

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Net Assets

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

Net Assets Without Donor Restrictions – net assets available for use in general operations and not subject to donor restrictions. All revenue without donor restrictions and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions – net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenue with donor restrictions as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Other Assets

Other assets consist of long-term other amounts receivable. Long-term other amounts receivable includes a promissory note that was entered into between the Hospital and PFSC on July 1, 2015 in the amount of \$1,800,000. The original terms and conditions of the promissory note were restated and amended on December 1, 2018 for a new principal amount of \$1,187,095, a fixed rate of 3.75%, four payments of interest only that commenced on January 1, 2019 and sixty monthly payments of principal and interest that commenced on May 1, 2019. This note was paid in full as of June 30, 2024.

Third-Party Advances

The Hospital receives advances from third-party payors to provide working capital for services rendered to the beneficiaries of such services. These advances are subject to periodic adjustment and are principally determined based on the timing difference between the provision of care and the anticipated payment date of the claim for service.

Net Patient Service Revenue

Net patient service revenue is recognized at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third party payors (including commercial and governmental programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the System bills the patients and third-party payors after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

The System charges are based on rates established by the State of Maryland Health Services Cost Review Commission (HSCRC); accordingly, revenue reflects actual charges to patients based on rates in effect during the period in which the services are rendered. Physician practice charges are based on either negotiated contracts with commercial payors, fee schedules with Medicare and Medicaid or standardized pricing for self-pay patients.

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The System determines the transaction price based on standard charges for services provided, reduced by explicit price concessions provided to third party payors, financial assistance provided to uninsured or underinsured patients in accordance with the System's policies, and/or implicit price concessions provided to uninsured or underinsured patients. The System determines its estimates of explicit price concession based on contractual agreements, its financial assistance policies, and historical experience. The System determines its estimates of implicit price concessions based on its historical and expected collection experience. This estimate considers business and general economic conditions, trends in healthcare coverage and other collection indicators. Throughout the year, management assesses the adequacy of these implicit price concessions based upon its review of patient accounts receivable and collections to date. Other factors, such as account aging and payment cycles, are considered when estimating implicit price concessions. Certain amounts categorized as implicit price concessions under current accounting standards were previously categorized as provision for doubtful accounts.

Charity Care and Other Community Services

The Hospital provides care to patients regardless of their ability to pay. In identifying charity care, the Hospital assesses the patient's ability to pay, utilizing generally recognized poverty income levels for the community, and identifies certain cases where incurred charges are considered to be beyond the patient's ability to pay. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as a component of net patient service revenue or patient accounts receivable. The Hospital maintains records to identify and monitor the level of charity care it provides. These records represent the amount of charges forgone under its charity care policy. The charity policy of the Hospital provides free care to patients up to 200% of the federal poverty level and provides free care on a sliding scale between 200% and 300% of the federal poverty level.

The cost of charity care provided by the Hospital amounted to approximately \$3,294,349 and \$2,837,675 in 2024 and 2023, respectively. Rates charged by the Hospital for regulated services are determined based on an assessment of direct and indirect costs calculated pursuant to the methodology established by the HSCRC, and therefore the cost of charity services noted above for the Hospital is equivalent to its established rates for those services. For any charity services rendered by the System other than the regulated services of the Hospital, the cost of charity care is calculated by applying the estimated total cost-to-charge ratio for the non-Hospital services to the total amount of charges for services provided to patients benefitting from the charity care policies of the System's non-Hospital affiliates.

The Hospital receives monthly payments from the HSCRC or submits monthly payments with respect to an Uncompensated Care Fund (UCC) established for rate-regulated hospitals in Maryland. The UCC is intended to provide Maryland hospitals with funds to support the provision of uncompensated care at those hospitals as determined by the HSCRC. The Hospital contributed \$3,177,406 and \$2,771,122 for 2024 and 2023, respectively, to the UCC as required by the HSCRC.

In addition to charity and uncompensated care, the System provides various health education programs, community screenings, classes, partnerships and neighborhood health centers, such as the following:

- Clinic eligibility workers that assist indigent patients to obtain healthcare and dental services,
- Health promotion programs and services, such as smoking cessation, blood pressure screenings and wellness programs, and
- Social services to assist patients in arranging for nonhospital healthcare services.

The HSCRC requires all Maryland hospitals to complete and submit a Community Benefit Report annually on December 15th for the preceding fiscal year. The Hospital's Community Benefit Report for the years ended June 30, 2023 and 2022 reported \$8,431,523 and \$7,985,178, respectively (unaudited), in community benefit services.

Consolidated Statements of Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as revenue or expenses, as applicable. Peripheral or incidental transactions are reported as non-operating gains or losses, as applicable.

Other Operating Revenue

Other operating revenue of the System includes electronic health record income, cafeteria income, grant income, ground lease income and revenue from instructional classes and other operating programs.

Excess (Deficit) of Revenue Over Expenses

The consolidated statements of operations and other changes in net assets without donor restrictions report excess (deficit) of revenue over expenses. Changes in net assets without donor restrictions that are excluded from this performance indicator, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of (and assets released from donor restrictions related to) long-lived assets.

Tax-Exempt Status

The System is exempt from federal income tax under section 501(c)(3) of the IRC as a public charity. The System is entitled to rely on this determination as long as there are no substantial changes in its character, purposes, or methods of operation. Management has concluded that there have been no such changes and, therefore, the System's status as a public charity exempt from federal income taxation remains in effect.

The state in which the System operates also provides general exemption from state income taxation for organizations that are exempt from federal income taxation. However, the System is subject to both federal and state income taxation at corporate tax rates on its unrelated business income. Exemption from other state taxes, such as real and personal property taxes, is separately determined.

The System had no unrecognized tax benefits or such amounts were immaterial during the periods presented. For tax periods with respect to which no unrelated business income was recognized, no tax return was required.

Management has also considered the impact of unrelated business activities and has concluded that the System is not subject to unrelated business tax or any other taxes that could be imposed by the IRC or state taxing authorities. As such, no provision is made for income taxes and no asset or liability has been recognized for deferred taxes.

New Accounting Pronouncement

Effective July 1, 2023, the System adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to certain qualifying insurance receivables and reinsurance recoveries and receivables. This accounting pronouncement did not have a material impact on the consolidated financial statements.

Subsequent Events

In preparing these consolidated financial statements, the System has evaluated events and transactions for potential recognition or disclosure through October 23, 2024, the date the consolidated financial statements were issued.

The System is seeking to dissolve the CoreLife Calvert Partnership, LLC in fiscal year 2025.

Note 3. Net Patient Service Revenue

Management has determined that the System has an unconditional right to payment only subject to the passage of time for services provided to date based on just the need to either finalize billing for such services (i.e., charge lag) or to discharge the patient and bill for such services for patients who are still receiving inpatient care in the System's facilities at the statement of financial position date. Accordingly, the System accrues revenue and the related accounts receivable for services performed but not yet billed at the statement of financial position date for in-house patients. Thus, management has determined that System does not have any amounts that should be reflected separately as contract assets.

The System elected certain available practical expedients under FASB ASU 2014-09, *Revenue from Contracts with Customers (ASC 606)*. First, the System elected the practical expedient that allows nonrecognition of the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the respective contracts.

Additionally, the System has applied the practical expedient whereby all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the System otherwise would have recognized is one year or less in duration.

Estimated uncollectible amounts from patients are considered implicit price concessions (as defined in ASC 606) and, therefore, included in net patient service revenue. Such implicit price concessions are reflected in net patient service revenue in the accompanying consolidated financial statements.

The System routinely obtains assignments of (or is otherwise entitled to receive) patient benefits receivable under their health insurance programs, plans or policies (i.e., third-party payors). Third party payors include both government payors, which include Medicare, Medicaid, and management care organizations, and commercial insurance carriers. Agreements with third party payors typically provide for payments at amounts less than established charges. A summary of payment arrangements with third party payors, by service type, is as follows:

- Global budget revenue – the Hospital has entered into agreements by which the third-party payors pay a percentage of approved HSCRC charges. A reduced percentage can be obtained if the payor advances a certain amount of working capital.
- Physician practice services – CHMG has entered into agreements by which the third-party payors pay negotiated rates per procedures as defined in the term sheet of the agreements.
- Outpatient Rehabilitation – Calvert Health Outpatient Rehabilitation, a hospital department, has entered into agreements by which the third-party payor pay negotiated rates per procedures as defined in the term sheet of the agreements.

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Performance obligations are determined based on the nature of the services provided by the System. Revenue for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected (or actual) charges. The System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving services over multiple days. The System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time are generally recognized when goods or services are provided and the System does not believe it is required to provide additional services to the patient. Generally, performance obligations satisfied at a point in time relate to patients receiving outpatient services in a single day. The System measures the performance obligation from the commencement of the outpatient service to the point when it is no longer required to provide services to that patient, which is generally the completion of the outpatient service.

All of the System's performance obligations generally relate to contracts with a duration of less than one year, therefore the System has elected to apply the optional exemptions provided under applicable standards and as a result is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period.

The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance, which vary in amount. The System also provides services to uninsured patients, and offers those uninsured or underinsured patients financial assistance, by either policy or law, from standard charges. The System estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions.

The initial estimate of the transaction price is determined by reducing the standard charges by any explicit price concession, financial assistance, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the System's mission, care is provided to patients regardless of their ability to pay. Therefore, the System has determined it has provided implicit price concessions to uninsured patients and other patient balances (for example, copays and deductibles).

The System aggregates revenue from contracts with customers by type of service and payor source. Tables providing details of these factors are presented below.

Net patient service revenue disaggregated by service type for the year ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Global budget revenue	\$ 159,282,043	\$ 148,065,320
Rehabilitation services	1,855,833	1,901,445
Physician practice services	<u>21,184,992</u>	<u>18,838,954</u>
Total	<u>\$ 182,322,868</u>	<u>\$ 168,805,719</u>

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Net patient service revenue disaggregated by payor for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Medicare	\$ 78,035,294	\$ 73,587,430
Medicaid	24,620,003	23,127,298
Blue Cross	34,801,201	30,842,146
Commercial	8,634,499	6,272,347
Managed Care	32,771,116	32,132,101
Self-Pay	<u>3,460,755</u>	<u>2,844,397</u>
Total	<u>\$ 182,322,868</u>	<u>\$ 168,805,719</u>

Note 4. Investments in Affiliated Enterprises

A summary of investments in affiliated enterprises as of and for the years ended June 30 follows:

	<u>2024</u>		<u>2023</u>	
	<u>Investment</u>	<u>Income</u>	<u>Investment</u>	<u>Income</u>
Equity				
Calvert Medical Imaging Center	\$ 4,396,154	\$ 1,093,609	\$ 3,802,545	\$ 836,772
Chesapeake Potomac Healthcare Alliance, LLC	4,227,267	(55,346)	4,282,613	484,944
ChoiceOne Urgent Care of Calvert County, LLC	659,912	221,448	688,464	359,510
Prince Frederick Surgery Center, LLC	10,692	14,071	(3,379)	(310,188)
CoreLife Calvert Partnership, LLC	240,730	(425,428)	256,428	(71,118)
15 E Chesapeake Beach Rd, LLC	705,011	(8,736)	713,747	-
Cost				
Freestate Healthcare Insurance Company, LTD	<u>33,875</u>	<u>-</u>	<u>33,875</u>	<u>-</u>
	<u>\$ 10,273,641</u>	<u>\$ 839,618</u>	<u>\$ 9,774,293</u>	<u>\$ 1,299,920</u>

CHV's investment in Calvert Medical Imaging Center (CMIC) represents approximately 43% and 39% of the reported investment balance in affiliates as of June 30, 2024 and 2023, respectively, while the Hospital's investment in Chesapeake-Potomac Healthcare Alliance, LLC (the Alliance) represents approximately 41% and 44% of the reported investment balance in affiliates as of June 30, 2024 and 2023, respectively, and the Hospital's investment in ChoiceOne Urgent Care of Calvert County (ChoiceOne) represents approximately 6% and 7% as of June 30, 2024 and 2023, respectively. The investments in CoreLife Calvert Partnership represents approximately 3% as of June 30, 2024 and 2023, respectively, and 15 E Chesapeake Beach Road, LLC represents approximately 7% as of June 30, 2024 and 2023. Summarized financial information for CMIC, the Alliance and ChoiceOne is also presented as follows.

