

PUBLIC DISCLOSURE COPY

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**

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

**2023**

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.

**Open to Public Inspection**

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the **2023** calendar year, or tax year beginning **07/01**, 20**23**, and ending **06/30**, 20**24**

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

**C** Name of organization **MERCY MEDICAL CENTER**  
 Doing business as \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**301 ST. PAUL PLACE**  
 City or town, state or province, country, and ZIP or foreign postal code  
**BALTIMORE, MD 21202**

**D** Employer identification number  
**52-0591658**

**E** Telephone number  
**(410) 332-9000**

**F** Name and address of principal officer: **DAVID MAINE, MD**  
**SAME AS C ABOVE**

**G** Gross receipts \$ **635,116,261**

**H(a)** Is this a group return for subsidiaries?  Yes  No  
**H(b)** Are all subsidiaries included?  Yes  No  
 If "No," attach a list. See instructions.  
**H(c)** Group exemption number \_\_\_\_\_

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

**J** Website: **WWW.MDMERCY.COM**

**K** Form of organization:  Corporation  Trust  Association  Other

**L** Year of formation: **1949** **M** State of legal domicile: **MD**

**Part I Summary**

Activities & Governance	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>LIKE THE SISTERS OF MERCY BEFORE US, WE WITNESS GOD'S HEALING LOVE FOR ALL PEOPLE BY PROVIDING EXCELLENT CLINICAL SERVICES WITHIN A</b> (CONTINUED ON SCHEDULE O)		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>7</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>0</b>
	<b>5</b>	Total number of individuals employed in calendar year 2023 (Part V, line 2a)	<b>5</b>	<b>4,301</b>
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>239</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>169,320</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, Part I, line 11	<b>7b</b>	<b>0</b>	
Revenue	<b>8</b>	Contributions and grants (Part VIII, line 1h)	Prior Year 2,526,076	Current Year 6,258,581
	<b>9</b>	Program service revenue (Part VIII, line 2g)	569,606,863	583,462,044
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,033,465	20,964,885
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	18,373,979	23,207,194
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	599,540,383	633,892,704
Expenses	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	292,867	283,250
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	0	
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	276,347,052	286,078,389
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25)	0	
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	307,280,404	321,708,355
	<b>18</b>	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	583,920,323	608,069,994
Net Assets or Fund Balances	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	15,620,060	25,822,710
	<b>20</b>	Total assets (Part X, line 16)	Beginning of Current Year 1,042,788,236	End of Year 1,072,079,469
	<b>21</b>	Total liabilities (Part X, line 26)	486,377,525	466,097,607
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	556,410,711	605,981,862

**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: *Justin Deibel* Date: *4/16/25*  
**JUSTIN DEIBEL, EXECUTIVE VICE PRESIDENT & CFO**  
 Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name: **AMY BIBBY** Preparer's signature: *AMY BIBBY* Date: **03/27/2025** Check  if self-employed PTIN: **P00445891**  
 Firm's name: **FORVIS MAZARS, LLP** Firm's EIN: **44-0160260**  
 Firm's address: **500 RIDGEFIELD COURT, ASHEVILLE, NC 28806** Phone no.: **(828) 254-2254**

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2023)

**Part III Statement of Program Service Accomplishments**

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

- 1 Briefly describe the organization's mission:  
 LIKE THE SISTERS OF MERCY BEFORE US, WE WITNESS GOD'S HEALING LOVE FOR ALL PEOPLE BY PROVIDING EXCELLENT CLINICAL SERVICES WITHIN A COMMUNITY OF COMPASSIONATE CARE. AS AN INDEPENDENT CATHOLIC HOSPITAL, WE PLEDGE TO ENHANCE THE HEALTH OF OUR REGION AND SERVE ALL PEOPLE OF EVERY CREED, COLOR, ECONOMIC, AND SOCIAL CONDITION.
- 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 \$ 488,498,202 including grants of \$ 283,250 ) (Revenue \$ 605,742,313 )  
 MERCY MEDICAL CENTER (MMC) OWNS AND OPERATES A 161-LICENSED BED GENERAL ACUTE-CARE TEACHING HOSPITAL. MMC PROVIDES HOSPITAL SERVICES WITHOUT REGARD TO ABILITY TO PAY, INCLUDING MEDICAL AND SURGICAL INPATIENT AND OUTPATIENT SERVICES, EMERGENCY ROOM CARE, LABOR AND DELIVERY, AND NEONATAL INTENSIVE CARE AMONG OTHER SERVICES. IN FISCAL YEAR 2024, MERCY ADMITTED 17,641 INPATIENT AND OBSERVATION CASES, 20.3% OF WHICH WAS MEDICAL ASSISTANCE REVENUE. MMC'S LARGEST MAJOR SERVICE CATEGORY IS SURGERY AND CENTERS OF EXCELLENCE REPRESENTING 62.2% OF TOTAL HOSPITAL REVENUE. MERCY PROVIDED 29,545 SURGICAL CASES AND 8,187 INTERVENTIONAL CASES DURING THE PERIOD.  
  
 MMC'S SECOND LARGEST MAJOR SERVICE CATEGORY IS MEDICINE, REPRESENTING 24.2% OF TOTAL HOSPITAL REVENUE. IN FISCAL YEAR 2024, MERCY SERVED 7,393 MEDICAL ADMISSIONS AND OBSERVATION CASES AND PROVIDED CARE FOR 45,527 EMERGENCY ROOM VISITS.  
 (CONTINUED ON SCHEDULE O)

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

4e Total program service expenses 488,498,202

**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 . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	Is the organization required to complete Schedule B, Schedule of Contributors? See instructions . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	<b>Section 501(c)(3) organizations.</b> 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 . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b	Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c	Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a	Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38 covering various organizational requirements and reporting obligations.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

<b>Part V Statements Regarding Other IRS Filings and Tax Compliance</b> <i>(continued)</i>			Yes	No
<b>2a</b>	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 4,301		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b <input checked="" type="checkbox"/>	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a <input checked="" type="checkbox"/>	
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation on Schedule O</i>		3b <input checked="" type="checkbox"/>	
<b>4a</b>	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 <input checked="" type="checkbox"/>	
<b>b</b>	If "Yes," enter the name of the foreign country <u>CJ</u> See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	<input checked="" type="checkbox"/>
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	<input checked="" type="checkbox"/>
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c	
<b>6a</b>	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	<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b>	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	<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	<input checked="" type="checkbox"/>
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	<input checked="" type="checkbox"/>
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	<input checked="" type="checkbox"/>
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966?		9a	
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:			
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10a		
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:			
<b>a</b>	Gross income from members or shareholders	11a		
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		12a	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note:</b> See the instructions for additional information the organization must report on Schedule O.		13a	
<b>b</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		
<b>c</b>	Enter the amount of reserves on hand	13c		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		14a	<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation on Schedule O</i>		14b	
<b>15</b>	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	<input checked="" type="checkbox"/>
<b>16</b>	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	<input checked="" type="checkbox"/>
<b>17</b>	<b>Section 501(c)(21) organizations.</b> 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

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

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe 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; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done.; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[ ] Own website [ ] Another's website [x] 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.
JUSTIN DEIBEL, 301 ST. PAUL PLACE, BALTIMORE, MD 21202, (410) 659-2905

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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) DAVID N. MAINE, M.D. CHAIR, EX OFFICIO	18.0 27.0	✓		✓				0 1,754,338	41,870	
(2) JUSTIN C. DEIBEL VICE CHAIR	15.0 27.0	✓		✓			0	1,010,210	43,787	
(3) WILMA A.S. ROWE, M.D. SECRETARY	39.5 5.5	✓		✓			0	880,877	48,651	
(4) SUSAN D. FINLAYSON DIRECTOR	38.0 2.0	✓					681,608	0	39,271	
(5) CHRISTOPHER THOMASKUTTY SVP CLIN PROG - CHIEF OF STAFF	38.0 2.0					✓	592,292	0	42,655	
(6) PHIL BEATSON SVP STRATEGY & CORPORATE OPERATIONS	40.0 1.0					✓	556,006	0	39,952	
(7) JUDITH WEILAND SVP STRATEGIC & CAPITAL PLANNING	38.0 2.0					✓	525,350	0	44,482	
(8) TAMMY L. JANUS SENIOR VP HR	40.0 0.0					✓	432,009	0	49,045	
(9) RALPH J. LEBRON DIRECTOR	40.0 0.0	✓					426,901	0	41,055	
(10) KAREN MATHURA CCO & VP OF CLAIMS	40.0 0.0					✓	372,445	0	42,745	
(11) STACEY (SEDALIA) BRULL DIRECTOR	40.0 0.0	✓					332,635	0	42,191	
(12) ELINOR PETROCELLI TREASURER	40.0 0.0	✓		✓			279,050	0	26,759	
(13) MICHAEL C. MULLANE DIRECTOR	40.0 0.0	✓					149,960	0	32,394	
(14) REV. THOMAS R. MALIA DIRECTOR	40.0 0.0	✓					83,486	0	14,915	

**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) THOMAS R. MULLEN FORMER CHAIR, EX OFFICIO	0.0 0.0						✓	0	48,358	29,238
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
<b>1b Subtotal</b>								4,431,742	3,693,783	579,010
<b>c Total from continuation sheets to Part VII, Section A</b>								0	0	0
<b>d Total (add lines 1b and 1c)</b>								4,431,742	3,693,783	579,010

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

	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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**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
GILBANE BUILDING COMPANY, 7 JACKSON WALKWAY, PROVIDENCE, RI 02903	CONSTRUCTION- HUNT VALLEY MOB	5,308,982
UNIVERSITY OF MARYLAND, 620 W. LEXINGTON ST, BALTIMORE, MD 21201	MEDICAL SERVICES	4,805,001
UNIVERSITY OF MD MEDICAL SYSTEM, 900 ELKRIDGE LANDING RD, LINTHICUM HEIGHTS, MD 21090	MEDICAL SERVICES	4,398,730
EPIC SYSTEMS CORPORATION, 1979 MILKY WAY, VERONA, WI 53593	EPIC MAINTENANCE AND TECHNICAL SUPPORT	3,358,444
CONSOLIDATED MEDICAL SERVICES INC, 11027 MCCORMICK RD., HUNT VALLEY, MD 21031	CONSTRUCTION	3,358,300
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	116	



**Part VIII Statement of Revenue**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants, and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b> Membership dues . . . . .	<b>1b</b>					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>					
	<b>d</b> Related organizations . . . . .	<b>1d</b>	5,677,306				
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	581,275				
	<b>g</b> Noncash contributions included in lines 1a-1f . . . . .	<b>1g</b> \$					
	<b>h Total.</b> Add lines 1a-1f . . . . .		6,258,581				
<b>Program Service Revenue</b>	<b>2a</b> PATIENT REVENUE	Business Code 621400	582,552,044	582,552,044			
	<b>b</b> PEDIATRIC REVENUE	621110	910,000	910,000			
	<b>c</b> _____						
	<b>d</b> _____						
	<b>e</b> _____						
	<b>f</b> All other program service revenue . .		0	0	0	0	
	<b>g Total.</b> Add lines 2a-2f . . . . .		583,462,044				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .		10,314,793			10,314,793	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties . . . . .						
	<b>6a</b> Gross rents . . . . .	<b>6a</b>	(i) Real	2,143,331			
			(ii) Personal				
	<b>b</b> Less: rental expenses	<b>6b</b>	1,223,557				
	<b>c</b> Rental income or (loss)	<b>6c</b>	919,774	0			
	<b>d</b> Net rental income or (loss) . . . . .		919,774			919,774	
	<b>7a</b> Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities	10,641,718	8,374		
			(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses . . . . .	<b>7b</b>					
	<b>c</b> Gain or (loss) . . . . .	<b>7c</b>	10,641,718	8,374			
	<b>d</b> Net gain or (loss) . . . . .		10,650,092			10,650,092	
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>8a</b>						
<b>b</b> Less: direct expenses . . . . .	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events . . . . .							
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>9a</b>						
<b>b</b> Less: direct expenses . . . . .	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities . . . . .							
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>10a</b>						
<b>b</b> Less: cost of goods sold . . . . .	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory . . . . .							
<b>Miscellaneous Revenue</b>	<b>11a</b> MANAGEMENT FEE	Business Code 561000	13,498,991	13,498,991			
	<b>b</b> OTHER INCOME	900099	4,467,116	4,467,116			
	<b>c</b> CAFETERIA REVENUE	722514	3,026,515	3,026,515			
	<b>d</b> All other revenue . . . . .	812930	1,294,798	1,125,478	169,320	0	
	<b>e Total.</b> Add lines 11a-11d . . . . .		22,287,420				
<b>12 Total revenue.</b> See instructions . . . . .		633,892,704	605,580,144	169,320	21,884,659		

**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
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .	283,250	283,250		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .				
<b>4</b> Benefits paid to or for members . . . . .				
<b>5</b> Compensation of current officers, directors, trustees, and key employees . . . . .	1,953,640	1,585,379	368,261	
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b> Other salaries and wages . . . . .	238,671,611	193,682,012	44,989,599	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	5,133,332	4,165,699	967,633	
<b>9</b> Other employee benefits . . . . .	23,580,524	19,135,595	4,444,929	
<b>10</b> Payroll taxes . . . . .	16,739,282	13,583,927	3,155,355	
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management . . . . .	5,552,811		5,552,811	
<b>b</b> Legal . . . . .	1,195,430	597,715	597,715	
<b>c</b> Accounting . . . . .	642,115	438,114	204,001	
<b>d</b> Lobbying . . . . .	87,500	87,500		
<b>e</b> Professional fundraising services. See Part IV, line 17 . . . . .				
<b>f</b> Investment management fees . . . . .	845,601		845,601	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.) . . . . .	21,980,138	17,705,762	4,274,376	0
<b>12</b> Advertising and promotion . . . . .	3,318,994	170,121	3,148,873	
<b>13</b> Office expenses . . . . .	28,166,656	20,356,042	7,810,614	
<b>14</b> Information technology . . . . .	2,434,795	1,460,877	973,918	
<b>15</b> Royalties . . . . .				
<b>16</b> Occupancy . . . . .	11,964,888	6,258,915	5,705,973	
<b>17</b> Travel . . . . .	859,932	577,272	282,660	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b> Conferences, conventions, and meetings . . . . .	572,090	481,070	91,020	
<b>20</b> Interest . . . . .	12,836,282	8,796,704	4,039,578	
<b>21</b> Payments to affiliates . . . . .				
<b>22</b> Depreciation, depletion, and amortization . . . . .	36,707,075	25,250,797	11,456,278	
<b>23</b> Insurance . . . . .	29,111,735	26,941,696	2,170,039	
<b>24</b> 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.)				
<b>a</b> MED AND PHARMACY SUPPLIES . . . . .	101,959,399	101,959,399		
<b>b</b> OTHER . . . . .	37,112,505	25,949,024	11,163,481	
<b>c</b> REPAIRS AND MAINTENANCE . . . . .	19,073,936	13,008,424	6,065,512	
<b>d</b> 340B PHARMACY EXPENSE . . . . .	6,022,908	6,022,908		
<b>e</b> All other expenses . . . . .	1,263,565	0	1,263,565	0
<b>25</b> Total functional expenses. Add lines 1 through 24e . . . . .	608,069,994	488,498,202	119,571,792	0
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .				