Calvert Medical Imaging Center

CMIC is a joint venture between CHV and American Radiology Services, Inc. that operates diagnostic imaging facilities. CHV maintains a 50% interest in CMIC.

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Summarized unaudited financial information of CMIC as of and for the years ended June 30 is presented below:

	<u>2024</u>	<u>2023</u>
Total assets	\$ 13,779,351	\$ 9,571,541
Total liabilities	\$ 4,921,875	\$ 1,901,277
Partners' capital	<u>8,857,476</u>	<u>7,670,264</u>
Total liabilities and partners' capital	\$ 13,779,351	\$ 9,571,541
Total revenue	\$ 16,955,954	\$ 14,450,396
Net income	\$ 2,187,213	\$ 1,775,252

Chesapeake Potomac Healthcare Alliance, LLC

Chesapeake Potomac Healthcare Alliance, LLC (Alliance) is a joint venture in which the Hospital and two other hospitals have invested equally. It was created to provide certain healthcare services to the population of southern Maryland. The Alliance is an 80% owner of Chesapeake Potomac Regional Cancer Center, LLC (CPRCC), a limited liability company that owns and operates two outpatient radiation oncology centers. Up until June 2024, the other 20% of CPRCC was owned by Holy Cross Hospital of Silver Spring. CPHA acquired the 20% ownership from Holy Cross Hospital of Silver Spring on June 26, 2024. The Alliance is also one of two members in Chesapeake Potomac Home Health Agency, Inc., a Maryland nonstock corporation that was formed in 1995 for the purpose of providing home health care and other health care services to individuals in need of such services in Calvert, Charles and St. Mary's counties.

Summarized unaudited financial information of the Alliance as of and for the years ended June 30 is presented below:

	<u>2024</u>	<u>2023</u>
Total assets	\$ 18,511,291	\$ 18,739,605
Total liabilities	\$ 4,338,677	\$ 3,040,357
Members' equity	<u>14,172,614</u>	<u>15,699,248</u>
Total liabilities and members' equity	\$ 18,511,291	\$ 18,739,605
Total revenue	\$ 16,310,458	\$ 14,377,715
Net income	\$ 825,358	\$ 534,289

ChoiceOne Urgent Care Of Calvert County, LLC

ChoiceOne is a joint venture which was formed in November 2018 to manage and operate the Dunkirk, Prince Frederick and Solomons Urgent Care locations. The Hospital maintained a 49% interest in this joint venture at June 30, 2019. In March 2020, there was a transition in ownership and the Hospital transferred a portion of its membership interests to the new management company. With the new ownership structure, the urgent care centers were rebranded to Patriot Urgent Care of Calvert County on November 12, 2020. The Hospital maintains a 25% interest in the joint venture as of June 30, 2024 and 2023.

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Summarized unaudited financial information of ChoiceOne as of and for the years ended June 30 is presented below:

	<u>2024</u>	<u>2023</u>
Total assets	\$ 3,455,118	\$ 3,449,587
Total liabilities	\$ 809,720	\$ 599,203
Partners' capital	<u>2,645,398</u>	<u>2,850,384</u>
Total liabilities and partners' capital	<u>\$ 3,455,118</u>	<u>\$ 3,449,587</u>
Total revenue	<u>\$ 4,915,341</u>	<u>\$ 5,525,886</u>
Net income	<u>\$ 838,243</u>	<u>\$ 1,344,093</u>

Prince Frederick Surgery Center, LLC

PFSC operates a surgical center in Prince Frederick Maryland. It was formed initially as a joint venture by five physicians in May 2009. On July 1, 2015, CSC acquired a 25% interest in PFSC. On December 1, 2018, CSC and the physician members agreed to an additional ownership interest that was issued to Surgical Center Development #3, LLC resulting in a new ownership structure where CSC maintained a 15% interest in PFSC. On July 2020, CSC relinquished 5% interest back to PFSC, resulting in a 10% interest in PFSC.

Corelife Calvert Partnership, LLC

In March 2020, the System and CoreLife, Inc. created the CoreLife Calvert Partnership, LLC. The joint venture was created with the intent of opening and operating three weight management clinics in Calvert County and neighboring Charles County. CoreLife's innovative model addresses all facets of weight management as well as facilitates healthy lifestyles. This holistic approach aligns with the System's commitment to improving the health status of the community and its patients. The System maintains a 50% interest in the joint venture at June 30, 2024 and 2023.

15 E Chesapeake Beach Road, LLC

In June 2023, the partnership was created with Luminis Health Real Estate Holding Company, Inc. to acquire a property in Calvert County for future healthcare development.

Freestate Healthcare Insurance Company, LTD

Freestate Healthcare Insurance Company, LTD is a captive insurance company formed in the Cayman Islands. It is owned by three Maryland hospitals. Freestate provides insurance coverage to its shareholders for professional liability and comprehensive general liability (see Note 11).

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Note 5. Investments

Investments, stated at market value, which approximates fair value, at June 30 include:

	<u>2024</u>	<u>2023</u>
Equity mutual funds	\$ 50,931,168	\$ 51,110,180
Fixed maturity mutual funds	12,518,885	9,762,688
Guaranteed investment account	172,001	1,153,458
Corporate and municipal bonds	21,108,574	19,768,578
U.S. government issues	16,096,581	17,440,108
Alternative investments	<u>10,200,153</u>	<u>10,883,750</u>
	111,027,362	110,118,762
Less – short-term investments	<u>818,568</u>	<u>398,562</u>
Long-term investments	<u>\$ 110,208,794</u>	<u>\$ 109,720,200</u>

Assets limited as to use, stated at fair value, at June 30 include:

	<u>2024</u>	<u>2023</u>
Internally designated for capital acquisition and scholarships		
Cash and cash equivalents	\$ 3,328,996	\$ 768,736
Net pledges and grants receivable	360,899	375,132
Equity mutual funds	2,451,708	3,215,112
Fixed income mutual funds	<u>1,729,946</u>	<u>2,264,851</u>
	7,871,549	6,623,831
Less – current portion	<u>26,556</u>	<u>10,545</u>
	<u>\$ 7,844,993</u>	<u>\$ 6,613,286</u>

Management has placed \$100,000 in a separate bank account to be used toward future gift annuity reserves. There were no outstanding charitable gift annuity obligations as of June 30, 2024 or 2023.

Investment income and gains or losses for assets limited as to use, cash equivalents and other investments are comprised of the following for the years ended June 30:

	<u>Year Ended June 30, 2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 3,798,000	\$ 44,169	\$ 3,842,169
Realized gains	3,569,406	54,943	3,624,349
Net unrealized gains on investments	4,243,564	84,587	4,328,151
Investment expenses	<u>(318,584)</u>	<u>-</u>	<u>(318,584)</u>
	<u>\$ 11,292,386</u>	<u>\$ 183,699</u>	<u>\$ 11,476,085</u>

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	Year Ended June 30, 2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 3,450,951	\$ 46,955	\$ 3,497,906
Realized gains (losses)	1,623,132	(46,955)	1,576,177
Net unrealized gains (losses) on investments	4,009,524	(141,057)	3,868,467
Investment expenses	<u>(293,536)</u>	<u>-</u>	<u>(293,536)</u>
	<u>\$ 8,790,071</u>	<u>\$ (141,057)</u>	<u>\$ 8,649,014</u>

Current accounting standards define 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 establish a framework for measuring fair value, and establish a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date, as follows:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable input other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following discussion describes the valuation methodologies used for financial assets measured at fair value. The techniques utilized in estimating the fair values are affected by the assumptions used, including discount rates, and estimates of the amount and timing of future cash flows. Care should be exercised in deriving conclusions about System's business, its value, or financial position based on the fair value information of financial assets presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of the timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. Furthermore, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

Fair values for the System's fixed maturity securities are based on prices provided by its investment managers, who use a variety of pricing sources to determine market valuations. Each designate specific pricing services or indexes for each sector of the market based upon the provider's experience. The System's fixed maturity securities portfolio is highly liquid, which allows for a high percentage of the portfolio to be priced through pricing services.

Fair values of equity securities have been determined by the System from observable market quotations, when available. Private placement securities and other equity securities where a public quotation is not available are valued by using broker quotes.

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The guaranteed investment account is valued at contract value, (which includes contributions made, adjusted for interest earned, withdrawals and administrative expenses) which approximates fair value.

The System's investments include investments in limited partnerships and other alternative investments, which are made in accordance with the System's investment policies. The limited partnerships acquire, hold, invest, manage, dispose of, and otherwise deal in and with securities of all kinds and descriptions. Publicly traded securities are generally valued by reference to closing market prices on one or more national securities exchange or generally accepted pricing services selected by the fund managers of the limited partnership. Securities not valued by such pricing services will be valued upon bid quotations obtained from independent dealers in the securities.

The equity in earnings or losses from these investments is recorded as a component of investment income in the accompanying consolidated statements of operations and other changes in net assets without donor restrictions.

Although the various fund managers use their best judgment at estimating the fair value of the alternative investments, there are inherent limitations in any valuation technique. Therefore, the value is not necessarily indicative of the amount that could be realized in a current transaction. Future events will also affect the estimates of fair value, and the effect of such events on the estimates of the fair value could be material.

The following table presents the System's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds				
Foreign large value	\$ 11,185,392	\$ -	\$ -	\$ 11,185,392
Foreign large blend	565,863	-	-	565,863
Large blend	28,243,597	-	-	28,243,597
Mid cap value	39,187	-	-	39,187
Small blend	6,795,252	-	-	6,795,252
Fixed maturity mutual funds				
Intermediate term bond	1,309,310	-	-	1,309,310
Intermediate core-plus bond	27,497	-	-	27,497
World bond	211,167	-	-	211,167
Tactical allocation	4,609,532	-	-	4,609,532
Ultrashort bond	8,091,325	-	-	8,091,325
Exchange traded funds	5,504,245			5,504,245
Corporate bonds	21,108,574	-	-	21,108,574
U.S. government issues (Maturity 1 – 10 years)	16,096,581	-	-	16,096,581
Guaranteed investment account	<u>1,221,341</u>	<u>-</u>	<u>-</u>	<u>1,221,341</u>
Total assets in fair value hierarchy	<u>\$105,008,863</u>	<u>\$ -</u>	<u>\$ -</u>	105,008,863
Cash and cash equivalents				3,302,440
Investments measured at NAV (a)				<u>10,200,153</u>
Investments at fair value				<u>\$118,511,456</u>

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The following table presents the System's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds				
Foreign large value	\$ 11,347,120	\$ -	\$ -	\$ 11,347,120
Foreign large blend	589,938	-	-	589,938
Large value	1	-	-	1
Large blend	28,056,937	-	-	28,056,937
Mid cap growth	12,506	-	-	12,506
Mid cap blend	1	-	-	1
Small blend	7,463,690	-	-	7,463,690
World large stock	997,976	-	-	997,976
Fixed maturity mutual funds				
Intermediate term bond	1,747,138	-	-	1,747,138
World bond	271,021	-	-	271,021
Tactical allocation	5,166,436	-	-	5,166,436
Ultrashort bond	4,842,944	-	-	4,842,944
Exchange traded funds	5,857,122			5,857,122
Corporate bonds	19,768,578	-	-	19,768,578
U.S. government issues (Maturity 1 – 10 years)	17,440,108	-	-	17,440,108
Guaranteed investment account	<u>1,153,458</u>	<u>-</u>	<u>-</u>	<u>1,153,458</u>
Total assets in fair value hierarchy	<u>\$104,714,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>104,714,974</u>
Cash and cash equivalents				768,736
Investments measured at NAV (a)				<u>10,883,750</u>
Investments at fair value				<u>\$116,367,460</u>

(a) *In accordance with current accounting standards, the alternative investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.*

The accompanying consolidated financial statements of the System include total restricted and unrestricted alternative investments as of June 30, 2024 and 2023, with the following characteristics:

The alternative funds invest in a master fund, which is invested in underlying hedge funds. The underlying funds use a variety of investment strategies with distressed/structured products being the largest. The funds owned less than 50% of the Master Fund at June 30, 2024 and more than 50% at June 30, 2023. As of June 30, 2024 and 2023, the fund's balance was \$10,200,153 and \$10,883,750, respectively. One fund has a monthly redemption frequency with 5 days' notice and the other fund has a semi-monthly redemption frequency with no required notice period.

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Note 6. Pledges Receivable

During 2017, the Foundation commenced a capital campaign. Contributions from the campaign are being used to fund the Hospital's expansion project to build a three-story addition to its existing facility. At June 30, 2024, pledges receivables related to this capital campaign were \$61,500, less an allowance for uncollectible pledges of \$6,150 and a discount of \$1,492. At June 30, 2023, pledges receivables were \$136,346, less an allowance for uncollectible pledges of \$13,635, and a discount of \$2,754. The discount rate used in both years was 0.46%.

During 2023, the Foundation commenced a cancer care campaign. Contributions from the campaign will be used for capital, operational and endowment for cancer care. At June 30, 2024, pledges receivables related to the cancer care campaign were \$326,293, less an allowance for uncollectible of \$4,242 and a discount of \$15,010. At June 30, 2023, pledges receivables were \$276,050, less an allowance for uncollectible of \$3,589 and a discount of \$17,286. The pledges net receivable balance is included with Assets Limited as to Use and is reported as a non-current asset on the accompanying consolidated statements of financial position.

Anticipated collection of the pledges receivable at June 30, 2024 is as follows:

2025	\$	156,432
2026		116,086
2027		72,232
2028		40,052
2029		<u>2,991</u>
		387,793
Less allowances and discounts		<u>(26,894)</u>
	\$	<u>360,899</u>

Note 7. Net Assets with Donor Restrictions

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purposes		
Purchases of building and equipment	\$ 545,369	\$ 243,695
Health education	547,693	516,089
Health care services	1,408,222	934,984
Gift annuity reserve	<u>100,000</u>	<u>100,000</u>
Total subject to expenditure for specified purposes	<u>2,601,284</u>	<u>1,794,768</u>
Investments to be held in perpetuity, the income from which is expendable to support health education and delivery of healthcare services	<u>986,410</u>	<u>986,310</u>
Total net assets with donor restrictions	<u>\$ 3,587,694</u>	<u>\$ 2,781,078</u>

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Note 8. Property and Equipment

A summary of property and equipment at June 30 follows:

	<u>2024</u>	<u>2023</u>
Land improvements	\$ 6,141,511	\$ 6,141,511
Buildings	47,679,381	47,679,381
Building improvements	65,956,381	57,685,994
Fixed equipment	28,338,861	28,339,885
Movable equipment	<u>97,184,377</u>	<u>89,469,085</u>
	245,300,511	229,315,856
Less – accumulated depreciation and amortization	<u>159,822,869</u>	<u>149,198,302</u>
	85,477,642	80,117,554
Land	6,016,980	6,016,980
Construction in progress	<u>493,577</u>	<u>4,634,042</u>
Property and equipment, net	<u>\$ 91,988,199</u>	<u>\$ 90,768,576</u>

Depreciation and amortization expense for the years ended June 30, 2024 and 2023 amounted to \$10,624,567 and \$10,607,757, respectively.

Note 9. Long-Term Debt

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

	<u>2024</u>	<u>2023</u>
Maryland Health and Higher Educational Facilities Authority Revenue Bonds (2021 Revenue Bonds); scheduled to mature in varying amounts from June 1, 2021 to September 1, 2035; interest due monthly at a fixed rate of 2.00%.	\$ 13,276,000	\$ 14,355,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds (2021 Non-Taxable Term Note); scheduled to mature in varying amounts from July 1, 2021 to July 1, 2038; interest due semi-annually at a fixed rate of 2.83%.	-	32,422,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds (2023 Non-Taxable Term Note); scheduled to mature in varying amounts from July 3, 2023 to July 1, 2038; interest due semi-annually at a fixed rate of 2.20%.	<u>31,169,000</u>	<u>-</u>
	44,445,000	46,777,000
Less – current portion	<u>1,764,000</u>	<u>1,958,000</u>
	42,681,000	44,819,000
Less – unamortized debt issuance costs	<u>138,974</u>	<u>133,034</u>
	<u>\$ 42,542,026</u>	<u>\$ 44,685,966</u>

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The Obligated Group for the 2021 Revenue Bonds, 2021 Non-Taxable Term Note and 2023 Non – Taxable Term Note are composed of the Hospital and Calvert Health System, Inc.

Series 2021 Revenue Bonds

The 2021 Revenue Bonds were issued by the Authority on April 15, 2021 for the purpose of refunding the 2015 bonds held by Columbia Bank. The bonds were purchased by CN Financing, Inc. (a wholly owned subsidiary of City National Bank). Terms of the financing include a fixed rate of 2% and a maturity date of February 1, 2030.

2021 Non-Taxable Term Note

A taxable note was issued by the Authority on April 15, 2021 for the purpose of refunding the 2013 bonds. The note was purchased by CN Financing, Inc. On July 3, 2023 the note was assigned to the Authority and converted to tax exempt bonds. The note carried a fixed interest rate of 1.45% until July 3, 2023 at which time the rate increased to 2.83%. Additionally, the note was refinanced with the 2023 Non-Taxable Term Note referenced below.

2023 Non-Taxable Term Note

A taxable note was issued by the Authority on April 15, 2021 for the purpose of refunding the 2013 bonds. The note was purchased by CN Financing, Inc. On July 3, 2023, the note was assigned to the Authority and converted to tax exempt bonds. The note carries a fixed interest rate of 2.2% until the term ending date of July 1, 2038.

As security for the performance of its obligations under the related loan agreements, the Obligated Group members have granted a security interest in its receipts, revenue, rental income and other amounts received by or on behalf of any Obligated Group member to the Authority. The Obligated Group is not required to maintain a debt service reserve fund. The Revenue Bonds also place limits on the incurrence of additional borrowings and require the Obligated Group to maintain a certain debt service coverage ratio as well as a minimum days cash on hand ratio.

Principal payments due under all debt instruments as of June 30, 2024 are as follows:

2025	\$ 1,764,000
2026	1,810,000
2027	1,972,000
2028	3,444,000
2029	3,512,000
Thereafter	<u>31,943,000</u>
Total	<u>\$ 44,445,000</u>

Interest paid on indebtedness by the System was \$850,446 and \$769,849 in 2024 and 2023, respectively.

Note 10. Employee Retirement Plans

The Hospital has a defined contribution (DC) plan for employees hired or rehired after January 1, 2008. Effective January 1, 2017, participants previously in the defined benefit plan (that was fully terminated in 2018) became eligible for the DC plan. Employees credited with 1,000 hours of service in a plan year receive an employer annual contribution of 2.5% of their annual wages. On a pay period basis, the Hospital provides a 50% matching contribution not to exceed 2% of plan compensation to all participating employees. If a participant has 10 years of service and is 55 years of age, the Hospital will provide a 50% matching contribution not to exceed 3% of plan compensation.

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The employer total annual contributions to the DC plan were \$1,761,330 and \$1,670,073 during the years ended June 30, 2024 and 2023, respectively.

Note 11. Malpractice Insurance

Prior to March 1, 2005, the Hospital maintained a professional liability insurance policy on a claims-made basis. Under this insurance policy, the Hospital was insured for individual claims up to \$1,000,000 with a total annual aggregate of \$3,000,000 with no deductible for claims made. The Hospital also had excess coverage of up to \$10,000,000 for individual claims and in the aggregate.

Effective March 1, 2005, the Hospital became a shareholder of the newly formed Freestate Healthcare Insurance Company, Ltd. (Freestate), a captive insurance company formed in the Cayman Islands. Freestate provides insurance coverage on a claims-made basis to its owners and their affiliates for professional liability claims and comprehensive general liability of \$1,000,000 for each and every claim prior to March 1, 2021 and \$2,000,000 for March 1, 2021 and after. Freestate has entered into reinsurance and excess policy agreements with independent insurance companies to limit its losses for professional liability and comprehensive general liability claims. The Hospital has \$15,000,000 of additional insurance in the aggregate through such reinsurance arrangements. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment or credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. Each named insured will not be charged or entitled to any retrospective premium assessments or credits until the policy period has been closed and no further claim obligations are expected. In management's opinion, the assets of Freestate are sufficient to meet its obligations as of June 30, 2024. If the financial condition of Freestate were to materially deteriorate in the future, and Freestate was unable to pay its claim obligations, the responsibility to pay those claims would return to the member hospitals.

The Hospital is involved in litigation arising in the ordinary course of business. Claims alleging malpractice have been asserted against the Hospital and are currently in various stages of litigation. Additional claims may be asserted against the Hospital arising from services provided through June 30, 2024. The ultimate outcome of these matters cannot be determined at this time.