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	100,140,702	<b>1</b>	152,427,246
	<b>2</b> Savings and temporary cash investments . . . . .	114,783,495	<b>2</b>	55,020,916
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	27,302,099	<b>4</b>	36,605,367
	<b>5</b> 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	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) . . . . .		<b>6</b>	0
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	11,753,470	<b>8</b>	10,564,451
	<b>9</b> Prepaid expenses and deferred charges . . . . .	2,720,689	<b>9</b>	1,474,604
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b> 992,077,988		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 519,324,893	472,585,691	<b>10c</b> 472,753,095
	<b>11</b> Investments—publicly traded securities . . . . .	245,828,644	<b>11</b>	270,154,593
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .	0	<b>12</b>	0
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .	49,615,532	<b>13</b>	52,192,536
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	18,057,914	<b>15</b>	20,886,661
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) . . . . .	1,042,788,236	<b>16</b>	1,072,079,469	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	110,193,422	<b>17</b>	105,078,988
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .	351,902,904	<b>20</b>	339,367,476
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> 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 . . . . .		<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> 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 . . . . .	24,281,199	<b>25</b>	21,651,143
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	486,377,525	<b>26</b>	466,097,607
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions . . . . .	512,043,580	<b>27</b>	559,104,810
	<b>28</b> Net assets with donor restrictions . . . . .	44,367,131	<b>28</b>	46,877,052
	<b>Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds . . . . .		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>31</b>	
	<b>32</b> Total net assets or fund balances . . . . .	556,410,711	<b>32</b>	605,981,862
<b>33</b> Total liabilities and net assets/fund balances . . . . .	1,042,788,236	<b>33</b>	1,072,079,469	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	633,892,704
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	608,069,994
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	25,822,710
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	556,410,711
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	14,429,924
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	9,318,517
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	605,981,862

**Part XII Financial Statements and Reporting**

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

	Yes	No
<b>1</b> 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.		
<b>2a</b> 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>b</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"/>	
<b>c</b> 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"/>	
<b>3a</b> 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>b</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.		

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2023**

**Open to Public  
Inspection**

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

**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)(vi).** (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box 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)						
<b>Total</b>						

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

Cat. No. 11285F

Schedule A (Form 990) 2023

**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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>4 Total.</b> Add lines 1 through 3 . . . . .						
<b>5</b> 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) . . . . .						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4 . . . . .						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources . . . . .						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . . . .						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					<b>12</b>	
<b>13 First 5 years.</b> 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 <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f)) . . . . .	<b>14</b>	%
<b>15</b> Public support percentage from 2022 Schedule A, Part II, line 14 . . . . .	<b>15</b>	%
<b>16a 33 1/3% support test—2023.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . . <input type="checkbox"/>		
<b>b 33 1/3% support test—2022.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . . <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2023.</b> 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 <b>stop here.</b> 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>b 10%-facts-and-circumstances test—2022.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> 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 . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . .						
<b>b</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 . . . .						
<b>c</b> Add lines 7a and 7b . . . .						
<b>8 Public support.</b> (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
<b>9</b> Amounts from line 6 . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . .						
<b>c</b> Add lines 10a and 10b . . . .						
<b>11</b> Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . .						
<b>14 First 5 years.</b> 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 <b>stop here</b> . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

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

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f)) . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2022 Schedule A, Part III, line 17 . . . .	<b>18</b>	%

- 19a 33 1/3% 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 . . .
- b 33 1/3% 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 . . .
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . .

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> 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>		
<b>2</b> 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>		
<b>3a</b> 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>b</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>		
<b>c</b> 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>		
<b>4a</b> 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>b</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>		
<b>c</b> 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>		
<b>5a</b> 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>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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>		
<b>7</b> 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>		
<b>8</b> 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>		
<b>9a</b> 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>b</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>		
<b>c</b> 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>		
<b>10a</b> 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>b</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
<b>11</b>	Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b>	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?		
	<b>11a</b>		
<b>b</b>	A family member of a person described on line 11a above?		
	<b>11b</b>		
<b>c</b>	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 <b>Part VI</b> .		
	<b>11c</b>		

**Section B. Type I Supporting Organizations**

		Yes	No
<b>1</b>	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 <b>Part VI</b> 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.		
	<b>1</b>		
<b>2</b>	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 <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
	<b>2</b>		

**Section C. Type II Supporting Organizations**

		Yes	No
<b>1</b>	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 <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
	<b>1</b>		

**Section D. All Type III Supporting Organizations**

		Yes	No
<b>1</b>	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?		
	<b>1</b>		
<b>2</b>	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 <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
	<b>2</b>		
<b>3</b>	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 <b>Part VI</b> the role the organization's supported organizations played in this regard.		
	<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b>	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b>	<input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.		
<b>b</b>	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.		
<b>c</b>	<input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a governmental entity (see instructions).		
<b>2</b>	Activities Test. Answer lines 2a and 2b below.		
		Yes	No
<b>a</b>	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 <b>Part VI</b> 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.		
	<b>2a</b>		
<b>b</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 <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
	<b>2b</b>		
<b>3</b>	Parent of Supported Organizations. Answer lines 3a and 3b below.		
<b>a</b>	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 <b>Part VI</b> .		
	<b>3a</b>		
<b>b</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 <b>Part VI</b> the role played by the organization in this regard.		
	<b>3b</b>		

**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.

<b>Section A—Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b>	Net short-term capital gain	<b>1</b>	
<b>2</b>	Recoveries of prior-year distributions	<b>2</b>	
<b>3</b>	Other gross income (see instructions)	<b>3</b>	
<b>4</b>	Add lines 1 through 3.	<b>4</b>	
<b>5</b>	Depreciation and depletion	<b>5</b>	
<b>6</b>	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)	<b>6</b>	
<b>7</b>	Other expenses (see instructions)	<b>7</b>	
<b>8</b>	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	<b>8</b>	

<b>Section B—Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b>	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
<b>a</b>	Average monthly value of securities	<b>1a</b>	
<b>b</b>	Average monthly cash balances	<b>1b</b>	
<b>c</b>	Fair market value of other non-exempt-use assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, 1b, and 1c)	<b>1d</b>	
<b>e</b>	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
<b>2</b>	Acquisition indebtedness applicable to non-exempt-use assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d.	<b>3</b>	
<b>4</b>	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	<b>4</b>	
<b>5</b>	Net value of non-exempt-use assets (subtract line 4 from line 3)	<b>5</b>	
<b>6</b>	Multiply line 5 by 0.035.	<b>6</b>	
<b>7</b>	Recoveries of prior-year distributions	<b>7</b>	
<b>8</b>	<b>Minimum Asset Amount</b> (add line 7 to line 6)	<b>8</b>	

<b>Section C—Distributable Amount</b>			Current Year
<b>1</b>	Adjusted net income for prior year (from Section A, line 8, column A)	<b>1</b>	
<b>2</b>	Enter 0.85 of line 1.	<b>2</b>	
<b>3</b>	Minimum asset amount for prior year (from Section B, line 8, column A)	<b>3</b>	
<b>4</b>	Enter greater of line 2 or line 3.	<b>4</b>	
<b>5</b>	Income tax imposed in prior year	<b>5</b>	
<b>6</b>	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	<b>6</b>	
<b>7</b>	<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
<b>1</b>	Amounts paid to supported organizations to accomplish exempt purposes	<b>1</b>
<b>2</b>	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	<b>2</b>
<b>3</b>	Administrative expenses paid to accomplish exempt purposes of supported organizations	<b>3</b>
<b>4</b>	Amounts paid to acquire exempt-use assets	<b>4</b>
<b>5</b>	Qualified set-aside amounts (prior IRS approval required— <i>provide details in Part VI</i> )	<b>5</b>
<b>6</b>	Other distributions ( <i>describe in Part VI</i> ). See instructions.	<b>6</b>
<b>7</b>	<b>Total annual distributions.</b> Add lines 1 through 6.	<b>7</b>
<b>8</b>	Distributions to attentive supported organizations to which the organization is responsive ( <i>provide details in Part VI</i> ). See instructions.	<b>8</b>
<b>9</b>	Distributable amount for 2023 from Section C, line 6	<b>9</b>
<b>10</b>	Line 8 amount divided by line 9 amount	<b>10</b>

Section E—Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
<b>1</b> Distributable amount for 2023 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2023 (reasonable cause required— <i>explain in Part VI</i> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2023			
<b>a</b> From 2018 . . . . .			
<b>b</b> From 2019 . . . . .			
<b>c</b> From 2020 . . . . .			
<b>d</b> From 2021 . . . . .			
<b>e</b> From 2022 . . . . .			
<b>f</b> <b>Total</b> of lines 3a through 3e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2023 distributable amount			
<b>i</b> Carryover from 2018 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
<b>4</b> Distributions for 2023 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2023 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from line 4.			
<b>5</b> Remaining underdistributions for years prior to 2023, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
<b>6</b> Remaining underdistributions for 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
<b>7</b> <b>Excess distributions carryover to 2024.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2019 . . . . .			
<b>b</b> Excess from 2020 . . . . .			
<b>c</b> Excess from 2021 . . . . .			
<b>d</b> Excess from 2022 . . . . .			
<b>e</b> 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.)

Area for supplemental information with dashed lines.

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 MERCY MEDICAL CENTER

Employer identification number 52-0591658

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

- 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

- Form 990-PF: 501(c)(3) exempt private foundation, 4947(a)(1) nonexempt charitable trust treated as a private foundation, 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test...
For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor...
For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor...

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 MERCY MEDICAL CENTER	Employer identification number 52-0591658
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**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- ----- -----	\$ 5,677,306	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 MERCY MEDICAL CENTER	Employer identification number 52-0591658
--	--

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

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

Name of organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
--	--

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



**SCHEDULE C  
(Form 990)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2023**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

**For Organizations Exempt From Income Tax Under Section 501(c) and Section 527**

**Complete if the organization is described below. Attach to Form 990 or Form 990-EZ.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

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

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

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

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

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

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

Name of organization MERCY MEDICAL CENTER	Employer identification number 52-0591658
--	--

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

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

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

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

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

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

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

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

Cat. No. 50084S

Schedule C (Form 990) 2023

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

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .														
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) . . . . .														
<b>d</b>	Other exempt purpose expenditures . . . . .														
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) . . . . .														
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>not over \$500,000,</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>over \$500,000 but not over \$1,000,000,</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>over \$1,000,000 but not over \$1,500,000,</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>over \$1,500,000 but not over \$17,000,000,</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>over \$17,000,000,</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	not over \$500,000,	20% of the amount on line 1e.	over \$500,000 but not over \$1,000,000,	\$100,000 plus 15% of the excess over \$500,000.	over \$1,000,000 but not over \$1,500,000,	\$175,000 plus 10% of the excess over \$1,000,000.	over \$1,500,000 but not over \$17,000,000,	\$225,000 plus 5% of the excess over \$1,500,000.	over \$17,000,000,	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
not over \$500,000,	20% of the amount on line 1e.														
over \$500,000 but not over \$1,000,000,	\$100,000 plus 15% of the excess over \$500,000.														
over \$1,000,000 but not over \$1,500,000,	\$175,000 plus 10% of the excess over \$1,000,000.														
over \$1,500,000 but not over \$17,000,000,	\$225,000 plus 5% of the excess over \$1,500,000.														
over \$17,000,000,	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) . . . . .														
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- . . . . .														
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- . . . . .														
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2020	(b) 2021	(c) 2022	(d) 2023	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column (e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?		✓	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		✓	
<b>c</b> Media advertisements?		✓	
<b>d</b> Mailings to members, legislators, or the public?		✓	
<b>e</b> Publications, or published or broadcast statements?		✓	
<b>f</b> Grants to other organizations for lobbying purposes?	✓		87,500
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		✓	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
<b>i</b> Other activities?	✓		6,765
<b>j</b> Total. Add lines 1c through 1i			94,265
<b>2a</b> Did the activities in line 1 cause the organization to not be described in section 501(c)(3)?		✓	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

**Part IV Supplemental Information**

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

SEE NEXT PAGE

**Part IV**

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

Return Reference - Identifier	Explanation
<p>SCHEDULE C, PART II-B, LINE 1 - DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY</p>	<p>IN THE TAX YEAR 2023 MERCY MEDICAL CENTER CONTRIBUTED \$84,000 TO PERRY, WHITE, ROSS, &amp; JACOBSON, LLC AND \$3,500 DLP PIPER LLC TO LOBBY AGAINST LEGISLATION DETERMINED TO BE ADVERSE TO MERCY MEDICAL CENTER INC. AND LOBBY IN FAVOR OF MATTERS OF INTEREST AND CONCERN TO MERCY MEDICAL CENTER INC.</p> <p>MERCY MEDICAL CENTER IS A MEMBER OF THE MARYLAND HOSPITAL ASSOCIATION AND THE GREATER BALTIMORE COMMITTEE. A PORTION OF DUES PAID IS ALLOCATED TO LOBBYING EFFORTS ON BEHALF OF THE MEMBERSHIP BODY. THE APPROXIMATE PORTION OF DUES PAID FOR THE YEAR THAT CONSTITUTED LOBBYING WAS \$6,365 TO THE MARYLAND HOSPITAL ASSOCIATION AND \$400 TO THE GREATER BALTIMORE COMMITTEE.</p>

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2023

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

Name of the organization: MERCY MEDICAL CENTER; Employer identification number: 52-0591658

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

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements

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

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

Table with 3 columns: Line number, Description, Amount. Includes questions 1a, 1b, 2a, 2b regarding art and historical treasures.

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

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

**Part IV Escrow and Custodial Arrangements**

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

- 1a** Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table.
- |  | Amount    |
|--|-----------|
| <b>c</b> Beginning balance             | <b>1c</b> |
| <b>d</b> Additions during the year     | <b>1d</b> |
| <b>e</b> Distributions during the year | <b>1e</b> |
| <b>f</b> Ending balance                | <b>1f</b> |
- 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
<b>1a</b> Beginning of year balance	1,123,000	1,123,000	1,123,000	1,123,000	1,123,000
<b>b</b> Contributions					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance	1,123,000	1,123,000	1,123,000	1,123,000	1,123,000

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

- a** Board designated or quasi-endowment 0.00 %
- b** Permanent endowment 100.00 %
- c** Term endowment 0.00 %

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

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

- (i)** Unrelated organizations? \_\_\_\_\_
- (ii)** Related organizations? \_\_\_\_\_

	Yes	No
<b>3a(i)</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>3a(ii)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3b</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

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

**Part VI Land, Buildings, and Equipment**

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land		16,269,668		16,269,668
<b>b</b> Buildings		502,428,458	276,194,766	226,233,692
<b>c</b> Leasehold improvements		102,678,147	24,302,507	78,375,640
<b>d</b> Equipment		267,816,982	218,827,620	48,989,362
<b>e</b> Other		102,884,733		102,884,733
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				472,753,095

**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) _____		
<b>Total.</b> (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)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, line 13, col. (B)) . . . . .		

**Part IX Other Assets**

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

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

**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) POST RETIREMENT OBLIGATION	5,534,453
(3) MERRILL LYNCH SWAP	4,286,056
(4) RETIREMENT ANNUITY PLAN OBLIGATION	1,004,700
(5) ESTIMATED TAIL LIAB GIC	6,642,000
(6) OTHER	4,183,934
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, line 25, col. (B)) . . . . .	21,651,143

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.

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

**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.

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

**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

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**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 V, LINE 4 - INTENDED USES OF ENDOWMENT FUNDS	\$1,123,000 OF THE ENDOWMENT FUND BALANCE STEMS FROM A PERMANENT ENDOWMENT ADMINSTERED AND HELD BY MERCY HEALTH FOUNDATION, A RELATED ENTITY OF MERCY MEDICAL CENTER. THE PURPOSE OF THE ENDOWMENT IS TO SUPPORT THE HEALTHCARE MINISTRY OF THE SISTERS OF MERCY AT MERCY MEDICAL CENTER.
SCHEDULE D, PART X, LINE 2 - FIN 48 (ASC 740) FOOTNOTE	<p>MHS, MMC, SMI, MFC, SPPS, MHF, AND MSS ARE NOT-FOR-PROFIT ORGANIZATIONS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, AND ARE THEREFORE NOT SUBJECT TO FEDERAL INCOME TAX UNDER CURRENT INCOME TAX REGULATIONS. MHS SUBSIDIARIES OTHERWISE EXEMPT FROM FEDERAL AND STATE TAXATION ARE NONETHELESS SUBJECT TO TAXATION AT CORPORATE TAX RATES AT BOTH THE FEDERAL AND STATE LEVEL ON THEIR UNRELATED BUSINESS INCOME.</p> <p>CURRENT ACCOUNTING STANDARDS DEFINE THE THRESHOLD FOR RECOGNIZING UNCERTAIN INCOME TAX RETURN POSITIONS IN THE FINANCIAL STATEMENTS AS "MORE LIKELY THAN NOT" THAT THE POSITION IS SUSTAINABLE, BASED ON ITS TECHNICAL MERITS, AND ALSO PROVIDE GUIDANCE ON THE MEASUREMENT, CLASSIFICATION AND DISCLOSURE OF TAX RETURN POSITIONS IN THE FINANCIAL STATEMENTS. MANAGEMENT BELIEVES THERE IS NO IMPACT ON MHS' ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS RELATED TO UNCERTAIN INCOME TAX POSITIONS.</p>

**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No. 1545-0047

**2023**

**Open to Public Inspection**

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

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
MERCY MEDICAL CENTER

Employer identification number  
52-0591658

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

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
(1) CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENTS		4,791,317
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
<b>3a Subtotal . . . . .</b>	0	0			4,791,317
<b>b Total from continuation sheets to Part I . . . . .</b>	0	0			0
<b>c Totals (add lines 3a and 3b)</b>	0	0			4,791,317

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

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

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

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

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

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

**Part IV Foreign Forms**

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

**Part V**

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

Return Reference - Identifier	Explanation
SCHEDULE F, PART I, LINE 3 - METHOD USED TO ACCOUNT FOR EXPENDITURES ON ORG'S FINANCIAL STATEMENTS	CENTRAL AMERICA AND THE CARIBBEAN -ACCRUAL

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2023**

**Open to Public  
Inspection**

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

Attach to Form 990.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization <b>MERCY MEDICAL CENTER</b>	Employer identification number 52   0591658
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**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a. . . . .	✓	
<b>b</b> If "Yes," was it a written policy? . . . . .	✓	
<b>2</b> 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		
<b>3</b> 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.		
<b>a</b> 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>b</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 500 %	✓	
<b>c</b> 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.		
<b>4</b> 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"? . . . . .	✓	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .		✓
<b>c</b> 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? . . . . .		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .	✓	
<b>b</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.

<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>						
<b>Financial Assistance and Means-Tested Government Programs</b>	<b>(a) Number of activities or programs (optional)</b>	<b>(b) Persons served (optional)</b>	<b>(c) Total community benefit expense</b>	<b>(d) Direct offsetting revenue</b>	<b>(e) Net community benefit expense</b>	<b>(f) Percent of total expense</b>
<b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .			28,645,709	(585,714)	29,231,423	4.81
<b>b</b> Medicaid (from Worksheet 3, column a)					0	0.00
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .					0	0.00
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs	0	0	28,645,709	(585,714)	29,231,423	4.81
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			10,674,795	265,371	10,409,424	1.71
<b>f</b> Health professions education (from Worksheet 5) . . . . .			13,840,399	625,881	13,214,518	2.17
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .			17,712,521	754,447	16,958,074	2.79
<b>h</b> Research (from Worksheet 7) . . . . .			589,297		589,297	0.09
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			271,385		271,385	0.04
<b>j Total.</b> Other Benefits . . . . .	0	0	43,068,397	1,645,699	41,422,698	6.81
<b>k Total.</b> Add lines 7d and 7j . . . . .	0	0	71,714,106	1,059,985	70,654,121	11.62

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing		2,355,776		2,355,776	0.39
2	Economic development				0	0.00
3	Community support		2,824,518		2,824,518	0.46
4	Environmental improvements				0	0.00
5	Leadership development and training for community members		680,208		680,208	0.11
6	Coalition building				0	0.00
7	Community health improvement advocacy				0	0.00
8	Workforce development		556,025		556,025	0.09
9	Other				0	0.00
10	<b>Total</b>	0	6,416,527	0	6,416,527	1.06

**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?	<input type="checkbox"/>	<input checked="" 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 . . . . .		
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 . . . . .		
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	210,153,239
6	Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	102,990,069
7	Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	7	107,163,170
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"/>
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? 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					



**Part V Facility Information**

**Section A. Hospital Facilities**

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

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

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

1 MERCY MEDICAL CENTER, INC  
301 ST PAUL PLACE, BALTIMORE, MD 21202 MDMERCY.COM

	Licensed hospital	General medical	Children's hospital	Teaching hospital	Critical access	Research facility	ER—24 hours	ER—other	Other (describe)	Facility reporting group
<u>1</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			
<u>2</u>										
<u>3</u>										
<u>4</u>										
<u>5</u>										
<u>6</u>										
<u>7</u>										
<u>8</u>										
<u>9</u>										
<u>10</u>										

**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: MERCY 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

**Community Health Needs Assessment**

	Yes	No
<b>1</b> 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? . . . . .		✓
<b>2</b> 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 . . . . .		✓
<b>3</b> 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):	✓	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The significant health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <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)		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		
<b>4</b> Indicate the tax year the hospital facility last conducted a CHNA: <u>20 23</u>		
<b>5</b> 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 . . . . .	✓	
<b>6a</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .		✓
<b>b</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 . . . . .		✓
<b>7</b> 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):	✓	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>(SEE STATEMENT)</u>		
<b>b</b> <input type="checkbox"/> Other website (list url): _____		
<b>c</b> <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Section C)		
<b>8</b> 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 . . . . .	✓	
<b>9</b> Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 23</u>		
<b>10</b> Is the hospital facility's most recently adopted implementation strategy posted on a website? . . . . .	✓	
<b>a</b> If "Yes," (list url): <u>(SEE STATEMENT)</u>		
<b>b</b> If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? . . . . .		
<b>11</b> 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.		
<b>12a</b> 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)? . . . . .		✓
<b>b</b> If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .		
<b>c</b> 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: MERCY MEDICAL CENTER, INC

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	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:	✓	
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>2 0 0</u> % and FPG family income limit for eligibility for discounted care of <u>4 0 0</u> %		
<b>b</b>	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input checked="" type="checkbox"/> Insurance status		
<b>f</b>	<input type="checkbox"/> Underinsurance status		
<b>g</b>	<input type="checkbox"/> Residency		
<b>h</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients?	✓	
<b>15</b>	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):	✓	
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</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		
<b>c</b>	<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		
<b>d</b>	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	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):	✓	
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<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)		
<b>f</b>	<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)		
<b>g</b>	<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		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<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		
<b>j</b>	<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: MERCY MEDICAL CENTER, INC

		Yes	No
<b>17</b>	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? . . . . .		✓
<b>18</b>	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		
<b>19</b>	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged:		✓
a	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d	<input type="checkbox"/> Actions that require a legal or judicial process		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b>	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 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**

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

**Part V Facility Information** *(continued)*

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

Name of hospital facility or letter of facility reporting group: MERCY MEDICAL CENTER, INC

		Yes	No
<b>22</b>	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care:		
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input checked="" 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		
<b>23</b>	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.		✓
<b>24</b>	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.		✓