As of June 30, 2024 and 2023, the System recorded insurance recoverables and related professional claims liability of \$5,720,463 and \$4,916,856, respectively, in long-term assets and liabilities, respectively, in the accompanying consolidated statements of financial position. An estimated liability for incurred but not reported professional liability claims has also been recorded in the amount of approximately \$1,024,734 in long-term liabilities as of June 30, 2024 and 2023, respectively. Management believes this estimate is adequate to provide for all professional liability claims that have been incurred through June 30, 2024 and 2023 but not reported to its insurance carriers.

Note 12. Maryland Health Services Cost Review Commission

Patient service revenue is recorded at rates established by the HSCRC. Effective July 1, 2016, the Hospital entered into a Global Budget Revenue (GBR) agreement with the HSCRC. The GBR agreement will renew each year for a one-year period unless it is cancelled by the HSCRC or by the Hospital. The GBR agreement provides the Hospital with a fixed revenue amount (CAP) under which it must operate each year. The CAP is adjusted annually for inflation, change in the Hospital's payor mix and uncompensated care, change in population and quality incentives. The System's policy is to accrue revenue based on actual charges for services to patients in the year in which the services are performed and billed. Approximately 97% of the total operating revenue of the Hospital is subject to the GBR model.

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Note 13. Concentration of Credit and Business Risk

The System provides health care services to residents located primarily in Calvert, St. Mary's, southern Anne Arundel and Charles counties. The System grants credit without collateral to its patients, most of whom are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies. The System records accounts receivable net of estimated price concessions, and such amounts have historically been within management's expectations.

The mix of accounts receivable at June 30, 2024 and 2023 from patients and third-party payors is as follows:

	<u>2024</u>	<u>2023</u>
Medicare	36.3%	39.1%
Medicaid (including managed care)	16.5%	15.5%
Blue Cross	17.1%	15.5%
Commercial and other	7.7%	7.7%
Managed care	19.2%	18.5%
Self-pay	<u>3.2%</u>	<u>3.7%</u>
	<u>100%</u>	<u>100%</u>

Note 14. Functional Expenses

The System provides general health care services and related services to individual within its geographic location. Expenses related to providing these services, based on management's estimates of expense allocations, are as follows for the years ended June 30:

	<u>2024</u>			
	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 72,238,266	\$ 13,295,773	\$ 409,990	\$ 85,944,029
Employee benefits	13,223,980	2,539,538	79,919	15,843,437
Supplies	37,461,512	137,606	1,672	37,600,790
Purchased services	21,407,620	3,841,166	66,514	25,315,300
Professional fees	11,317,446	-	-	11,317,446
Depreciation and amortization	9,617,174	1,007,393	-	10,624,567
Interest	987,426	84,465	-	1,071,891
Other	<u>3,290,233</u>	<u>6,059,778</u>	<u>185,543</u>	<u>9,535,554</u>
Total	<u>\$169,543,657</u>	<u>\$ 26,965,719</u>	<u>\$ 743,638</u>	<u>\$197,253,014</u>

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	2023			
	Healthcare Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 69,950,603	\$ 12,238,220	\$ 367,137	\$ 82,555,960
Employee benefits	13,021,759	2,336,708	71,252	15,429,719
Supplies	34,417,840	166,360	239,750	34,823,950
Purchased services	19,350,305	3,744,872	-	23,095,177
Professional fees	10,809,028	-	-	10,809,028
Depreciation and amortization	9,597,451	1,010,306	-	10,607,757
Interest	859,415	73,515	-	932,930
Other	<u>2,156,647</u>	<u>6,370,242</u>	<u>346,862</u>	<u>8,873,751</u>
Total	<u>\$160,163,048</u>	<u>\$ 25,940,223</u>	<u>\$ 1,025,001</u>	<u>\$187,128,272</u>

The accompanying consolidated financial statements report certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest, and other occupancy costs are allocated to a function based on a square footage basis.

Note 15. Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date consist of the following at June 30:

	2024	2023
Cash and cash equivalents	\$ 8,835,653	\$ 11,953,640
Accounts receivable, net	21,711,673	16,604,377
Other receivables	<u>895,290</u>	<u>1,672,498</u>
Total	<u>\$ 31,442,616</u>	<u>\$ 30,230,515</u>

In addition to the assets in the table above, the System has other investments and assets whose use is limited for specified purposes, and because they are not available for general expenditure within one year are not reflected in the amounts above. The System does, however, have investments and certain other long-term assets whose use is limited by board designation that could be made available for general expenditure within one year, if necessary.

Note 16. Leases

The System leases certain equipment and office buildings under the terms of non-cancellable operating leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use lease obligations are recorded at the present value of lease payments over the term. Many of the leases include rental escalation clauses and renewal options that are factored into the determination of lease payments when appropriate. The System adopted the use of hindsight for purposes of determining lease term, short-term leases, and combined leases and non-lease component practical expedients.

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

The components of lease expense (and related classification in the accompanying statements of operations) were as follows during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost (other expense)	\$ 2,390,552	\$ 2,436,946
Short term lease expense (other expense)	373,043	-
Variable lease cost (other expense)	516,007	939,801
Finance lease cost		
Amortization of right-of use assets (depreciation and amortization)	1,456,847	1,517,380
Interest on lease liabilities (interest expense)	<u>81,360</u>	<u>119,593</u>
Total lease cost	<u>\$ 4,817,809</u>	<u>\$ 5,013,720</u>

Rental expense for all operating leases was \$3,476,803 and \$3,438,770 in 2024 and 2023, respectively.

Cash paid for amounts included in the measurement of lease liabilities for the years ended June 30 is as follows:

	<u>2024</u>	<u>2023</u>
Operating cash flows from operating leases	\$ 2,141,878	\$ 2,450,449
Operating cash flows from finance leases	81,360	119,593
Financing cash flows from finance leases	<u>1,498,522</u>	<u>1,529,033</u>
Total	<u>\$ 3,721,760</u>	<u>\$ 4,099,075</u>

Right-of-use assets obtained in exchange for new lease obligations for the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 6,817,529	\$ 1,750,459

Current operating lease liabilities are included in current portion of operating lease obligation in the accompanying consolidated statements of financial position. Noncurrent operating lease liabilities are included in long-term operating lease obligation accompanying statements of financial position. The following table presents lease-related assets and liabilities at June 30:

	<u>2024</u>	<u>2023</u>
Operating leases		
Right-of-use assets - operating leases	\$ 9,891,017	\$ 8,251,056
Current portion of operating lease obligations	\$ 810,279	\$ 2,001,211
Long-term operating lease obligations	<u>9,154,515</u>	<u>6,239,844</u>
Total operating lease liabilities	<u>\$ 9,964,794</u>	<u>\$ 8,241,055</u>

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Current finance lease liabilities are included in current portion of finance lease obligations in the accompanying consolidated statements of financial position. Noncurrent finance lease liabilities are included in long-term finance lease obligations, in the accompanying consolidated statements of financial position. The following table presents lease-related assets and liabilities at June 30:

	<u>2024</u>	<u>2023</u>
Finance leases		
Property and equipment, net	\$ 5,351,143	\$ 5,980,371
Current portion of finance lease obligations	\$ 1,531,427	\$ 1,491,901
Long-term finance lease obligations	<u>1,008,354</u>	<u>2,539,781</u>
Total finance lease liabilities	<u>\$ 2,539,781</u>	<u>\$ 4,031,682</u>
	<u>2024</u>	<u>2023</u>
Other information		
Weighted-average remaining lease term – operating leases	7.22 years	4.76 years
Weighted-average remaining lease term – finance leases	1.55 years	2.53 years
Weighted-average discount rate – operating leases	4.24%	2.55%
Weighted-average discount rate – finance leases	2.60%	2.60%

The following is a schedule of lease liability maturities related to leases with third-parties for the years ending:

	<u>Operating</u>	<u>Finance</u>
2025	\$ 969,837	\$ 1,531,427
2026	1,762,338	969,794
2027	1,742,241	139,871
2028	1,356,660	-
2029	1,216,132	-
Thereafter	<u>4,814,562</u>	<u>-</u>
Total	11,861,770	2,641,092
Less: interest	<u>2,525,044</u>	<u>101,311</u>
Lease liability	<u>\$ 9,336,726</u>	<u>\$ 2,539,781</u>

The following is a schedule of lease liability maturities related to leases classified as operating with affiliates for the years ending:

2025	\$ 238,291
2026	238,291
2027	135,843
2028	20,000
2029	20,000
Thereafter	<u>3,333</u>
Total	655,758
Less: interest	<u>27,690</u>
Lease liability	<u>\$ 628,068</u>

Note 17. Certain Risks and Uncertainties

The Hospital's ability to maintain or increase future revenue could be adversely affected by: (1) proposed or future changes in the laws, rules, regulations, and policies relating to the definition, activities, or taxation of not-for-profit tax-exempt entities; (2) the enactment into law of all or any part of the current budget resolutions under consideration by Congress related to Medicare and Medicaid reimbursement methodology or further reductions in payments to hospitals and other health care providers; (3) limited supply of physicians nationally which may limit the Hospital's ability to meet the healthcare demands of the population within its primary and secondary service areas; and (4) the ultimate impact of any changes to the federal Patient Protection and Affordable Care Act and the Health Care Education Affordability Reconciliation Act of 2010.

The Joint Commission, a non-governmental privately-owned entity, provides accreditation status to hospitals and other health care organizations in the United States. Such accreditation is based upon a number of requirements such as undergoing periodic surveys conducted by Joint Commission personnel. Certain managed care payors require hospitals to have appropriate Joint Commission accreditation in order to participate in those programs. In addition, the Center for Medicare and Medicaid Services (CMS), the agency with oversight of the Medicare and Medicaid programs, provides "deemed status" for facilities having Joint Commission accreditation. By being Joint Commission accredited, facilities are "deemed" to be in compliance with the Medicare and Medicaid conditions of participation. Termination as a Medicare provider or exclusion from any or all of these programs or payors would have a materially negative impact on the future financial position, operating results and cash flows of the Hospital. In the summer of 2023, the Hospital was surveyed by the Joint Commission and received a full three-year Joint Commission accreditation through July 2026.

The HSCRC has jurisdiction over hospital reimbursement in Maryland by an agreement with the Centers for Medicare and Medicaid Services (CMS) based on a waiver from the Medicare prospective payment system under Section 1814(b) of the Social Security Act. In January 2014, CMS approved a waiver to modernize Maryland's unique all-payor rate-setting system for hospital services. The waiver consisted of a five-year performance period. Maryland Hospitals are committed to achieving significant quality improvements including reductions in 30-day readmissions and hospital acquired conditions. Maryland also limited annual Medicare per capita hospital cost growth to a rate lower than the national annual per capita growth rate per year for 2015 to 2018. Under this model, Medicare savings were estimated to be at least \$330 million. Under the waiver, Maryland shifted virtually all of its hospital revenue over the five-year performance period into global payment models.