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
<p>SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED</p>	<p>FACILITY NAME: MERCY MEDICAL CENTER, INC</p> <p>DESCRIPTION: QUANTITATIVE AND QUALITATIVE DATA WAS GATHERED BY MERCY IN ORDER TO UNDERTAKE THE 2024 CHNA. AS PART OF THE QUANTITATIVE DATA GATHERING PROCESS FOR THE 2018, 2021 AND 2024 CHNA, MERCY'S COMMUNITY BENEFIT COMMITTEE MEMBERS WORKED COLLABORATIVELY WITH THE BALTIMORE CITY HEALTH DEPARTMENT AND A CONSORTIUM OF BALTIMORE CITY HOSPITALS TO OBTAIN UNIFORM QUANTITATIVE AND QUALITATIVE DATA INCLUDING DEMOGRAPHIC AND HEALTH DATA AND TO DEVELOP AND DISTRIBUTE A COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY TO OBTAIN COMMUNITY FEEDBACK AND INPUT FROM THOUSANDS OF THE BALTIMORE CITY RESIDENTS REGARDING COMMUNITY HEALTH AND SOCIAL CONCERNS. MERCY ALSO WORKED WITH THE BALTIMORE NEIGHBORHOOD INDICATORS ALLIANCE-JACOB FRANCE INSTITUTE AT THE UNIVERSITY OF BALTIMORE (BNIA-JFI) TO REACH OUT TO KEY STAKEHOLDERS FROM WITHIN THE CHNA SERVICE AREA TO SOLICIT INPUT INCLUDING NEIGHBORHOOD ASSOCIATION LEADERS AND REPRESENTATIVES OF ORGANIZATIONS THAT PROVIDE IMPORTANT SERVICES TO RESIDENTS IN THE CHNA AREA. FURTHER, AS PART OF THE CHNA PROCESS FOR 2013, 2016, 2018, 2021, AND 2024 MERCY REPRESENTATIVES SOUGHT INPUT REGARDING ITS PROPOSED CHNA SERVICE AREA FROM COMMUNITY LEADERS, PUBLIC HEALTH EXPERTS, AND REPRESENTATIVES OF MINORITY, LOW INCOME, AND MEDICALLY UNDERSERVED POPULATIONS. THE CONSENSUS FEEDBACK FROM THESE DISCUSSIONS VALIDATES MERCY'S CHNA SERVICE AREA DEFINITION. IN ACCORDANCE WITH IRS REGULATIONS GOVERNING CHNAS, MERCY'S DEFINED CHNA COMMUNITY INCLUDES "MEDICALLY UNDERSERVED, LOW INCOME OR MINORITY POPULATIONS"</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 7 - HOSPITAL FACILITY'S WEBSITE (LIST URL)</p>	<p><a href="https://mdmercy.com/about-mercy/policies-and-documents/community-health-needs-assessment">HTTPS://MDMERCY.COM/ABOUT-MERCY/POLICIES-AND-DOCUMENTS/COMMUNITY-HEALTH-NEEDS-ASSESSMENT</a></p>
<p>SCHEDULE H, PART V, SECTION B, LINE 10 - IF "YES", (LIST URL)</p>	<p><a href="https://mdmercy.com/about-mercy/policies-and-documents/community-health-needs-assessment">HTTPS://MDMERCY.COM/ABOUT-MERCY/POLICIES-AND-DOCUMENTS/COMMUNITY-HEALTH-NEEDS-ASSESSMENT</a></p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA</p>	<p>FACILITY NAME: MERCY MEDICAL CENTER</p> <p>DESCRIPTION: THE HEALTH AND SOCIAL NEEDS OF MERCY'S COMMUNITY WERE IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WHICH WAS COMPLETED AND PUBLISHED BEFORE JUNE 30, 2016. IN ADDITION, MERCY HAS COMPLETED AN UPDATED COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY IN JUNE 2018, JUNE 2021, AS WELL AS JUNE 2024. THIS UPDATED VERSION IS AVAILABLE ON THE MERCY HEALTH SERVICES WEBSITE.</p> <p>QUANTITATIVE AND QUALITATIVE DATA WAS GATHERED BY MERCY IN ORDER TO UNDERTAKE THE 2024 CHNA. AS PART OF THE QUANTITATIVE DATA GATHERING PROCESS FOR THE 2018, 2021 AND 2024 CHNA, MERCY'S COMMUNITY BENEFIT COMMITTEE MEMBERS WORKED COLLABORATIVELY WITH THE BALTIMORE CITY HEALTH DEPARTMENT AND A CONSORTIUM OF BALTIMORE CITY HOSPITALS TO OBTAIN UNIFORM QUANTITATIVE AND QUALITATIVE DATA INCLUDING DEMOGRAPHIC AND HEALTH DATA AND TO DEVELOP AND DISTRIBUTE A COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY TO OBTAIN COMMUNITY FEEDBACK AND INPUT FROM THOUSANDS OF THE BALTIMORE CITY RESIDENTS REGARDING COMMUNITY HEALTH AND SOCIAL CONCERNS. MERCY ALSO WORKED WITH THE BALTIMORE NEIGHBORHOOD INDICATORS ALLIANCE-JACOB FRANCE INSTITUTE AT THE UNIVERSITY OF BALTIMORE (BNIA-JFI) TO REACH OUT TO KEY STAKEHOLDERS FROM WITHIN THE CHNA SERVICE AREA TO SOLICIT INPUT INCLUDING NEIGHBORHOOD ASSOCIATION LEADERS AND REPRESENTATIVES OF ORGANIZATIONS THAT PROVIDE IMPORTANT SERVICES TO RESIDENTS IN THE CHNA AREA. FURTHER, AS PART OF THE CHNA PROCESS FOR 2013, 2016, 2018, 2021, AND 2024 MERCY REPRESENTATIVES SOUGHT INPUT REGARDING ITS PROPOSED CHNA SERVICE AREA FROM COMMUNITY LEADERS, PUBLIC HEALTH EXPERTS, AND REPRESENTATIVES OF MINORITY, LOW INCOME, AND MEDICALLY UNDERSERVED POPULATIONS. THE CONSENSUS FEEDBACK FROM THESE DISCUSSIONS VALIDATES MERCY'S CHNA SERVICE AREA DEFINITION. IN ACCORDANCE WITH IRS REGULATIONS GOVERNING CHNAs, MERCY'S DEFINED CHNA COMMUNITY INCLUDES "MEDICALLY UNDERSERVED, LOW INCOME OR MINORITY POPULATIONS"</p> <p>ADDITIONALLY, SINCE THE IMPLEMENTATION OF THE NEW MARYLAND ALL-PAYER MODEL WHICH FOLLOWED THE COMPLETION OF MERCY'S 2013 CHNA, MERCY IS INCREASINGLY FOCUSED ON HIGH-UTILIZER PATIENTS, INCLUDING THOSE WITHIN OUR PREVIOUSLY-DEFINED CHNA COMMUNITY BENEFIT SERVICE AREA. AS EXPECTED, THERE IS SIGNIFICANT GEOGRAPHIC OVERLAP OF HIGH UTILIZER PATIENT ORIGIN AND OUR PREVIOUSLY-DEFINED CBSA, ESPECIALLY IN THE IMMEDIATE AREAS WHERE THE MOST VULNERABLE POPULATIONS RESIDE. THE SIMILARITY OF GEOGRAPHY PRESENTS AN ONGOING OPPORTUNITY TO INCREASE ALIGNMENT BETWEEN MERCY'S COMMUNITY BENEFIT ACTIVITIES AND MERCY'S FOCUSED POPULATION HEALTH INTERVENTIONS TO REDUCE POTENTIALLY AVOIDABLE UTILIZATION AS IDENTIFIED IN MERCY'S HSCRC STRATEGIC HOSPITAL TRANSFORMATION PLAN. MERCY BELIEVES OUR POPULATION HEALTH STRATEGIES ARE INTEGRAL TO OUR CHNA FOCUS AREAS:</p> <ul style="list-style-type: none"> <li>-IMPROVING ACCESS TO CARE AND THE FREQUENCY OF CARE FOR OUR HOMELESS NEIGHBORS.</li> <li>-IDENTIFYING TACTICS AND STRATEGIES TO IMPROVE BIRTH OUTCOMES AND PRE-NATAL CARE FOR EXPECTANT MOTHERS.</li> <li>-EXPANDING ACCESS TO PREVENTATIVE COMMUNITY HEALTH SERVICES SUCH AS PRIMARY CARE TO IMPROVE OUTCOMES</li> <li>-PROVIDING SUPPORT TO VICTIMS OF VIOLENCE AND ADDICTION</li> <li>-PROVIDE TARGETED HEALTH EDUCATION OPPORTUNITIES TO THE PUBLIC AND SUPPORT THE EDUCATION OF FUTURE PHYSICIANS,</li> <li>-ADVANCE PRACTICE PROVIDERS, NURSES, AND OTHER HEALTHCARE WORKERS WHO IN-TURN SERVE THE COMMUNITY.</li> </ul>
<p>SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE</p>	<p><a href="https://mdmercy.com/patients-and-visitors/billing-and-insurance/financial-assistance">HTTPS://MDMERCY.COM/PATIENTS-AND-VISITORS/BILLING-AND-INSURANCE/FINANCIAL-ASSISTANCE</a></p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE</p>	<p><a href="https://mdmercy.com/patients-and-visitors/billing-and-insurance/financial-assistance">HTTPS://MDMERCY.COM/PATIENTS-AND-VISITORS/BILLING-AND-INSURANCE/FINANCIAL-ASSISTANCE</a></p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE</p>	<p><a href="https://mdmercy.com/patients-and-visitors/billing-and-insurance/financial-assistance">HTTPS://MDMERCY.COM/PATIENTS-AND-VISITORS/BILLING-AND-INSURANCE/FINANCIAL-ASSISTANCE</a></p>
<p>SCHEDULE H, PART V, SECTION B, LINE 20A - EFFORTS MADE BEFORE INITIATING COLLECTION ACTIONS</p>	<p>FACILITY NAME: MERCY MEDICAL CENTER</p> <p>DESCRIPTION: THE HOSPITAL FACILITY OR AN AUTHORIZED THIRD PARTY DID NOT UNDERTAKE ANY OF THE COLLECTION ACTIONS NOTED IN PART V, SECTION B, LINE 19 BEFORE MAKING REASONABLE EFFORTS TO DETERMINE ANY PATIENT'S ELIGIBILITY UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY. IN ORDER TO HELP DETERMINE PATIENTS' ELIGIBILITY UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL UNDERTAKES A NUMBER OF ACTIONS, INCLUDING NOTIFYING PATIENTS OF THE FINANCIAL ASSISTANCE POLICY ON ADMISSION, NOTIFYING PATIENTS OF THE FINANCIAL ASSISTANCE POLICY PRIOR TO DISCHARGE, NOTIFYING PATIENTS OF THE FINANCIAL ASSISTANCE POLICY IN COMMUNICATIONS WITH THE PATIENTS' BILLS, AND DOCUMENTING ITS DETERMINATION OF WHETHER PATIENTS WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.</p>



**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? 0

Name and address	Type of facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Provide the following information.

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

Return Reference - Identifier	Explanation
SCHEDULE H, PART I, LINE 3C -	<p>MERCY MEDICAL CENTER PROVIDES EMERGENCY AND OTHER MEDICALLY NECESSARY CARE TO PATIENTS THAT QUALIFY FOR FINANCIAL ASSISTANCE AT NO CHARGE OR AT REDUCED-COST BASED ON A SLIDING SCALE FOR INCOME (UP TO APPROXIMATELY 500% OF THE FEDERAL POVERTY GUIDELINES) AND TAKING INTO ACCOUNT OTHER CONSIDERATIONS, AS DESCRIBED BELOW. IN ORDER TO QUALIFY FOR FINANCIAL ASSISTANCE UNDER MERCY MEDICAL CENTER'S FINANCIAL ASSISTANCE POLICY, A PATIENT MUST BE A U.S. CITIZEN OR PERMANENT LEGAL RESIDENT WHO QUALIFIES UNDER AT LEAST ONE OF THE FOLLOWING CONDITIONS:</p> <ol style="list-style-type: none"> <li>1. A PATIENT WITH FAMILY INCOME AT OR BELOW 200% OF THE FEDERAL POVERTY LEVEL, WITH LESS THAN \$10,000 IN HOUSEHOLD MONETARY ASSETS QUALIFIES FOR FULL FINANCIAL ASSISTANCE IN THE FORM OF FREE MEDICALLY NECESSARY CARE.</li> <li>2. A PATIENT NOT OTHERWISE ELIGIBLE FOR MEDICAID OR CHIP WHO IS A BENEFICIARY/RECIPIENT OF A MEANS-TESTED SOCIAL SERVICES PROGRAM, INCLUDING BUT NOT NECESSARILY LIMITED TO THE FOLLOWING PROGRAMS, IS DEEMED ELIGIBLE FOR FINANCIAL ASSISTANCE IN THE FORM OF FREE MEDICALLY NECESSARY CARE, PROVIDED THAT THE PATIENT SUBMITS PROOF OF ENROLLMENT WITHIN 30 DAYS UNLESS THE PATIENT OR THE PATIENT'S REPRESENTATIVE REQUESTS AN ADDITIONAL 30 DAYS: A) HOUSEHOLDS WITH CHILDREN IN THE FREE OR REDUCED LUNCH PROGRAM B) SUPPLEMENTAL NUTRITIONAL ASSISTANCE PROGRAM (SNAP) C) LOW-INCOME-HOUSEHOLD ENERGY ASSISTANCE PROGRAM D) PRIMARY ADULT CARE PROGRAM (PAC), UNTIL SUCH TIME AS INPATIENT BENEFITS ARE ADDED TO THE PAC BENEFIT PACKAGE E) WOMEN, INFANTS, AND CHILDREN (WIC).</li> <li>3. A PATIENT WITH FAMILY INCOME AT OR BELOW 500% OF FEDERAL POVERTY LEVEL, WITH LESS THAN \$10,000 IN HOUSEHOLD MONETARY ASSETS QUALIFIES FOR PARTIAL FINANCIAL ASSISTANCE IN THE FORM OF REDUCED-COST MEDICALLY NECESSARY CARE. THE AMOUNT OF FINANCIAL ASSISTANCE IN THIS CASE IS BASED ON A SLIDING SCALE OF INCOME AND SHOWN IN THE ATTACHED TABLE AND OTHER FACTORS.</li> <li>4. A PATIENT WITH: (I) FAMILY INCOME AT OR BELOW 500% OF FEDERAL POVERTY LEVEL; (II) WITH MEDICAL DEBT INCURRED WITHIN THE 12 MONTH PERIOD PRIOR TO APPLICATION THAT EXCEEDS 25% OF FAMILY INCOME FOR THE SAME PERIOD; AND (III) WITH LESS THAN \$10,000 IN HOUSEHOLD MONETARY ASSETS WILL QUALIFY FOR PARTIAL FINANCIAL ASSISTANCE IN THE FORM OF REDUCED-COST MEDICALLY NECESSARY CARE. THE AMOUNT OF FINANCIAL ASSISTANCE IN THIS CASE IS BASED ON A SLIDING SCALE OF INCOME, AMOUNT OF MEDICAL DEBT, AND OTHER FACTORS. A) AN ELIGIBLE PATIENT OR ANY IMMEDIATE FAMILY MEMBER OF THE PATIENT LIVING IN THE SAME HOUSEHOLD SHALL REMAIN ELIGIBLE FOR REDUCED-COST MEDICALLY NECESSARY CARE WHEN SEEKING SUBSEQUENT CARE AT MERCY MEDICAL CENTER DURING THE 12-MONTH PERIOD BEGINNING ON THE DATE ON WHICH THE REDUCED-COST MEDICALLY NECESSARY CARE WAS INITIALLY RECEIVED. B) TO AVOID AN UNNECESSARY DUPLICATION OF MERCY MEDICAL CENTER'S DETERMINATIONS OF ELIGIBILITY FOR FINANCIAL ASSISTANCE, A PATIENT ELIGIBLE FOR CARE UNDER PARAGRAPH 4.A SHALL INFORM THE HOSPITAL OF HIS OR HER ELIGIBILITY FOR THE REDUCED-COST MEDICALLY NECESSARY CARE.</li> <li>5. AN UNINSURED PATIENT WITH FAMILY INCOME BETWEEN 200% AND 500% OF FEDERAL POVERTY LEVEL WHO REQUESTS ASSISTANCE QUALIFIES FOR A PAYMENT PLAN.</li> <li>6. A HOMELESS PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE.</li> <li>7. A DECEASED PATIENT, WITH NO PERSON DESIGNATED AS DIRECTOR OF FINANCIAL AFFAIRS, OR NO ESTATE NUMBER ON FILE AT THE APPLICABLE REGISTRARS OF WILLS DEPARTMENT, QUALIFIES FOR FINANCIAL ASSISTANCE.</li> <li>8. A MEDICAID PATIENT WHO HAS A REMAINING BALANCE AFTER RECEIVING MEDICAL ASSISTANCE QUALIFIES FOR FINANCIAL ASSISTANCE.</li> <li>9. MERCY MEDICAL CENTER MAY ELECT TO GRANT PRESUMPTIVE CHARITY CARE TO PATIENTS BASED ON INFORMATION GATHERED DURING A DEBT COLLECTION PROCESS. FACTORS INCLUDE PROPENSITY TO PAY SCORING, ELIGIBILITY AND PARTICIPATION IN OTHER FEDERAL PROGRAMS, AND OTHER RELEVANT INFORMATION.</li> <li>10. A PATIENT WHO DOES NOT QUALIFY UNDER THE PRECEDING CATEGORIES MAY STILL APPLY FOR FINANCIAL ASSISTANCE, AND MERCY MEDICAL CENTER WILL REVIEW THE APPLICATION AND MAKE A DETERMINATION ON A CASE-BY-CASE BASIS AS TO ELIGIBILITY FOR FINANCIAL ASSISTANCE. FACTORS THAT WILL BE CONSIDERED INCLUDE: A) FIXED INCOME SUCH AS SOCIAL SECURITY, RETIREMENT OR</li> </ol>

Return Reference - Identifier	Explanation
	DISABILITY WITH NO ADDITIONAL INCOME SOURCES AVAILABLE B) MEDICAL EXPENSES AND/OR C) EXPENSES RELATED TO NECESSITIES OF LIFE COMPARED TO INCOME. FOR ALL PURPOSES OF THE FINANCIAL ASSISTANCE POLICY, "HOUSEHOLD MONETARY ASSETS" MEANS ASSETS THAT ARE CONVERTIBLE TO CASH. IN DETERMINING A PATIENT'S MONETARY ASSETS FOR PURPOSES OF MAKING AN ELIGIBILITY DETERMINATION UNDER THIS FINANCIAL ASSISTANCE POLICY, THE FOLLOWING ASSETS ARE EXCLUDED; (1) THE FIRST \$10,000 OF MONETARY ASSETS; (2) EQUITY OF \$150,000 IN A PRIMARY RESIDENCE; AND (3) RETIREMENT ASSETS TO WHICH THE IRS HAS GRANTED PREFERENTIAL TAX TREATMENT AS A RETIREMENT ACCOUNT, INCLUDING BUT NOT LIMITED TO, QUALIFIED AND NONQUALIFIED DEFERRED COMPENSATION PLANS.
SCHEDULE H, PART I, LINE 6A -	COMMUNITY BENEFIT REPORT IS MADE AVAILABLE ON ANOTHER'S WEBSITE, SPECIFICALLY THE WEBSITE FOR THE MARYLAND HSCRC. MERCY MEDICAL CENTER PREPARES ITS COMMUNITY BENEFIT REPORT ANNUALLY AND ITS MADE AVAILABLE TO THE PUBLIC.
SCHEDULE H, PART I, LINE 7 - DESCRIBE SUBSIDIZED HEALTH SERVICE COSTS FROM PHYSICIAN CLINIC ON LINE 7G	THERE ARE NO COSTS REPORTED THAT ARE ATTRIBUTABLE TO A PHYSICIAN CLINIC.
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.
SCHEDULE H, PART I, LINE 7 - PART I, LINES 7A, 7B AND 7F - MARYLAND HOSPITAL ASSOCIATION UNIFIED RESPONSE	<p>7A. CHARITY CARE AT COST AND 7F. HEALTH PROFESSIONS EDUCATION ARE EXPLAINED IN THE FOLLOWING:</p> <p>MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.</p> <p>7B. UNREIMBURSED MEDICAID IS EXPLAINED IN THE FOLLOWING:</p> <p>MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE SETTING SYSTEM. FOR FY 2024 MERCY MEDICAL CENTER'S SHARE OF THE MEDICAID ASSESSMENT WAS \$212,810.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT</p>	<p>THE AMOUNT REPORTED AS BAD DEBT EXPENSE ON PART III, LINE 2 WAS DETERMINED USING ACTUAL BAD DEBT WRITE-OFFS LESS RECOVERIES RECEIVED DURING THE YEAR AND AN ADJUSTMENT TO THE BALANCE SHEET RESERVE. WRITE OFFS WERE AT CHARGE LEVEL.</p> <p>THE ORGANIZATION HAS NOT ESTIMATED ANY AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY.</p> <p>THE FOLLOWING IS A SUMMARY OF THE TEXT OF THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBE THE ORGANIZATION'S BAD DEBT EXPENSE. THE ACTUAL TEXT OF THE FOOTNOTE HAS NOT BEEN USED BECAUSE THE ORGANIZATION IS A MEMBER OF A GROUP WITH CONSOLIDATED FINANCIAL STATEMENTS:</p> <p>NET PATIENT SERVICE REVENUES AND ALLOWANCES</p> <p>NET PATIENT SERVICE REVENUES ARE REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYERS, AND OTHERS FOR SERVICES RENDERED. THE ORGANIZATION'S CHARGES ARE BASED ON RATES ESTABLISHED BY THE STATE OF MARYLAND HEALTH SERVICES COST REVIEW COMMISSION; ACCORDINGLY, REVENUE REFLECTS ACTUAL CHARGES TO PATIENTS BASED ON RATES IN EFFECT DURING THE PERIOD IN WHICH THE SERVICES ARE RENDERED.</p> <p>CONTRACTUAL ADJUSTMENTS REPRESENT THE DIFFERENCE BETWEEN AMOUNTS BILLED AS PATIENT SERVICE REVENUE AND AMOUNTS ALLOWED BY THIRD-PARTY PAYERS, AND ARE ACCRUED IN THE PERIOD IN WHICH THE RELATED SERVICES ARE RENDERED.</p> <p>THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS. THIS ESTIMATE CONSIDERS BUSINESS AND GENERAL ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE AND OTHER COLLECTION INDICATORS. THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON ITS REVIEW OF ACCOUNTS RECEIVABLE AND COLLECTIONS TO DATE. OTHER FACTORS, SUCH AS PAYER MIX, ACCOUNT AGING, APPROVED DISCOUNTS, DENIAL RATES, AND PAYMENT CYCLES ARE CONSIDERED WHEN ESTIMATING THE ALLOWANCES. THE RESULTS OF THESE ASSESSMENTS ARE USED TO DETERMINE THE PROVISION FOR BAD DEBTS AND TO ESTIMATE AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS. THE ORGANIZATION FOLLOWS XESTABLISHED GUIDELINES FOR PLACING ITS SELF-PAY PATIENT ACCOUNTS WITH AN OUTSIDE COLLECTION AGENCY. AFTER COLLECTION EFFORTS ARE EXHAUSTED, THE UNCOLLECTED BALANCES ARE RETURNED TO BE WRITTEN OFF TO BAD DEBTS. THE ORGANIZATION DOES NOT MAINTAIN A MATERIAL ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS FROM THIRD-PARTY PAYERS, NOR DID IT HAVE SIGNIFICANT WRITE OFFS FROM THIRD-PARTY PAYERS.</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>ONCE THE COLLECTION PROCESS HAS BEGUN, THE ORGANIZATION CONTINUES TO MONITOR WHETHER THE PATIENT QUALIFIES FOR CHARITY CARE UNDER THE FINANCIAL ASSISTANCE POLICY. IF THE ORGANIZATION DETERMINES THAT A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, INCLUDING ONCE THE COLLECTION PROCESS HAS BEGUN, THE ORGANIZATION WILL APPROVE THE PATIENT FOR CHARITY CARE. ONCE CHARITY CARE HAS BEEN APPROVED, THERE IS NO FURTHER ATTEMPT MADE BY THE ORGNANIZATION TO COLLECT. COLLECTION EFFORTS WILL BE STOPPED AT ANY TIME DURING THE COLLECTION PROCESS IF THE PATIENT QUALIFIES FOR CHARITY CARE UNDER THE FINANCIAL ASSISTANCE POLICY. FURTHERMORE, IF A PATIENT'S FINANCIAL SITUATION CHANGES AT ANY POINT DURING THE COLLECTION PROCESS, THE PATIENT MAY QUALIFY FOR FINANCIAL ASSISTANCE AT SUCH POINT. PATIENTS DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE SUBSEQUENT TO THE DATE OF SERVICE MAY BE ELIGIBLE FOR A REFUND OF PAYMENTS MADE IF IT IS DETERMINED THAT THE PATIENT WAS ELIGIBLE FOR FINANCIAL ASSISTANCE AT THE TIME OF SERVICE.</p>
<p>SCHEDULE H, PART V, SECTION A -</p>	<p>MERCY MEDICAL CENTER (MMC) IS A LICENCED HOSPITAL. MMC PROVIDES INPATIENT, OUTPATIENT AND EMERGENCY CARE SERVICES PRIMARILY FOR THE CITIZENS OF THE BALTIMORE METROPOLITAN AREA.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 21 -</p>	<p>THE HOSPITAL FACILITY PROVIDES A DISCOUNT OF AT LEAST 10% OFF OF GROSS CHARGES FOR THE PROVISION OF EMERGENCY AND OTHER MEDICALLY NECESSARY CARE TO ANY INDIVIDUAL THAT IS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY. 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.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT</p>	<p>MERCY MEDICAL CENTER GENERALLY EMPLOYS A MULTI-PRONGED APPROACH IN IDENTIFYING COMMUNITY HEALTH NEEDS. THESE APPROACHES ARE AS FOLLOWS:</p> <p>1. AS PART OF THE QUANTITATIVE DATA GATHERING PROCESS FOR THE 2024 CHNA, MERCY'S COMMUNITY BENEFIT COMMITTEE MEMBERS WORKED COLLABORATIVELY WITH THE BALTIMORE NEIGHBORHOOD INDICATORS ALLIANCE-JACOB FRANCE INSTITUTE AT THE UNIVERSITY OF BALTIMORE (BNIA-JFI). BNIA-JFI IS A NONPROFIT ORGANIZATION WHOSE CORE MISSION IS TO PROVIDE OPEN ACCESS TO MEANINGFUL, RELIABLE, AND ACTIONABLE DATA ABOUT, AND FOR, THE CITY OF BALTIMORE AND ITS COMMUNITIES. BNIA-JFI BUILDS ON AND COORDINATES THE RELATED WORK OF CITYWIDE NONPROFIT ORGANIZATIONS, CITY AND STATE GOVERNMENT AGENCIES, NEIGHBORHOODS, FOUNDATIONS, BUSINESSES, AND UNIVERSITIES TO SUPPORT AND STRENGTHEN THE PRINCIPLE AND PRACTICE OF WELL INFORMED DECISION MAKING FOR CHANGE TOWARD STRONG NEIGHBORHOODS, IMPROVED QUALITY OF LIFE, AND A THRIVING CITY. BNIA-JFI IS ALSO A PARTNER MEMBER OF THE NATIONAL NEIGHBORHOOD INDICATORS PARTNERSHIP OF THE URBAN INSTITUTE (NNIP). NNIP IS A COLLABORATIVE EFFORT BY THE URBAN INSTITUTE AND NEARLY 40 LOCAL PARTNERS TO FURTHER THE DEVELOPMENT AND USE OF NEIGHBORHOOD-LEVEL INFORMATION SYSTEMS IN LOCAL POLICYMAKING AND COMMUNITY BUILDING. BNIA-JFI PROVIDED TO MERCY COMMUNITY BENEFIT COMMITTEE A BROAD ARRAY OF NEIGHBORHOOD DATA INDICATORS THAT PROVIDE ALL OF THE FACTS AND CIRCUMSTANCES PRESENT IN MERCY'S COMMUNITY BENEFIT SERVICE AREA INCLUDING BARRIERS TO ACCESSING CARE, TO PREVENT ILLNESS, TO ENSURE ADEQUATE NUTRITION, OR TO ADDRESS SOCIAL, BEHAVIORAL AND ENVIRONMENTAL FACTORS THAT INFLUENCE HEALTH IN THE COMMUNITY.</p> <p>INCORPORATED INTO BNIA-JFI'S NEIGHBORHOOD-LEVEL SOCIOECONOMIC DATASETS ARE INDIVIDUAL NEIGHBORHOOD HEALTH PROFILES COMPLETED BY THE BALTIMORE CITY HEALTH DEPARTMENT AND UPDATED IN MARCH 2012. THE NEIGHBORHOOD HEALTH PROFILES EXAMINE AT THE UNDERLYING FACTORS THAT AFFECT HEALTH IN EACH NEIGHBORHOOD-THE SOCIAL DETERMINANTS OF HEALTH. THE SOCIAL DETERMINANTS OF HEALTH ARE THE CONDITIONS IN WHICH RESIDENTS LIVE, LEARN, WORK, AND PLAY, AND INCLUDE FACTORS LIKE ACCESS TO HEALTHY FOOD, HEALTHY HOUSING, QUALITY SCHOOLS, AND SAFE PLACES TO BE ACTIVE. THE NEIGHBORHOOD HEALTH PROFILES PRESENT HEALTH OUTCOME INFORMATION AT THE COMMUNITY STATISTICAL AREA (CSA) LEVEL IN BALTIMORE CITY IN ORDER TO SUPPORT COMMUNITY-LEVEL HEALTH IMPROVEMENT EFFORTS TO ACHIEVE THE HEALTHY BALTIMORE 2015 PLAN, THE CITY'S COMPREHENSIVE PUBLIC HEALTH AGENDA TO IMPROVE HEALTH OUTCOMES IN BALTIMORE. THE BALTIMORE CITY'S OFFICE OF EPIDEMIOLOGY UTILIZED RIGOROUS RESEARCH METHODS AND SURVEY ANALYSIS TECHNIQUES TO AGGREGATE ALL THE DATA TO THE COMMUNITY STATISTICAL AREA (CSA) LEVEL. THE USE OF THE MOST RECENTLY AVAILABLE NEIGHBORHOOD HEALTH PROFILE INFORMATION FROM THE BALTIMORE CITY HEALTH DEPARTMENT ENSURES THAT THE COMMUNITY HEALTH PRIORITIES OF MERCY MEDICAL CENTER REMAIN ALIGNED WITH THE CURRENT HEALTH PRIORITIES OF THE CITY. DATA SOURCES INCLUDE A VARIETY OF PUBLIC AND PRIVATE SOURCES SUCH AS: THE U.S. CENSUS, THE AMERICAN COMMUNITY SURVEY, THE VITAL STATISTICS ADMINISTRATION AT THE MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE, THE NATIONAL CENTER FOR HEALTH STATISTICS, THE BALTIMORE CITY PUBLIC SCHOOLS SYSTEM, THE MAYOR'S OFFICE OF INFORMATION TECHNOLOGY, THE BALTIMORE CITY HOUSING DEPARTMENT, THE BALTIMORE CITY COMPTROLLER'S OFFICE, THE BALTIMORE CITY PLANNING DEPARTMENT, THE BALTIMORE CITY REAL PROPERTY MANAGEMENT DATABASE, THE BALTIMORE CITY LIQUOR BOARD, THE BALTIMORE CITY HEALTH DEPARTMENT, CENTER FOR A LIVABLE FUTURE, AND THE MARYLAND DEPARTMENT OF THE ENVIRONMENT.</p> <p>IN ADDITION, THE ORGANIZATION ACCESSES AND REVIEWS OTHER STATE OF MARYLAND HEALTH CARE DATA BASES RELATED TO HEALTH CARE NEEDS OF COMMUNITIES THAT MERCY MEDICAL CENTER SERVES IN ITS PSA.</p> <p>FURTHERMORE, MERCY MEDICAL CENTER REVIEWS PUBLICATIONS AND DATA AVAILABLE FROM ORGANIZATIONS IN WHICH MERCY MEDICAL CENTER PHYSICIAN AND ADMINISTRATIVE LEADERSHIP ARE ACTIVE PARTICIPANTS AND MEMBERS SUCH AS B'MORE FOR HEALTHY BABIES, JOURNEY HOME, FAMILY CRISIS CENTER OF BALTIMORE, AND BALTIMORE HOMELESS SERVICES, AMONG OTHERS.</p> <p>2. PARTNERSHIPS, WORKGROUPS, AND MEMBERSHIP IN ORGANIZATIONS THROUGH THE WORKGROUPS AND PARTNERSHIPS THAT HAVE BEEN ESTABLISHED WITH KEY ORGANIZATIONS SUCH AS HEALTH CARE FOR THE HOMELESS, BALTIMORE HOMELESS SERVICES, THE WEINBERG HOUSING AND RESOURCE CENTER, MAYOR'S OFFICE ON EMERGENCY MANAGEMENT, SEX AND FAMILY CRIMES DIVISION OF THE BALTIMORE CITY POLICE DEPARTMENT, TURN AROUND HOUSE OF RUTH, FAMILY CRISIS CENTER OF BALTIMORE, DOMESTIC VIOLENCE COORDINATING COUNCIL, B'MORE FOR HEALTHY BABIES AND FAMILY HEALTH CENTERS OF BALTIMORE, THE HOSPITAL RECEIVED SIGNIFICANT INPUT AND FEEDBACK ON THE HEALTH CARE NEEDS OF ITS IMMEDIATE SURROUNDING NEIGHBORHOODS AND COMMUNITIES. THIS WAS ACHIEVED THROUGH REGULAR MEETINGS AND DISCUSSIONS THROUGHOUT FY24.</p> <p>THROUGH PARTICIPATION OF THE HOSPITAL'S EXECUTIVE LEADERSHIP TEAM IN BUSINESS FORUMS SUCH AS THE DOWNTOWN PARTNERSHIP AND MEMBERSHIP IN OTHER ORGANIZATIONS, SIGNIFICANT FEEDBACK AND INFORMATION ON HEALTH CARE NEEDS AND GAPS WAS ALSO GATHERED.</p> <p>3. MERCY HEALTH SERVICES MISSION AND CORPORATE ETHICS COMMITTEE OF THE BOARD OF TRUSTEES MEETS REGULARLY TO REVIEW AND COORDINATE ISSUES RELATED TO MISSION INTEGRATION AND COORDINATION. THIS BOARD COMMITTEE IS INFORMED AND CLEARLY UNDERSTANDS THE SCOPE AND DEPTH OF THE HOSPITAL'S COMMUNITY BENEFIT AND INITIATIVES.</p> <p>IN SUMMARY, THROUGH A QUANTITATIVE ASSESSMENT OF NEEDS BASED ON REVIEW OF CURRENT DATA SOURCES AND ACTIVE PARTICIPANTS IN SEVERAL COMMUNITY BASED ORGANIZATIONS, MERCY MEDICAL CENTER HAS BEEN ABLE TO DETERMINE AND PRIORITIZE ITS COMMUNITY HEALTH NEEDS FOCUS.</p> <p>IN ADDITION TO THE FOREGOING APPROACHES REGULARLY FOLLOWED BY MERCY MEDICAL CENTER, MERCY MEDICAL CENTER CONDUCTED ITS THIRD COMMUNITY HEALTH NEEDS ASSESSMENT, IN COMPLIANCE WITH THE REQUIREMENTS SET FORTH UNDER INTERNAL REVENUE CODE SECTION 501(R)(3) AND THE GUIDANCE PROVIDED BY IRS NOTICE 2011-52, DURING ITS 2021 TAX YEAR. MERCY MEDICAL CENTER WILL DIRECT ITS COMMUNITY HEALTH NEEDS PLANNING TOWARDS ADDRESSING THOSE COMMUNITY HEALTH NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT IN ACCORDANCE WITH ITS IMPLEMENTATION STRATEGY.</p> <p>MERCY HAS COMPLETED AN UPDATED COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY IN JUNE 2024. THIS UPDATED VERSION IS AVAILABLE ON THE MERCY HEALTH SERVICES</p>