In connection with the waiver, the HSCRC introduced new revenue arrangements, including the GBR model. This new model for Maryland hospitals moved payment to hospitals from each individual service to a total revenue for each hospital or a combination of hospitals to provide hospitals flexibility in the objectives of better care for individuals, higher levels of overall population health, and improved health care affordability. It removed the financial incentive from increasing volume and provided incentive to work with partners to provide care in the appropriate setting. Beginning January 2019, the new "Total Cost of Care Model" (Model) was approved and builds upon the successes of the all-payor model. The Model encourages continued clinical redesign and provides tools to providers to treat complex and chronic conditions and is built on the same global budget arrangement mechanics for revenue setting as the predecessor model. This is approved for a 10-year term provided Maryland meets the Model performance requirements.

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

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Changes in Federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the System. The healthcare industry is subject to numerous laws and regulation from federal, state and local governments, and the government has increased enforcement of Medicare and Medicaid anti-fraud and abuse laws, as well as physician self-referral laws (STARK law and regulation). The System's compliance with these laws and regulations is subject to ongoing internal monitoring as well as periodic governmental review and inquiries, and the System has responded appropriately to any such compliance matters. The System is aware of certain asserted and unasserted compliance matters, and from time to time, the System may agree to resolve certain compliance matters with the government through the self-disclosure process. The amount of such settlement for compliance matters currently being evaluated for submission under the self-disclosure process cannot be estimated at this time. The System will continue to monitor its compliance and all related government inquiries and respond appropriately, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that the recorded estimates will change by a material amount in the near term.

As a result of pending federal healthcare reform legislation, substantial changes may occur in the healthcare system. Such legislation potentially 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.

Litigation in the normal course of business, as well as responses to claims and investigations described below, can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings and government investigations are difficult to predict and in certain cases the likelihood of outcome is unknown. Like most healthcare organizations, The System receives inquiries, request for information regarding clinical procedures, licensing, taxes, billing or medical record documentation matters from various State and Federal agencies. The System responds to such requests and provides any detailed information requested. Management is currently unable to estimate, with reasonable certainty, the possible loss, or range of loss, if any, for such lawsuits and investigations. As a result of the current level of governmental and public concerns with health care fraud and abuse, management recognizes that additional investigative activity could occur in the future. In the opinion of management and after consultation with legal counsel, management believes it has established adequate accrued reserves related to all known matters. The outcome of certain litigation, as well as any potential investigative, regulatory, or prosecutorial activity that may occur in the future is unknown. Accordingly, any associated potential future losses resulting from such matters could have an adverse effect on the future financial position, results of operations and liquidity of The System.

Note 18. Endowment

Current accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The State of Maryland has adopted UPMIFA. The System's endowment consists of two donor-restricted funds. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

The Board of Directors of the System has interpreted the Maryland 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, the Hospital classifies as permanently restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with SPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the System 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 the System
7. The investment policies of the System

From time to time, the fair value of assets associated with the endowment fund may decline below the level that the donor or SPMIFA required the System to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2024 and 2023.

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the Lehman Intermediate Government/Corporate Bond index while assuming a moderate level of investment risk. The System expects its endowment funds, over time, to provide an average rate of return of approximately 8% percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that places a greater emphasis on highly liquid investments such as money market accounts to achieve its long-term return objectives within prudent risk constraints.

The endowment's net asset composition as of June 30, 2024 and 2023 and the changes therein, are as follows:

	<u>2024</u>	<u>2023</u>
Donor-restricted endowment, with donor restriction	\$ 1,559,671	\$ 1,476,871

Calvert Health System, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Changes in endowment net assets for the fiscal year June 30, 2024:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>
Endowment net assets, beginning of year	\$ -	\$ 1,476,872
Investment return		
Net gain (realized and unrealized)	-	183,799
Other changes		
Released from restriction	101,000	(101,000)
Used for designated purposes	<u>(101,000)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,559,671</u>

Changes in endowment net assets for the fiscal year June 30, 2023:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>
Endowment net assets, beginning of year	\$ -	\$ 1,436,938
Investment return		
Net loss (realized and unrealized)	-	141,057
Other changes		
Contributions	-	71,107
Released from restriction	172,231	(172,231)
Used for designated purposes	<u>(172,231)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,476,871</u>

Supplementary Consolidating Information

CalvertHealth Medical Center, Inc. and Subsidiary
Consolidating Statement of Financial Position
June 30, 2024

	CalvertHealth Medical Center	CalvertHealth Foundation	Consolidating and Eliminating Entries	Consolidated CalvertHealth Medical Center
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 3,294,309	\$ 116,776	\$ -	\$ 3,411,085
Short-term investments	818,568	-	-	818,568
Patient accounts receivable, net	18,956,724	-	-	18,956,724
Inventories	2,758,249	-	-	2,758,249
Prepaid expenses and other assets	3,544,452	-	-	3,544,452
Assets limited as of use, current	26,556	-	-	26,556
Total current assets	29,398,858	116,776	-	29,515,634
Investments	602,280	-	-	602,280
Investments in wholly owned subsidiaries	7,560,155	-	(7,560,155) ⁽²⁾	- ⁽²⁾
Investments in affiliated enterprises	4,921,053	-	-	4,921,053
Assets limited as of use	263,514	7,581,479	-	7,844,993
Property and equipment, net	90,583,169	-	-	90,583,169
Insurance recoverable	5,720,463	-	-	5,720,463
Other assets	15,000	-	-	15,000
Right of use asset - leases	5,564,094	-	-	5,564,094
Total assets	<u>\$ 144,628,586</u>	<u>\$ 7,698,255</u>	<u>\$ (7,560,155)</u>	<u>\$ 144,766,686</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	\$ 20,740,011	\$ 62,641	\$ -	\$ 20,802,652
Intercompany accounts	2,829,935	75,459	-	2,905,394
Current portion of long-term debt	1,764,000	-	-	1,764,000
Current portion of operating lease obligation	1,481,250	-	-	1,481,250
Current portion of finance lease obligation	1,531,427	-	-	1,531,427
Advances from third-party payors	3,662,370	-	-	3,662,370
Total current liabilities	32,008,993	138,100	-	32,147,093
Long-term debt, net	42,542,026	-	-	42,542,026
Long-term operating lease obligation	4,120,867	-	-	4,120,867
Long-term finance lease obligation	1,008,354	-	-	1,008,354
Professional liability	6,745,130	-	-	6,745,130
Other long-term liabilities	605,938	-	-	605,938
Total liabilities	87,031,308	138,100	-	87,169,408
Net Assets				
Without donor restrictions				
Unrestricted - general	48,966,544	104,961	(104,961) ⁽²⁾	48,966,544 ⁽²⁾
Unrestricted - board designated	5,043,040	4,043,040	(4,043,040) ⁽²⁾	5,043,040 ⁽²⁾
With donor restrictions	3,587,694	3,412,154	(3,412,154) ⁽²⁾	3,587,694 ⁽²⁾
Total net assets	57,597,278	7,560,155	(7,560,155)	57,597,278
Total liabilities and net assets	<u>\$ 144,628,586</u>	<u>\$ 7,698,255</u>	<u>\$ (7,560,155)</u>	<u>\$ 144,766,686</u>

CalvertHealth Medical Center, Inc. and Subsidiary
Consolidating Statement of Operations and Other Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2024

	CalvertHealth Medical Center	CalvertHealth Foundation	Consolidating and Eliminating Entries	Consolidated CalvertHealth Medical Center
Revenue				
Net patient service revenue	\$ 161,137,877	\$ -	\$ -	\$ 161,137,877
Other operating revenue (loss)	<u>2,147,074</u>	<u>1,495,750</u>	<u>(1,232,601) ⁽⁶⁾⁽⁷⁾</u>	<u>2,410,223</u>
Total operating revenue (loss)	163,284,951	1,495,750	(1,232,601)	163,548,100
Expense				
Salaries & wages	70,946,672	-	-	70,946,672
Employee benefits	13,829,376	-	-	13,829,376
Supplies	27,433,303	-	-	27,433,303
Purchased services	21,128,519	66,516	-	21,195,035
Professional fees	11,317,448	-	-	11,317,448
Depreciation and amortization	10,286,972	-	-	10,286,972
Interest	1,071,891	-	-	1,071,891
Other	<u>8,432,645</u>	<u>1,419,814</u>	<u>(1,232,601) ⁽⁶⁾⁽⁷⁾</u>	<u>8,619,858</u>
Total operating expenses	<u>164,446,826</u>	<u>1,486,330</u>	<u>(1,232,601)</u>	<u>164,700,555</u>
Loss from operations	(1,161,875)	9,420	-	(1,152,455)
Nonoperating Gains (Losses)				
Investment income	64,711	422,438	-	487,149
Income (loss) from equity investments	175,741	-	(9,638) ⁽⁴⁾	166,103
Net unrealized loss on investments	<u>-</u>	<u>(32,126)</u>	<u>-</u>	<u>(32,126)</u>
Total nonoperating gains (losses), net	<u>240,452</u>	<u>390,312</u>	<u>(9,638)</u>	<u>621,126</u>
(Deficit) excess of revenue over expenses	(921,423)	399,732	(9,638)	(531,329)
Transfer of Net Assets				
Net assets released from restrictions for capital acquisitions	<u>2,013,899</u>	<u>-</u>	<u>-</u>	<u>2,013,899</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>\$ 1,092,476</u>	<u>\$ 399,732</u>	<u>\$ (9,638)</u>	<u>\$ 1,482,570</u>

CalvertHealth Medical Center, Inc. and Subsidiary
Consolidating Statement of Cash Flows
Year Ended June 30, 2024

	CalvertHealth Medical Center	CalvertHealth Foundation	Consolidating and Eliminating Entries	Consolidated Calvert Memorial Hospital
Operating Activities				
Increase (decrease) in net assets	\$ 306,097	\$ 1,216,793	\$ (1,216,793) ⁽²⁾	\$ 306,097
Adjustments to reconcile to net cash from operating activities				
Depreciation and amortization	10,286,972	-	-	10,286,972
Amortization of debt issuance costs	19,035	-	-	19,035
Donations and grants restricted for capital acquisition	(2,661,171)	-	-	(2,661,171)
Equity in earnings of wholly owned subsidiaries	(399,731)	-	399,731 ⁽⁴⁾	-
Equity in earnings of affiliated enterprises	(166,101)	-	-	(166,101)
Realized net losses on investments	-	(5,925)	-	(5,925)
Unrealized net losses on investments	(143,514)	(659,584)	-	(803,098)
Noncash operating lease expense	38,023	-	-	38,023
Change in				
Patient accounts receivable	(3,758,483)	-	-	(3,758,483)
Inventories	105,861	-	-	105,861
Prepaid expenses and other assets	1,611,146	-	-	1,611,146
Accounts payable, accrued expenses and other liabilities	5,761,182	45,065	-	5,806,247
Net cash provided by (used in) operating activities	10,999,316	596,349	(817,062)	10,778,603
Investing Activities				
Purchases of investments	(379,905)	-	-	(379,905)
Proceeds from sales of investments	318,310	-	-	318,310
Net increase in assets limited as to use	20,992	1,967,506	-	1,988,498
Distributions from equity method investments	(567,062)	-	817,062 ⁽⁵⁾	250,000
Purchases of property and equipment	(11,834,785)	-	-	(11,834,785)
Net cash (used in) provided by investing activities	(12,442,450)	1,967,506	817,062	(9,657,882)
Financing Activities				
Repayment of long-term debt	(2,332,000)	-	-	(2,332,000)
Bond issuance costs incurred	(24,975)	-	-	(24,975)
Donations and grants received restricted for capital acquisitions	2,661,171	-	-	2,661,171
Finance lease obligations	(1,498,522)	-	-	(1,498,522)
Net cash used in financing activities	(1,194,326)	-	-	(1,194,326)
Net change in cash, cash equivalents, and restricted cash	(2,637,460)	2,563,855	-	(73,605)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	6,221,839	591,847	-	6,813,686
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 3,584,379	\$ 3,155,702	\$ -	\$ 6,740,081

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2024

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
ASSETS								
Current Assets								
Cash and cash equivalents	\$ 3,411,085	\$ 300,566	\$ 260,299	\$ 46,952	\$ 7,148	\$ 4,809,603	\$ -	\$ 8,835,653
Short-term investments	818,568	-	-	-	-	-	-	818,568
Patient accounts receivable, net	18,956,724	2,754,949	-	-	-	-	-	21,711,673
Inventories	2,758,249	309,004	-	-	-	-	-	3,067,253
Prepaid expenses and other assets	3,544,452	354,134	10,845	65,252	1,284	-	(61,977) ⁽¹⁾	3,913,990 ⁽¹⁾
Assets limited as to use, current	26,556	-	-	-	-	-	-	26,556
Total current assets	29,515,634	3,718,653	271,144	112,204	8,432	4,809,603	(61,977)	38,373,693
Investments	602,280	-	-	-	-	109,579,959	-	110,182,239
Investments in wholly owned subsidiaries	-	-	-	-	-	6,384,914	(6,384,914) ⁽²⁾⁽⁵⁾	- ⁽²⁾⁽⁵⁾
Investments in affiliated enterprises	4,921,053	-	5,111,858	-	-	240,730	-	10,273,641
Assets limited as of use	7,844,993	-	-	-	-	-	-	7,844,993
Property and equipment, net	90,583,169	580,430	-	297,804	526,796	-	-	91,988,199
Insurance recoverable	5,720,463	-	-	-	-	-	-	5,720,463
Other assets	15,000	65,000	-	-	-	-	-	80,000
Right of use asset - leases	5,564,094	3,948,197	-	378,726	-	-	-	9,891,017
Total assets	<u>\$ 144,766,686</u>	<u>\$ 8,312,280</u>	<u>\$ 5,383,002</u>	<u>\$ 788,734</u>	<u>\$ 535,228</u>	<u>\$ 121,015,206</u>	<u>\$ (6,446,891)</u>	<u>\$ 274,354,245</u>

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2024

(Continued)

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accounts payable and accrued expenses	\$ 20,802,652	\$ 3,242,004	\$ -	\$ 19,434	\$ -	\$ -	\$ (61,977) ⁽¹⁾	\$ 24,002,113 ⁽¹⁾
Intercompany accounts	2,905,394	-	-	-	-	(2,905,394)	-	-
Current portion of long-term debt	1,764,000	-	-	-	-	-	-	1,764,000
Current portion of operating lease obligation	1,481,250	(707,343)	-	36,372	-	-	-	810,279
Current portion of finance lease obligation	1,531,427	-	-	-	-	-	-	1,531,427
Advances from third-party payors	3,662,370	84,413	-	-	-	-	-	3,746,783
Total current liabilities	32,147,093	2,619,074	-	55,806	-	(2,905,394)	(61,977)	31,854,602
Long-term debt, less current portion	42,542,026	-	-	-	-	-	-	42,542,026
Long-term operating lease obligation	4,120,867	4,691,294	-	342,354	-	-	-	9,154,515
Long-term finance lease obligation	1,008,354	-	-	-	-	-	-	1,008,354
Professional liability	6,745,130	-	-	-	-	-	-	6,745,130
Other long-term liabilities	605,938	-	-	-	-	-	-	605,938
Total liabilities	87,169,408	7,310,368	-	398,160	-	(2,905,394)	(61,977)	91,910,565
Net Assets								
Without donor restrictions								
Unrestricted - general	48,966,544	1,001,912	5,383,002	390,574	535,228	123,920,600	(6,384,914) ⁽²⁾⁽⁵⁾	173,812,946 ⁽²⁾⁽⁵⁾
Unrestricted - board designated	5,043,040	-	-	-	-	-	-	5,043,040
With donor restrictions	3,587,694	-	-	-	-	-	-	3,587,694
Total net assets	57,597,278	1,001,912	5,383,002	390,574	535,228	123,920,600	(6,384,914)	182,443,680
Total liabilities and net assets	\$ 144,766,686	\$ 8,312,280	\$ 5,383,002	\$ 788,734	\$ 535,228	\$ 121,015,206	\$ (6,446,891)	\$ 274,354,245

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Operations and Other Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2024

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
Revenue								
Net patient service revenue	\$ 161,137,877	\$ 21,184,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,322,868
Rental revenue	-	5,345	-	723,247	13,891	-	(268,149) ⁽³⁾	474,334 ⁽³⁾
Other operating revenue	2,410,223	1,240,266	-	-	-	-	(538,489) ⁽³⁾	3,112,000 ⁽³⁾
Total operating revenue	163,548,100	22,430,602	-	723,247	13,891	-	(806,638)	185,909,202
Expenses								
Salaries & wages	70,946,672	14,998,005	-	-	-	-	-	85,944,677
Employee benefits	13,829,376	2,014,067	-	-	-	-	-	15,843,443
Supplies	27,433,303	10,167,496	4,500	253,129	-	-	-	37,858,428
Purchased services	21,195,035	4,212,252	-	-	-	85,374	(434,990) ⁽³⁾	25,057,671 ⁽³⁾
Professional fees	11,317,448	-	-	-	-	-	-	11,317,448
Depreciation and amortization	10,286,972	140,815	-	196,381	399	-	-	10,624,567
Interest	1,071,891	-	-	-	-	-	-	1,071,891
Other	8,619,858	1,092,212	619	194,032	(183)	-	(371,649) ⁽³⁾	9,534,889 ⁽³⁾
Total operating expenses	164,700,555	32,624,847	5,119	643,542	216	85,374	(806,639)	197,253,014
(Loss) Income from Operations	(1,152,455)	(10,194,245)	(5,119)	79,705	13,675	(85,374)	-	(11,343,812)
Nonoperating Gains (Losses)								
Investment income	487,149	-	-	-	-	6,561,672	-	7,048,821
Income (loss) from equity investments	166,103	-	1,098,944	-	-	(9,967,088)	9,541,659 ⁽⁴⁾	839,618 ⁽⁴⁾
Income tax expense	-	-	(441,240)	-	-	-	-	(441,240)
Net unrealized gains on investments	(32,126)	-	-	-	-	4,275,691	-	4,243,565
Total nonoperating gains, net	621,126	-	657,704	-	-	870,275	9,541,659	11,690,764
Excess of (Expenses Over Revenue) Revenue Over Expenses	(531,329)	(10,194,245)	652,585	79,705	13,675	784,901	9,541,659	346,952
Net Assets Released from Restrictions for Capital Acquisitions	2,013,899	3,812	-	-	-	-	-	2,017,711
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>\$ 1,482,570</u>	<u>\$ (10,190,433)</u>	<u>\$ 652,585</u>	<u>\$ 79,705</u>	<u>\$ 13,675</u>	<u>\$ 784,901</u>	<u>\$ 9,541,659</u>	<u>\$ 2,364,663</u>

Calvert Health System, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended June 30, 2024

	Consolidated CalvertHealth Medical Center	CalvertHealth Medical Group	Calvert Health Ventures	CMH Holding Company	CMH II Holding Company	Calvert Health System, Inc.	Consolidating and Eliminating Entries	Consolidated Calvert Health System, Inc.
Operating Activities								
Increase (decrease) in net assets	\$ 306,097	\$ (2,030,763)	\$ 1,147,794	\$ (145,295)	\$ 3,675	\$ 3,006,802	\$ 882,969 (2)	\$ 3,171,279 (2)
Adjustments to reconcile to net cash from operating activities								
Depreciation and amortization	10,286,972	140,815	-	196,381	399	-	-	10,624,567
Amortization of debt issuance costs	19,035	-	-	-	-	-	-	19,035
Donations and grants restricted for capital acquisition	(2,661,171)	-	-	-	-	-	-	(2,661,171)
Equity in losses of wholly owned subsidiaries	-	-	-	-	-	9,046,449	(9,046,449) (4)	- (4)
Equity in earnings of affiliated enterprises	(166,101)	-	(1,098,945)	-	-	425,428	-	(839,618)
Realized net losses on investments	(5,925)	-	-	-	-	(3,618,424)	-	(3,624,349)
Unrealized net losses on investments	(803,098)	-	-	-	-	(3,525,053)	-	(4,328,151)
Noncash operating lease expense	38,023	35,751	-	-	-	-	-	73,774
Change in								
Patient accounts receivable	(3,758,483)	(1,348,813)	-	-	-	-	-	(5,107,296)
Inventories	105,861	(143,313)	-	-	-	-	-	(37,452)
Prepaid expenses and other assets	1,611,146	720,262	(10,845)	(42,395)	(1,284)	-	(1,143,459) (1)	1,133,425 (1)
Accounts payable, accrued expenses and other liabilities	5,806,247	1,270,811	-	7,620	-	(2,905,394)	1,143,459 (1)	5,322,743 (1)
Net cash provided by (used in) operating activities	10,778,603	(1,355,250)	38,004	16,311	2,790	2,429,808	(8,163,480)	3,746,786
Investing Activities								
Purchases of investments	(379,905)	-	-	-	-	(27,321,001)	-	(27,700,906)
Proceeds from sales of investments	318,310	-	-	-	-	33,787,830	-	34,106,140
Net increase in assets limited as to use	1,988,498	-	-	-	-	-	-	1,988,498
Distributions (contributions) from equity method investments	250,000	-	(213,745)	-	-	(7,859,466)	8,163,480 (5)	340,269 (5)
Purchases of property and equipment	(11,834,785)	(9,403)	-	-	-	-	-	(11,844,188)
Net cash (used in) provided by investing activities	(9,657,882)	(9,403)	(213,745)	-	-	(1,392,637)	8,163,480	(3,110,187)
Financing Activities								
Repayment of long-term debt	(2,332,000)	-	-	-	-	-	-	(2,332,000)
Bond issuance costs incurred	(24,975)	-	-	-	-	-	-	(24,975)
Donations and grants received restricted for capital acquisitions	2,661,171	-	-	-	-	-	-	2,661,171
Finance lease obligations	(1,498,522)	-	-	(225,000)	(10,000)	235,000	-	(1,498,522)
Net cash (used in) provided by financing activities	(1,194,326)	-	-	(225,000)	(10,000)	235,000	-	(1,194,326)
Net change in cash, cash equivalents, and restricted cash	(73,605)	(1,364,653)	(175,741)	(208,689)	(7,210)	1,272,171	-	(557,727)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	6,813,686	1,665,219	436,040	255,641	14,358	3,537,432	-	12,722,376
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 6,740,081	\$ 300,566	\$ 260,299	\$ 46,952	\$ 7,148	\$ 4,809,603	\$ -	\$ 12,164,649

See Independent Auditor's Report

Calvert Health System, Inc. and Subsidiaries
Description of Consolidating and Eliminating Entries
Year Ended June 30, 2024

1. To eliminate intercompany payables/receivables.
2. To eliminate investment in subsidiaries and related net asset accounts.
3. To eliminate intercompany income/expense generated from support and building service fees, staffing contracts and operating leases.
4. To eliminate income of wholly owned subsidiaries.
5. To eliminate intercompany transfer of equity and assets.
6. To eliminate revenue/expense for Calvert Memorial Hospital Foundation, Inc. for contributions transferred to the Hospital for the acquisition of property, plant and equipment.
7. To eliminate revenue/expense for Calvert Memorial Hospital Foundation, Inc. for contributions transferred to the Hospital to fund operating programs.