Return Reference - Identifier	Explanation
SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION	<p>WEBSITE.</p> <p>MERCY ATTEMPTS TO BE VERY PROACTIVE IN COMMUNICATING ITS FINANCIAL ASSISTANCE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO PATIENTS. THE FINANCIAL ASSISTANCE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION IS POSTED IN ALL ADMISSIONS AREAS, INCLUDING THE EMERGENCY ROOM. SUCH NOTICE IS POSTED IN ENGLISH, SPANISH AND/OR OTHER LANGUAGE THAT WILL BE UNDERSTANDABLE TO TARGET POPULATIONS OF PATIENTS UTILIZING HOSPITAL SERVICES.</p> <p>A COPY OF THE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION IS PROVIDED TO PATIENTS OR THEIR FAMILIES DURING THE PRE-ADMISSION, PRE-SURGERY AND ADMISSIONS PROCESS. ADDITIONALLY, A COPY OF THE POLICY AND FINANCIAL ASSISTANCE CONTACT INFORMATION IS PROVIDED TO PATIENTS OR THEIR FAMILIES UPON DISCHARGE.</p> <p>MERCY UTILIZES A THIRD PARTY, AS WELL AS IN-HOUSE FINANCIAL COUNSELING STAFF, TO CONTACT AND SUPPORT PATIENTS IN UNDERSTANDING AND COMPLETING THE FINANCIAL ASSISTANCE REQUIREMENTS. THEY ALSO DISCUSS WITH PATIENTS OR THEIR FAMILIES THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS AND ASSIST PATIENTS WITH UNDERSTANDING THE QUALIFICATIONS FOR SUCH PROGRAMS.</p> <p>EVEN AFTER A PATIENT IS DISCHARGED, EACH BILLING STATEMENT CONTAINS AN OVERVIEW OF MERCY'S FINANCIAL ASSISTANCE POLICY, A PATIENT'S RIGHTS AND OBLIGATIONS, AND CONTACT NUMBERS FOR FINANCIAL ASSISTANCE, FINANCIAL COUNSELING, AND MARYLAND MEDICAID. FOLLOW-UP PHONE CALLS BY HOSPITAL BILLING/COLLECTION STAFF MADE TO PATIENTS WITH UNPAID BALANCES ALSO STRESS THE AVAILABILITY OF FINANCIAL ASSISTANCE AND CHARITY CARE AVAILABILITY.</p> <p>MERCY MEDICAL CENTER WILL MAKE AN EFFORT TO PROVIDE THE FINANCIAL ASSISTANCE APPLICATION, POLICIES, PROCEDURES AND INFORMATION IN ENGLISH, SPANISH, AND/OR ANY OTHER LANGUAGE THAT WILL BE UNDERSTANDABLE TO TARGET POPULATIONS OF PATIENTS UTILIZING HOSPITAL SERVICES.</p> <p>MERCY MEDICAL CENTER PROVIDES AND PROMOTES HEALTH SERVICES FOR THE PEOPLE OF BALTIMORE OF EVERY CREED, RACE, ECONOMIC, AND SOCIAL CONDITION. IN THE SPIRIT OF THE SISTERS OF MERCY WHO ARE ITS SPONSORS, MERCY CONTINUES TO HAVE A SPECIAL COMMITMENT TO THE UNDERSERVED AND UNINSURED.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION</p>	<p>LOCATED IN THE HEART OF DOWNTOWN BALTIMORE, MERCY MEDICAL CENTER DRAWS PATIENTS FROM THE GREATER BALTIMORE METROPOLITAN AREA FOR ITS LONGSTANDING TRADITION OF COMPASSIONATE CARE, COMMITMENT TO QUALIFY AND PATIENT SAFETY, AS WELL AS ITS PRIMARY CARE AND SPECIALIST PHYSICIANS.</p> <p>MERCY MEDICAL CENTER'S PRIMARY SERVICE AREA ("PSA") WHICH COMPRISES 16 ZIP CODES IN BALTIMORE CITY, ACCOUNTS FOR 50.6% OF ITS TOTAL ADMISSIONS. KEY DEMOGRAPHIC CHARACTERISTICS OF THE PSA ARE AS FOLLOWS:</p> <ol style="list-style-type: none"> <li>1. THE CHNA SERVICE AREA (CBSA) POPULATION IS 176,389, REPRESENTING APPROXIMATELY 30% OF BALTIMORE CITY'S TOTAL POPULATION.</li> <li>2. THE PERCENTAGE OF HOUSEHOLDS LIVING BELOW THE FEDERAL POVERTY LINE IS DRAMATICALLY HIGHER THAN THE CITYWIDE PERCENTAGE (20.1% VS 14.5%). ADDITIONALLY, THERE ARE FAR MORE CHILDREN LIVING BELOW THE FEDERAL POVERTY LINE WITHIN MERCY'S CHNA SERVICE AREA THAN CITYWIDE (32.7% VS 25.8%).</li> <li>3. UNEMPLOYMENT WITHIN BALTIMORE CITY IS SLIGHTLY HIGHER THAN STATEWIDE (3.8% VS 2.6%). PERHAPS MORE THAN ANY OTHER DATASET INCLUDED IN THIS REPORT, THIS DEMONSTRATES MERCY'S LONG-STANDING SPECIAL COMMITMENT TO SERVE THE POOR AND UNDERSERVED.</li> </ol> <p>ETHNICITY AND AGE</p> <ol style="list-style-type: none"> <li>1. 56.0% BLACK; 31.6% CAUCASIAN IN CBSA.</li> <li>2. APPROXIMATELY 53.7% OF PATIENTS SERVED BY MERCY MEDICAL CENTER ARE MEMBERS OF A RACIAL OR ETHNIC MINORITIES; 66.1% ARE WOMEN</li> <li>3. 28.7% OF THE POPULATION IS 65 YEARS IN AGE OR OLDER</li> </ol> <p>INCOME</p> <ol style="list-style-type: none"> <li>1. 22.7% OF CBSA HOUSEHOLDS REPORTED LIVING BELOW THE FEDERAL POVERTY LINE.</li> <li>2. THE PERCENTAGE OF FAMILIES LIVING IN MERCY'S CBSA THAT HAD INCOME THAT WAS BELOW THE POVERTY LEVEL WAS GREATER COMPARED TO ALL FAMILIES IN BALTIMORE CITY (22.7% VS 15.3%).</li> </ol> <p>MORTALITY</p> <p>OF NOTE, THE MAJOR COMMUNITY BENEFIT PROGRAMS THAT ARE IDENTIFIED IN PART VI, QUESTION 5 "PROMOTION OF COMMUNITY HEALTH" DIRECTLY ADDRESS KEY HEALTH CARE NEEDS OF THE POPULATION IN MERCY MEDICAL CENTER'S PSA.</p> <ol style="list-style-type: none"> <li>1. % OF POTENTIALLY AVERTABLE DEATHS: 46.6 VS BALTIMORE RATE OF 36.2</li> <li>2. TEEN BIRTH RATE PER 1,000: 26.8 VS BALTIMORE RATE OF 21.5</li> <li>3. LOW BIRTH WEIGHT: 11.5% VS BALTIMORE RATE OF 11.7%</li> </ol> <p>AS SHOWN BY THESE SELECT INDICATORS, THERE IS A SIGNIFICANT HEALTH STATUS DISPARITY BETWEEN MERCY'S COMMUNITY BENEFIT SERVICE AREA (CBSA) AND BALTIMORE CITY'S RESIDENTS.</p> <p>DUE TO ITS LOCATION IN CENTER CITY, MERCY MEDICAL CENTER CARES FOR MANY OF THE AT-RISK, LOW INCOME POPULATION IN THE COMMUNITIES THAT IMMEDIATELY SURROUND THE HOSPITAL. THIS IS BEST EVIDENCED BY THE LARGE PERCENTAGE OF EMERGENCY ROOM VISITS BY THE MEDICAID, UNINSURED AND MEDICARE PATIENTS.</p> <p>MEDICAID COVERED AND UNINSURED PATIENTS ACCOUNTED FOR MORE THAN 55.7% OF THE FY24 EMERGENCY ROOM VISITS. THERE ARE A COUPLE NOTABLE REASONS FOR SUCH A HIGH MEDICAID AND UNINSURED PATIENT POPULATION VISITING THE EMERGENCY ROOM:</p> <ol style="list-style-type: none"> <li>1. BALTIMORE CITY'S LARGEST HOMELESS SHELTER AT GUILFORD AVENUE IS WITHIN THREE BLOCKS OF THE HOSPITAL.</li> <li>2. MERCY MEDICAL CENTER PROVIDES ALL OF THE MEDICAL STAFF (PHYSICIANS AND NURSING PERSONNEL) FOR HEALTHCARE FOR THE HOMELESS (HCH), A FEDERALLY QUALIFIED HEALTH CENTER, WHICH DELIVERS OUTPATIENT CARE TO A LARGE NUMBER OF HOMELESS PERSONS IN BALTIMORE CITY. THE HCH CLINIC IS LOCATED THREE BLOCKS FROM THE HOSPITAL.</li> </ol>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p><b>MERCY FAMILY VIOLENCE RESPONSE PROGRAM</b></p> <p>THE MERCY FAMILY VIOLENCE RESPONSE PROGRAM WAS DEVELOPED BY A MULTIDISCIPLINARY STAFF TASK FORCE AT MERCY MEDICAL CENTER TO PROVIDE CRISIS INTERVENTION AND SAFETY PLANNING FOR VICTIMS OF FAMILY VIOLENCE (DOMESTIC VIOLENCE, CHILD ABUSE, ELDER AND VULNERABLE ADULT ABUSE) AND SEXUAL ASSAULT WHO COME TO MERCY MEDICAL CENTER AND ITS PHYSICIANS FOR TREATMENT.</p> <p>THIS PROGRAM IMPROVES BALTIMORE'S COORDINATED COMMUNITY RESPONSE TO VICTIMS OF VIOLENCE, AND CREATES AN ALERT WORKFORCE AT MERCY MEDICAL CENTER, SKILLED AT IDENTIFYING AND RESPONDING TO VICTIMS OF FAMILY VIOLENCE.</p> <p>DUE TO ITS LOCATION WITHIN THREE BLOCKS OF THE CITY'S LARGEST HOMELESS SHELTER AT GUILFORD AVENUE AND CLOSE PROXIMITY TO HCH, MERCY MEDICAL CENTER'S ER RECEIVES MANY VISITS FROM HOMELESS PERSONS. WITH DECADES OF EXPERIENCE IN PROVIDING EMERGENCY AND URGENT CARE TO POOR AND HOMELESS POPULATIONS, THE HOSPITAL HAS ESTABLISHED KEY SERVICES FOR THE MEDICALLY UNDERSERVED INCLUDING THE FOLLOWING: A FULL TIME SOCIAL WORKER IS A PART OF THE ER TEAM TO COORDINATE CARE AND OTHER SERVICES FOR HOMELESS PATIENTS WHO ARRIVE AT THE ER.</p> <p>ER PHYSICIANS AND NURSES MAKE VISITS TO BALTIMORE CITY SHELTERS TO PROVIDE THE FOLLOWING SERVICES:</p> <ol style="list-style-type: none"> <li>1. ADMINISTRATION OF FLU VACCINATIONS TO RESIDENTS</li> <li>2. PRESENTATIONS ON PARASITES AND INFECTIOUS DISEASE</li> <li>3. INFECTIOUS DISEASE PREVENTION</li> </ol> <p>THE FORENSIC NURSE EXAMINER PROGRAM (FNE) IS HOUSED AT THE HOSPITAL'S ER AND PROVIDES 24/7 CARE TO PATIENTS WHO ARE VICTIMS OF SEXUAL, DOMESTIC, CHILD, ELDER AND INSTITUTIONAL VIOLENCE. FORENSIC NURSES PROVIDE COMPREHENSIVE FORENSIC MEDICAL INTERVIEWS, MEDICAL ASSESSMENTS, EVIDENCE COLLECTION, AND ASSURE CRISIS INTERVENTION TO AN EVER INCREASING VOLUME OF UNDERSERVED PATIENTS.</p> <p>DURING FY 2024, THE FNE PROGRAM CONDUCTED 494 EXAMINATIONS AND IS THE DESIGNATED SITE FOR PATIENTS IN BALTIMORE CITY.</p> <p><b>LOW BIRTH WEIGHT PROGRAM - DEPARTMENT OF OBSTETRICS</b></p> <p>MERCY MEDICAL CENTER DELIVERED 2,648 BABIES IN BALTIMORE CITY IN FY 2024. LOW BIRTH WEIGHT AND PREMATURITY ARE INTERTWINED AND CORRELATED. AS CITED IN QUESTION #2, LOW BIRTH WEIGHT IS A KEY HEALTH STATUS INDICATOR THAT IS MEASURED AND TRACKED BY BALTIMORE CITY DEPARTMENT OF HEALTH THAT MUST BE DECREASED IN INCIDENCE.</p> <p>THE HOSPITAL HAS TAKEN A LEADERSHIP ROLE THROUGH ITS ACTIVE PARTICIPATION IN "B'MORE FOR HEALTHY BABIES", A LONG TERM INITIATIVE LED BY THE MAYOR'S OFFICE AND MANAGED BY BALTIMORE CITY HEALTH DEPARTMENT TO REDUCE THE INCIDENTS OF LOW BIRTH WEIGHT. DR ROBERT ATLAS, CHAIRMAN OF MERCY MEDICAL CENTER'S DEPARTMENT OF OBSTETRICS AND GYNECOLOGY, HAS A LEADERSHIP ROLE WITHIN THIS WORKGROUP. THE GOALS OF "B'MORE FOR HEALTHY BABIES" ARE REDUCTION IN THE FOLLOWING:</p> <ol style="list-style-type: none"> <li>1. RATE OF PRE-TERM BIRTHS BY AT LEAST 10%</li> <li>2. RATE OF LOW BIRTH WEIGHT INFANTS BY AT LEAST 10%</li> <li>3. THE NUMBER OF DEATHS FROM UNSAFE SLEEP BY AT LEAST 10%</li> </ol> <p>OF NOTE 73.8% OF THE BABIES CARED FOR IN MERCY MEDICAL CENTER'S NEONATAL INTENSIVE CARE UNIT WERE EITHER MEDICAID BENEFICIARIES OR UNINSURED/SELF PAY. THIS POPULATION IS ESPECIALLY LINKED WITH LOW BIRTH RATE AND PREMATURITY DUE TO POVERTY THAT CLOSELY RELATES TO UNHEALTHY LIFESTYLES, PARTICULARLY POOR NUTRITION AND INADEQUATE PRENATAL CARE.</p> <p>IN ORDER TO ENSURE 24/7 COVERAGE FOR ITS OBSTETRICAL PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY, MERCY MEDICAL CENTER PROVIDED \$1,702,322 IN PHYSICIAN SUBSIDY FOR THIS SPECIALTY.</p> <p><b>DETERMINING THE NEEDS IN THE COMMUNITY TO BE ADDRESSED</b></p> <p>SINCE THE INCEPTION OF THE COMMUNITY BENEFIT REPORTING TO HSCRC, MERCY MEDICAL CENTER HAS CONSISTENTLY RANKED AMONG THE TOP QUARTILE OF HOSPITALS IN THE STATE OF MARYLAND IN TERMS OF THE PERCENTAGE OF OPERATING EXPENSE DEVOTED TO COMMUNITY NEEDS PROGRAMS.</p> <p>ACCESS TO CARE FOR AT-RISK, UNDERSERVED POPULATIONS HAS LONG BEEN A CORNERSTONE MISSION FOR MERCY MEDICAL CENTER. MAJOR PROGRAMS TO SERVE THIS NEED INCLUDE OUR FUNDING OF DIRECT PHYSICIAN CHARITY CARE ACROSS ALL SPECIALTIES AND THE PHARMACY CHARITY FUND TO PATIENTS WHO ARE UNINSURED AND UNABLE TO PAY. IN ADDITION, MERCY PROVIDES SUBSIDIZED SUPPORT TO ADULT AND PEDIATRIC PHYSICIAN OFFICES LOCATED ON THE MERCY CAMPUS THAT PROVIDES COST EFFICIENT AND ACCESSIBLE HEALTH CARE REGARDLESS OF INSURANCE STATUS AND ARRANGES FOR SLIDING SCALE FEES TO ASSIST THE UNINSURED WITH PHYSICIAN AND OTHER EXPENSES.</p> <p>BASED UPON PRIOR NEEDS ASSESSMENTS, MERCY MEDICAL CENTER IDENTIFIED THREE KEY AREAS OF FOCUS FOR "MISSION DRIVEN HEALTH SERVICES" IN FY 2024: THEY ARE AS FOLLOWS:</p> <p><b>HOMELESSNESS: THE NEED TO RESPOND TO AND ACTIVELY SUPPORT THE MEDICAL PROFESSIONAL NEEDS OF ORGANIZATIONS THAT SERVE THE HOMELESS POPULATION OF BALTIMORE.</b></p>