Form **5471**

(Rev. December 2022)

Department of the Treasury
Internal Revenue Service**Information Return of U.S. Persons With Respect
to Certain Foreign Corporations**Go to www.irs.gov/Form5471 for instructions and the latest information

OMB No. 1545-0123

Attachment
Sequence No. **121**Information furnished for the foreign corporation's annual accounting period (tax year required by
section 898) (see instructions) beginning 01/01/2023 , and ending 12/31/2023

Name of person filing this return CALVERTHEALTH MEDICAL CENTER, INC.	A Identifying number 52-0619000
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 100 HOSPITAL ROAD	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 type="checkbox"/> 5a <input checked="" type="checkbox"/> 5b <input type="checkbox"/> 5c <input type="checkbox"/>
City or town, state, and ZIP code PRINCE FREDERICK MD 20678	C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 33.33%

Filer's tax year beginning 7/1/2023 , and ending 6/30/2024

D Check box if this is a final Form 5471 for the foreign corporation	<input type="checkbox"/>
E Check if any excepted specified foreign financial assets are reported on this form (see instructions)	<input type="checkbox"/>
F Check the box if this Form 5471 has been completed using "Alternative Information" under Rev. Proc. 2019-40	<input type="checkbox"/>
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

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 FREESTATE HEALTHCARE INSURANCE COMPANY, LTD. P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS		b(1) Employer identification number, if any 98-0464065
		b(2) Reference ID number (see instructions)
		c Country under whose laws incorporated CAYMAN ISLANDS
d Date of incorporation 12/14/2004	e Principal place of business CAYMAN ISLANDS	f Principal business activity code number 524290
		g Principal business activity OTHER INSURANCE
		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 N/A	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)
	N/A	N/A
c Name and address of foreign corporation's statutory or resident agent in country of incorporation ARTEX RISK SOLUTIONS (CAYMAN) LTD. P.O. BOX 10233 GRAND CAYMAN KY1-1002 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 SAME AS 2C	

Schedule A Stock of the Foreign Corporation

(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

Schedule C **Income Statement** (see instructions)

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	1 a Gross receipts or sales	1a		
	b Returns and allowances	1b		
	c Subtract line 1b from line 1a	1c		
	2 Cost of goods sold	2		
	3 Gross profit (subtract line 2 from line 1c)	3		
	4 Dividends	4		
	5 Interest	5		
	6 a Gross rents	6a		
	b Gross royalties and license fees	6b		
	7 Net gain or (loss) on sale of capital assets	7		
Deductions	8 a 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		
	11 Compensation not deducted elsewhere	11		
	12 a Rents	12a		
	b Royalties and license fees	12b		
	13 Interest	13		
	14 Depreciation not deducted elsewhere	14		
	15 Depletion	15		
Net Income	16 Taxes (exclude income tax expense (benefit))	16		
	17 Other deductions (attach statement—exclude income tax expense (benefit))	17		
	18 Total deductions (add lines 11 through 17)	18		
	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19		
Other Comprehensive Income	20 Unusual or infrequently occurring items	20		
	21 a 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	23 a 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	
2 a	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)	5	
6	Loans to shareholders and other related persons	6	
7	Investment in subsidiaries (attach statement)	7	
8	Other investments (attach statement)	8	
9 a	Buildings and other depreciable assets	9a	
b	Less accumulated depreciation	9b	
10 a	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	
Liabilities and Shareholders' Equity			
15	Accounts payable	15	
16	Other current liabilities (attach statement)	16	
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	
21	Paid-in or capital surplus (attach reconciliation)	21	
22	Retained earnings	22	
23	Less cost of treasury stock	23	
24	Total liabilities and shareholders' equity	24	

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.		X
2	During the tax year, did the foreign corporation own an interest in any trust?		X
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).		X
4 a	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.		X
b	Enter the total amount of the base erosion payments \$ _____		
c	Enter the total amount of the base erosion tax benefit \$ _____		
5 a	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.		X
b	Enter the total amount of the disallowed deductions (see instructions). \$ _____		

Schedule G Other Information (continued)

	Yes	No
6 a Is the filer of this Form 5471 claiming a foreign-derived intangible income (FDII) deduction (under section 250) with respect to any transactions with the foreign corporation? If "Yes," complete lines 6b, 6c, and 6d. See instructions.		X
b Enter the amount of gross receipts derived from all sales of general property to the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) \$ _____		
c Enter the amount of gross receipts derived from all sales of intangible property to the foreign corporation that the filer included in its computation of FDDEI \$ _____		
d Enter the amount of gross receipts derived from all services provided to the foreign corporation that the filer included in its computation of FDDEI \$ _____		
7 During the tax year, was the foreign corporation a participant in any cost-sharing arrangement? If the answer to question 7 is "Yes," complete a separate Schedule G-1 for each cost sharing arrangement in which the foreign corporation was a participant during the tax year.		X
8 From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		X
9a Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the tax year? If "Yes," go to line 9b.		X
b Enter in functional currency the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the tax year _____		
10 During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)? If "Yes," see instructions and attach statement.		X
11 During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		X
12 During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
13 During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X
14 Did you answer "Yes" to any of the questions in the instructions for line 14? If "Yes," enter the corresponding code(s) from the instructions and attach statement <u>SEE STATEMENT</u>	X	
15 Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)? If "Yes," enter the amount \$ _____		X
16 Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)? If "Yes," enter the amount \$ _____		X
17a Did any extraordinary reduction with respect to a controlling section 245A shareholder occur during the tax year (see instructions)?		X
b If the answer to question 17a is "Yes," was an election made to close the tax year such that no amount is treated as an extraordinary reduction amount or tiered extraordinary reduction amount (see instructions)?		
18 Does the reporting corporation have any loan to or from the related party to which the safe-haven rate rules of Regulations section 1.482-2(a)(2)(iii)(B) are applicable, and for which the reporting corporation used a rate of interest within the safe-haven range of Regulations section 1.482-2(a)(2)(iii)(B)(1) (100% to 130% of the AFR for the relevant term)?		X
19a Did the reporting corporation make at least one distribution or acquisition (as defined by Regulations section 1.385-3) during the period including the tax year and the preceding three tax years, or, during the period beginning 36 months before the date of the respective distribution or acquisition and ending 36 months afterward, did the reporting corporation issue or refinance indebtedness owed to a related party?		X
b If the answer to question 19a is "Yes," provide the following. (1) The amount of such distribution(s) and acquisition(s) \$ _____ (2) The amount of such related party indebtedness \$ _____		

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

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 SAME AS 5471 Identifying number 52-0619000

1 a	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	141,229
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	
5 a	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	0
6	Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6	

- 7 a** Was any income of the foreign corporation blocked?
- b** Did any such income become unblocked during the tax year (see section 964(b))?
- If the answer to either question is "Yes," attach an explanation.

Yes	No
	X
	X
	X

- 8 a** 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)?
- 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 instruction) \$ _____

NONE

**SCHEDULE I-1
(Form 5471)**(Rev. December 2021)
Department of the Treasury
Internal Revenue Service**Information for Global Intangible Low-Taxed Income**▶ **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 SAME AS 5471		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	EIN (if any) 98-0464065	Reference ID number (see instructions)
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	4,863,576		
2 Exclusions (see instructions if cost of goods sold exceed gross receipts)				
a Effectively connected income	2a			
b Subpart F income	2b	4,863,576		
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	4,863,576		
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	0		
6 Tested income (loss) (line 4 minus line 5) (see instructions)	6		1.00	
7 Tested foreign income taxes	7		1.00	
8 Qualified business asset investment (QBAI)	8		1.00	
9 a 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	0	1.00	
10 a 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	0	1.00	

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 71400M

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

SCHEDULE G-1
(Form 5471)

Cost Sharing Arrangement

(December 2021)
Department of the Treasury
Internal Revenue Service

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: SAME AS 5471
Identifying number: 52-0619000
Name of foreign corporation: FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.
EIN (if any): 98-0464065
Reference ID number (see instructions):

Important. Complete a separate Schedule G-1 for each cost sharing arrangement (CSA) in which the foreign corporation was a participant during the tax year. Report all amounts in U.S. dollars. See instructions.

1 Provide a brief description of the CSA with respect to which this Schedule G-1 is being completed.

SEE STATEMENT

2 During the course of the tax year, did the foreign corporation become a participant in the CSA?
3 Was the CSA in effect before January 5, 2009?
4 What was the foreign corporation's share of reasonably anticipated benefits for the CSA during the tax year?
5 a Did a U.S. taxpayer make any platform contributions...
b If the answer to question 5a is "Yes," enter the present value of the platform contributions...
c If the answer to question 5a is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s).
6 a Enter the total amount of stock-based compensation deductions claimed by the filer for the tax year...
b Enter the total amount of deductions for the tax year for stock-based compensation that was granted during the term of the CSA...
c Was there any stock-based compensation granted during the term of the CSA to individuals who performed functions in business activities...
7 a For the tax year, enter the total amount of intangible development costs for the CSA.
b For the tax year, enter the amount of intangible development costs allocable to the foreign corporation based on the foreign corporation's reasonably anticipated benefits share.