Return Reference - Identifier	Explanation
	<p>EMERGENCY SERVICES: AS PROVIDED THROUGH THE EMERGENCY DEPARTMENT, GIVEN THE LARGE PERCENTAGE OF POOR AND UNINSURED PATIENTS WHO ACCESS THIS SERVICE.</p> <p>LOW BIRTH WEIGHT: MERCY MEDICAL CENTER DELIVERS MORE BABIES TO WOMEN AT OR BELOW THE POVERTY LINE THAN ANY OTHER HOSPITAL IN BALTIMORE. A SIGNIFICANT PERCENTAGE (&gt; 10%) OF THESE BIRTHS ARE PREMATURE AND OF LOW BIRTH WEIGHT.</p> <p>ALL OF THESE PROGRAMS ARE INTERTWINED AS THEY SHARE A COMMON THREAD IN THAT ALL UNDERSERVED AND POOR POPULATIONS OF BALTIMORE ARE THE PRIMARY RECIPIENTS OF MEDICAL SERVICES PROVIDED BY MERCY MEDICAL CENTER ON AND OFF ITS CAMPUS.</p> <p>HOMELESSNESS</p> <p>THE NUMBER OF PEOPLE EXPERIENCING HOMELESSNESS HAS GROWN STEADILY OVER THE PAST 20 YEARS IN BALTIMORE AND THROUGHOUT THE ENTIRE NATION. THIS NUMBER IS EXPECTED TO CONTINUE TO RISE GIVEN THE DETERIORATING ECONOMIC CONDITIONS LOCALLY AND NATIONALLY THAT CAUSE HIGH UNEMPLOYMENT, LOSS OF HOMES, REDUCED FEDERAL ASSISTANCE TO MEDICAID AND OTHER SAFETY NET PROGRAMS. BALTIMORE'S HOMELESS POPULATION EXTENDS GREATLY BEYOND THOSE WHO CAN FIND BEDS IN CITY AND OTHER NONPROFIT RUN SHELTERS. MERCY MEDICAL CENTER IS DIRECTLY INVOLVED IN THE PROVISION OF MEDICAL SERVICES TO THE HOMELESS POPULATION THROUGH THREE AREAS.</p> <p>HEALTH CARE FOR THE HOMELESS</p> <p>HEALTH CARE FOR THE HOMELESS (HCH) WAS ESTABLISHED IN 1985 AND PROVIDES ADULT, PEDIATRIC, AND GERIATRIC MEDICAL CARE, DENTAL CARE, MENTAL HEALTH, HIV SERVICES, SOCIAL WORK AND CASE MANAGEMENT, ADDICTION TREATMENT, OUTREACH, PRISON RE-ENTRY, SUPPORTIVE HOUSING, AND ACCESS TO EDUCATION AND EMPLOYMENT.</p> <p>SINCE ITS INCEPTION IN 1985, MERCY MEDICAL CENTER HAS DIRECTLY EMPLOYED AND PROVIDED ALL OF THE PHYSICIAN AND NURSING STAFF TO HCH FOR MEDICAL SERVICES. WHILE THE HOSPITAL IS REIMBURSED FOR THE DIRECT COSTS OF ITS EMPLOYED CLINICIANS BY HCH, INDIRECT AND OTHER COSTS CONTRIBUTED TO HCH WERE \$4,969 IN FY 2024.</p> <p>MERCY MEDICAL CENTER, THROUGH ITS SOLE MEMBER, MHS, IS GOVERNED BY A COMMUNITY BOARD COMPRISED OF CIVIC LEADERS WHO ARE COMMITTED TO AND REPRESENT THE HEALTHCARE NEEDS OF THE COMMUNITY. MERCY MEDICAL CENTER EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS FOR ALL OF ITS DEPARTMENTS. ALL FINANCIAL SURPLUSES MERCY MEDICAL CENTER GENERATES ARE USED EXCLUSIVELY TO FURTHER THE MISSION OF THE ORGANIZATION. COMMUNITY BOARD COMPRISED OF CIVIC LEADERS WHO ARE COMMITTED TO AND REPRESENT THE HEALTHCARE NEEDS OF THE COMMUNITY.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP</p>	<p>MERCY MEDICAL CENTER IS A PART OF AN AFFILIATED HEALTH CARE SYSTEM, WHICH INCLUDES A NUMBER OF ORGANIZATIONS THAT ARE UNDER THE COMMON GOVERNANCE OF MERCY HEALTH SERVICES. THESE AFFILIATED ORGANIZATIONS WORK TOGETHER TO PROVIDE A RANGE OF HEALTHCARE SERVICES TO THEIR COMMUNITIES. AMONG MERCY MEDICAL CENTER'S AFFILIATES ARE SAINT PAUL PLACE SPECIALISTS, INC. (SPPS), MARYLAND FAMILY CARE, INC. (MFC), AND STELLA MARIS (SM). SPPS PROVIDES SPECIALITY PHYSICIAN SERVICES TO PATIENTS OF MERCY MEDICAL CENTER'S INPATIENT SERVICES AND OUTPATIENT CLINICS AND TO OTHER MEMBERS OF THE COMMUNITY THROUGHOUT CENTRAL MARYLAND AND BEYOND, DURING THE 2024 TAX YEAR, SPPS PROVIDED \$2,011,345 OF CHARITY CARE TO PATIENTS SEEN BY SPPS PHYSICIANS.</p> <p>STELLA MARIS OWNS AND OPERATES A NURSING HOME, A RESIDENTIAL AND HOME HOSPICE SERVICE AND A HOME HEALTH AGENCY. DURING THE FY23 TAX YEAR, SM PROVIDED \$251,777 OF CHARITY CARE TO ITS PATIENTS.</p> <p>MFC PROVIDES PRIMARY CARE SERVICES ON THE CAMPUS OF MERCY MEDICAL CENTER, THROUGHOUT BALTIMORE CITY, AND IN ANNE ARUNDEL AND BALTIMORE COUNTIES. ADDITIONALLY, MFC EMPLOYS AN NUMBER OF PHYSICIANS TO SERVE AS HOSPITALISTS, WHO CARE FOR PATIENTS ADMITTED TO MERCY MEDICAL CENTER. ALSO, MFC EMPLOYS NURSE PRACTITIONERS THAT PROVIDE SERVICES TO UNINSURED PATIENTS IN MERCY'S NURSERY AND CHILDREN'S HEALTH OUTREACH PROGRAM. MFC INCURS SUBSTANTIAL COSTS PROVIDING THE COMMUNITY WITH THE HOSPITALIST AND NURSE PRACTITIONER PROGRAMS. DURING THE 2024 TAX YEAR, MFC INCURRED A NET OPERATING LOSS FROM PROVIDING THE NURSE PRACTITIONER PROGRAM OF \$2,446,412.</p> <p>IN ADDITION TO THE FOREGOING, THE AFFILIATED HEALTH CARE SYSTEM PARTICIPATES IN A NUMBER OF PARTNERSHIP/WORK GROUPS, INCLUDING THE FOLLOWING:</p> <p>GROUP NAME: HEALTH CARE FOR THE HOMELESS</p> <p>PURPOSE AND MMC PARTICIPATION: HCH PROVIDES HEALTH-RELATED SERVICES TO REDUCE THE INCIDENCE AND BURDENS OF HOMELESSNESS. ITS HEADQUARTERS/CLINIC IS LOCATED THREE BLOCKS FROM MERCY. CHRISTOPHER THOMASKUTTY, MERCY MEDICAL CENTER VICE PRESIDENT, SERVES ON THE HCH BOARD OF DIRECTORS.</p> <p>GROUP NAME: BALTIMORE HOMELESS SERVICES</p> <p>PURPOSE AND MMC PARTICIPATION: A PROGRAM WITHIN THE MAYOR'S OFFICE OF HUMAN SERVICES RESPONSIBLE FOR MANAGING THE CONTINUUM OF CARE PROVIDED TO THE CITY'S HOMELESS POPULATION. MERCY SUPPORTIVE HOUSING PROGRAM PROVIDES HOUSING COUNSELING AND CASE MANAGEMENT FOR HOMELESS FAMILIES UNDER GRANTS FROM THIS AGENCY.</p> <p>GROUP NAME: THE WEINBERG HOUSING AND RESOURCE CENTER</p> <p>PURPOSE AND MMC PARTICIPATION: BALTIMORE CITY'S FACILITY PROVIDING 24/7 EMERGENCY SHELTER BEDS AND 25 BEDS FOR THE MEDICALLY FRAGILE AS WELL AS PROGRAMS AND SERVICES FOR THE HOMELESS. MERCY EMPLOYEES ASSIST WITH THE PROGRAM.</p> <p>GROUP NAME: MAYOR'S OFFICE ON EMERGENCY MANAGEMENT</p> <p>PURPOSE AND MMC PARTICIPATION: MERCY SERVES ON THE EMERGENCY PREPAREDNESS TASK FORCE FOR BALTIMORE CITY.</p> <p>GROUP NAME: SEX AND FAMILY CRIMES DIVISION OF BALTIMORE CITY POLICE</p> <p>DEPARTMENT PURPOSE AND MMC PARTICIPATION: MERCY'S FORENSIC NURSE EXAMINER PROGRAM WORKS COLLABORATIVELY WITH THE BALTIMORE CITY POLICE DEPARTMENT. MERCY PROVIDES THE FORENSIC NURSE EXAMINER PROGRAM IN THE METROPOLITAN AREA.</p> <p>GROUP NAME: TURN AROUND, HOUSE OF RUTH</p> <p>PURPOSE AND MMC PARTICIPATION: MERCY'S FAMILY VIOLENCE RESPONSE PROGRAM WORKS WITH TURN AROUND, HOUSE OF RUTH AND OTHER ORGANIZATIONS. MERCY ALSO IS TAKING A LEADERSHIP ROLE IN ESTABLISHING HOSPITAL-BASED FAMILY VIOLENCE RESPONSE PROGRAMS AT OTHER MARYLAND HOSPITALS.</p> <p>GROUP NAME: FAMILY CRISIS CENTER OF BALTIMORE (FCCB)</p> <p>PURPOSE AND MMC PARTICIPATION: FCCB IS A MAJOR REFFERAL PARTNER TO MERCY FORENSIC NURSE EXAMINER AND SUPPORTIVE HOUSING PROGRAMS.</p> <p>GROUP NAME: DOMESTIC VIOLENCE COORDINATING COUNCIL</p> <p>PURPOSE AND MMC PARTICIPATION: COLLEEN MOORE, COORDINATOR OF MERCY'S FAMILY VIOLENCE REPOSE PROGRAM, SERVES ON THE ORGANIZATION'S STEERING COMMITTEE.</p> <p>GROUP NAME: B'MORE FOR HEALTHY BABIES</p> <p>PURPOSE AND MMC PARTICIPATION: BHB IS A COALITION OF PHYSICIANS AMONG BALTIMORE CITY'S MAJOR HOSPITALS THAT ADDRESSES WAYS TO REDUCE INFANT MORTALITY, PREMATURITY AND LOW BIRTH WEIGHT. ROBERT ATLAS, M.D. CHAIRMAN OF THE DEPARTMENT OF OBSTETRICS AND GYNECOLOGY AT MERCY AND A RECOGNIZED EXPERT IN AT-RISK PREGNANCY IS A LEADER WITH BHB.</p> <p>GROUP NAME: FAMILY HEALTH CENTERS OF BALTIMORE (FCHB)</p> <p>PURPOSE AND MMC PARTICIPATION: CHRISTOPHER THOMASKUTTY AND LISA CONIC, MERCY MEDICAL CENTER VICE PRESIDENTS, SERVE ON THE BOARD OF DIRECTORS OF FCHB, A FEDERALLY QUALIFIED HEALTH CENTER THAT SERVES CENTRAL AND SOUTH BALTIMORE CITY.</p> <p>GROUP NAME: TOTAL HEALTHCARE</p>