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

OMB No. 1545-0123

Name of person filing Form 5471
SAME AS 5471

Identifying number
52-0619000

Name of foreign corporation
FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

EIN (if any)
98-0464065

Reference ID number (see instructions)

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) Unsuspended 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▶					0	
6	Total (combine lines 1 through 4 of column (m))▶						0

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▶			0	

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 71397A

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

Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.		EIN (if any) 98-0464065	Reference ID number (see instructions)
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 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 Number 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)								0
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 Txes
1 a	Balance at beginning of year (as reported in prior year Schedule E-1)	-0-	-0-	-0-	
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for foreign tax redetermination				
3 a	Taxes unsuspended 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 (i)				
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 column (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, column (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, column (a), (b), and (c) to zero. For the remaining columns, combine lines 8 through 12	-0-	-0-	-0-	

Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.		EIN (if any) 98-0464065	Reference ID number (see instructions)
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 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
1 a										
b										
c										
2										
3 a										
b										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										

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 SAME AS 5471		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	EIN (if any) 98-0464065	Reference ID number (see instructions)

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		2,926,933
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)	2i	4,318,083	1,097,840
3	Total net additions	3	4,318,083	
4	Total net subtractions	4		4,024,773
5 a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a		293,310
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		293,310
(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)	293,310	
(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		293,310
e	Enter exchange rate used for line 5d ►		1.00	

**SCHEDULE J
(Form 5471)**

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

Accumulated Earnings and 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

SAME AS 5471

Identifying number

52-1656507

Name of foreign corporation

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

EIN (if any)

98-0464065

Reference ID number (see instructions)

a Separate Category (Enter code - see instructions)

GEN

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 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
1 a	Balance at beginning of year (as reported on prior year Schedule J)	-309,649	-12,877,111				
b	Beginning balance adjustments (attach statement)	309,649	12,877,111				
c	Adjusted beginning balance (combine lines 1a and 1b)						
2 a	Reduction for taxes unsuspended 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)						
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5 a	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)						
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)						

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
1 a					
b					
c					
2 a					
b					
3					
4					
5 a					
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))
1 a			207,845	-12,978,915
b			-207,845	12,978,915
c				
2 a				
b				
3				
4				
5 a				
b				
6				
7				
8				
9				
10				
11				
12				
13				
14				

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	NONE
2	Additions (amounts subject to future recapture)	▶	2	NONE
3	Subtractions (amounts recaptured in current year)	▶	3	NONE
4	Balance at end of year (combine lines 1 through 3)	▶	4	NONE

Name of person filing Form 5471 SAME AS 5471		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.		EIN (if any) 98-0464065
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 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
1 a	Balance at beginning of year (as reported on prior year Schedule J)						
b	Beginning balance adjustments (attach statement)	-309,649	-12,877,111				
c	Adjusted beginning balance (combine lines 1a and 1b)	-309,649	-12,877,111				
2 a	Reduction for taxes unsuspended 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)	293,310					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5 a	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)	-16,339	-12,877,111				
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P	-293,310					
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)	-309,649	-12,877,111				

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
1 a					
b					
c					
2 a					
b					
3					
4					
5 a					
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))
1 a				
b			207,845	-12,978,915
c			207,845	-12,978,915
2 a				
b				
3				293,310
4				
5 a				
b				
6				
7			207,845	-12,685,605
8			293,310	
9			-483,665	-483,665
10				
11				
12				
13				
14			17,490	-13,169,270

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	NONE
2	Additions (amounts subject to future recapture)	▶	2	NONE
3	Subtractions (amounts recaptured in current year)	▶	3	NONE
4	Balance at end of year (combine lines 1 through 3)	▶	4	NONE

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**

OMB No. 1545-0123

▶ **Attach to Form 5471.**

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

Name of person filling Form 5471 SAME AS 5471		Identifying number 52-0619000
Name of U.S. shareholder SAME AS 5471		Identifying number 52-0619000
Name of foreign corporation FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	EIN (if any) 98-0464065	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions)		
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
1 a	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)			

For Paperwork Reduction Act Notice, see instructions.

Cat.No. 49203F

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

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
1 a								
b								
c								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

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
1 a	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 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
1 a							0	0
b							0	0
c							0	0
2								
3								
4								
5								
6							0	0
7							141,229	141,229
8							-141,229	-141,229
9								
10								
11								
12							0	0

SCHEDULE Q
(Form 5471)

(December 2022)
Department of the Treasury
Internal Revenue Service

CFC Income by CFC Income Groups

OMB No. 1545-0123

Attach to Form 5471.

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

Name of person filling Form 5471

SAME AS 5471

Identifying number

52-0619000

Name of foreign corporation

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

EIN (if any)

98-0464065

Reference ID number (see instructions)

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)

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.

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 ☐

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 Expenses	(v) Other Interest Expenses	(vi) Research & Experimental Expenses	(vii) Other Expenses (attach schedule)
1 Subpart F Income Groups							
a Dividends, Interest, Rents, Royalties, & Annuities (Total)		4,863,576	4,570,266				
(1) Unit name: FREESTATE HEALTHCARE	CJ	4,863,576	4,570,266				
(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.

For Paperwork Reduction Act Notice, see instructions.

Cat.No. 73414U

Schedule Q (Form 5471) (12-2022)

	(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				293,310		49,347,120			293,310
(1)				293,310		49,347,120	<input type="checkbox"/>		293,310
(2)							<input type="checkbox"/>		
b									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
c									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
d									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
e									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
f									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
g									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		

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 Expenses	(v) Other Interest Expenses	(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		4,863,576	4,570,266				

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)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
i									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
j									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
k									
l									
m									
2									
3									
(1)							<input type="checkbox"/>		
(2)							<input type="checkbox"/>		
4									
(1)									
(2)									
5				293,310					293,310

**SCHEDULE R
(Form 5471)**(December 2020)
Department of the Treasury
Internal Revenue Service**Distributions From a Foreign Corporation**

OMB No. 1545-0123

▶ Attach to Form 5471.

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

Name of person filling Form 5471

SAME AS 5471

Identifying number

52-0619000

Name of foreign corporation

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

EIN (if any)

98-0464065

Reference ID number (see instructions)

	(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	NON TAXABLE CASH DIVIDEND UNDER IRC §959	12/31/2023	141,229	141,229
2	NON TAXABLE CASH DIVIDEND UNDER IRC §301	12/31/2023	419,665	0
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				

LINE 2I, SCH H (FORM 5471) - OTHER

		ADDITIONS	SUBTRACTIONS
1	RELATED PARTY PREMIUMS	1	1,097,840
2	RELATED PARTY LOSS RESERVES AND CLAIMS PAID	2	4,318,083
TOTAL OTHER		4,318,083	1,097,840

LINE 19, SCH G (FORM 5471) - QUESTIONS

- 1 QUESTION # 3

CODE: DED

DEDUCTIONS TAKEN INTO ACCOUNT: 122,843
- 2 QUESTION # 21

CODE: EP

EXCESS SUBPART F INCOME OVER EARNINGS AND PROFITS: 422,650

FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

DECEMBER 31, 2023

EIN: 98-0464065

FORM 5471, SCHEDULE G-1:

THE CONTROLLED FOREIGN CORPORATION FOR WHICH THIS INFORMATIONAL RETURN IS BEING FILED DOES NOT PARTICIPATE IN ANY COST SHARING ARRANGEMENTS AS DEFINED IN SECTION 1.482-7(B). SCHEDULE G-1, WHICH REPORTS COST SHARING ARRANGEMENTS AND IS REQUIRED TO BE ATTACHED TO THIS RETURN, IS BEING FILED BUT DOES NOT HAVE ANY DETAILS PROVIDED BECAUSE THE CONTROLLED FOREIGN CORPORATION DID NOT PARTICIPATE IN ANY COST SHARING ARRANGEMENTS DURING THE TAX YEAR.

FORM 5471, SCHEDULE J, LINE 1b - BEGINNING BALANCE ADJUSTMENTS:

THE FOREIGN CORPORATION IS ADJUSTING THE BEGINNING BALANCE OF POST-2017 E&P NOT PREVIOUSLY TAXED (COLUMN (a)), POST-1986 UNDISTRIBUTED EARNINGS (COLUMN (b)), AND SECTION 951(a)(1)(A) PTEP (COLUMN (e)(x)) TO PROPERLY CATEGORIZE THE ACCUMULATED E&P OF THE CONTROLLED FOREIGN CORPORATION IN THE PASSIVE CATEGORY OF INCOME.

**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.

OMB No. 1545-0026

Attachment
Sequence No. **128**

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

Name of transferor CALVERTHEALTH MEDICAL CENTER, INC.	Identifying number (see instructions) 52-0619000
---	--

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) FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.	5a Identifying number, if any 98-0464065
6 Address (including country) P.O. BOX 10233 GRAND CAYMAN CJ KY1-1002	5b Reference ID number (see instructions)

7 Country code of country of incorporation or organization (see instructions)

CJ

8 Foreign law characterization (see instructions)

CORPORATION

9 Is the transferee foreign corporation a controlled foreign corporation? . . . ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see separate instructions.

Form **926** (Rev. 11-2018)

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	VARIOUS		1,006,933.		

- 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
- 12a** 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 (see instructions)
Property described in sec. 367(d)(4)						
Totals						

- 14a** 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

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 33.330 % (b) After 33.330 %
- 17** Type of nonrecognition transaction (see instructions) ► IRC SECTION 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) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| b Gain recognition under section 904(f)(5)(F) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| c Recapture under section 1503(d) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| d Exchange gain under section 987 | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- 19** Did this transfer result from a change in entity classification? ☐ Yes ☒ No
- 20a** 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)

CALVERTHEALTH MEDICAL CENTER, INC.

EIN: 52-0619000

ATTACHMENT TO FORM 926, PART III

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:

CALVERTHEALTH MEDICAL CENTER, INC.

EIN: 52-0619000

100 HOSPITAL ROAD

PRINCE FREDERICK, MD 20678

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

(I.): FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.

EIN: 98-0464065

P.O. BOX 10233

GRAND CAYMAN KY1-1002, CAYMAN ISLANDS

INCORPORATED IN THE CAYMAN ISLANDS

(II.): INSURANCE PREMIUMS RECEIVED FROM RELATED PARTIES CONSIDERED TO
BE DEEMED CONTRIBUTIONS TO CAPITAL OF THE ABOVE CORPORATION OCCURRED
ON VARIOUS DATES THROUGHOUT THE YEAR. THE TOTAL AMOUNT OF THE DEEMED
CONTRIBUTIONS WAS \$1,006,933.

REGULATION §1.6038B-1T(C)(3): CONSIDERATION RECEIVED:

NOTHING WAS RECEIVED IN CONSIDERATION IN EXCHANGE FOR DEEMED CASH
CONTRIBUTIONS TO CAPITAL OF \$1,006,933. THE TAXPAYER OWNED 33.33% OF
THE STOCK OF THE TRANSFEREE CORPORATION BOTH BEFORE AND AFTER THESE
TRANSFERS.

REGULATION §1.6038B-1T(C)(4): PROPERTY TRANSFERRED:

CASH IN THE AMOUNT OF \$1,006,933 (US DOLLARS)

REGULATION §1.6038B-1T(C)(5): TRANSFER OF FOREIGN BRANCH WITH
PREVIOUSLY DEDUCTED LOSSES:

NOT APPLICABLE

CONTINUED ON NEXT PAGE

REGULATION §1.6038B-1T(C)(6): APPLICATION OF IRC §367(A(5):

NOT APPLICABLE