Return Reference - Identifier	Explanation
	PURPOSE AND MMC PARTICIPATION: DONNELL HENRY, MERCY MEDICAL CENTER DIRECTOR OF FINANCIAL PLANNING AND BUDGET, SERVES ON THE BOARD OF DIRECTORS OF TOTAL HEALTHCARE, A FEDERALLY QUALIFIED HEALTH CENTER THAT SERVES CENTRAL BALTIMORE CITY.
SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	MD
SCHEDULE H, PART V, SECTION B, LINE 23 -	THE HOSPITAL DOES NOT CHARGE ANY INDIVIDUALS THAT ARE ELIGIBLE FOR FINANCIAL ASSISTANCE AN AMOUNT EQUAL TO THE GROSS CHARGES FOR ANY SERVICE. THE HOSPITAL USED THE CHARGEMASTER RATES FOR A SERVICE AS A STARTING POINT AGAINST WHICH REDUCTIONS ARE APPLIED TO DETERMINE THE AMOUNT ACTUALLY BILLED TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY.

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCY MEDICAL CENTER

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

Attach to Form 990.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2023**

**Open to Public  
Inspection**

Employer identification number

52-0591658

**Part I General Information on Grants and Assistance**

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

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

(1) (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) (SEE STATEMENT)	52-1212473	501 (C) (3)	10,500				(SEE STATEMENT)
(2) (SEE STATEMENT)	26-2221540	501 (C) (3)	10,000				(SEE STATEMENT)
(3) (SEE STATEMENT)	52-1780834	501(A)	9,000				(SEE STATEMENT)
(4) (SEE STATEMENT)	90-0091850	501 (C) (3)	18,000				(SEE STATEMENT)
(5) (SEE STATEMENT)	20-5300491	501 (C) (3)	99,000				(SEE STATEMENT)
(6) (SEE STATEMENT)	52-1326864	501 (C) (6)	45,000				(SEE STATEMENT)
(7) LOYOLA UNIVERSITY MARYLAND 4501 N CHARLES STREET, BALTIMORE, MD 21210	52-0591623	501 (C) (3)	6,750				(SEE STATEMENT)
(8) MERCY HIGH SCHOOL 1300 E. NORTHERN PKWY, BALTIMORE, MD 21239	52-0735462	FFILATE OF THE SISTERS OF MERCY	15,500				(SEE STATEMENT)
(9) MOUNT VERNON PLACE CONSERVANCY PO BOX 2394, BALTIMORE, MD 21203	26-3589281	501 (C) (3)	24,500				(SEE STATEMENT)
(10) (SEE STATEMENT)	45-1605551	501 (C) (3)	15,000				(SEE STATEMENT)
(11) (SEE STATEMENT)	52-6002033	501 (C) (3)	10,000				(SEE STATEMENT)
(12)							

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

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

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

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

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

(SEE STATEMENT)

## Part IV

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

Return Reference - Identifier	Explanation
SCHEDULE I, PART I, LINE 2 - PROCEDURES FOR MONITORING USE OF GRANT FUNDS.	N/A
(1) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	BALTIMORE CIVIC FUND FORMERLY BALTIMORE CITY FOUNDATION, INC. 101 W. 24TH STREET, BALTIMORE, MD 21218
(2) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	BALTIMORE LEADERSHIP SCHOOL FOR YOUNG WOMEN 128 W. FRANKLIN STREET, BALTIMORE, MD 21201
(3) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	BALTIMORE METROPOLITAN COUNCIL 1500 WHETSTONE WAY SUITE 300, BALTIMORE, MD 21230
(4) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	BALTIMORE OFFICE OF PROMOTION & THE ARTS 10 EAST BALTIMORE ST 10TH FLOOR, BALTIMORE, MD 21202
(5) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	CRISTO REY CORPORATE 420 SOUTH CHESTER STREET BUSINESS O, BALTIMORE, MD 21231
(6) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	DOWNTOWN PARTNERSHIP OF BALTIMORE, INC 20 SOUTH CHARLES ST.6TH FLOOR, BALTIMORE, MD 21201
(10) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	PARTNERS FOR CANCER CARE AND PREVENTION 10 EAST LEE STREET APT 1901, BALTIMORE, MD 21202
(11) SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE 31 SOUTH GREENE ST DEVELOPMENT OFFI, BALTIMORE, MD 21201
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	BALTIMORE CIVIC FUND FORMERLY BALTIMORE CITY FOUNDATION, INC.: 2024 YOUTHWORKS SUMMER JOBS PROGRAM 7/10/23-8/11/23 (5 STUDENTS-HOSPITAL INTERNS)
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	BALTIMORE LEADERSHIP SCHOOL FOR YOUNG WOMEN: SPONSORHIP - 2023 (EM) POWER BREAKFAST
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	BALTIMORE METROPOLITAN COUNCIL: CHESAPEAKE CONNECT 2023 DINNER SPONSOR
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	BALTIMORE OFFICE OF PROMOTION & THE ARTS: 2024 FARMERS' MARKET SPONSORSHIP-BAGS & SECURITY
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	CRISTO REY CORPORATE: \$49,500 + \$49,500 =99,000 CORPORATE INTERSHIP PROGRAM ( CIP)SPONSORSHIP ANNUAL FEE.
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	DOWNTOWN PARTNERSHIP OF BALTIMORE, INC: \$40,000 VOLUNTARY CONTRIBUTION FY2024; \$5,000-40 FOR 40 SPONSORSHIP
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	LOYOLA UNIVERSITY MARYLAND: \$5,000 BUSINESS LEADER OF THE YEAR 2023 PARTNER SPONSORSHIP TABLE. \$1,750 15TH ANNUAL GOLF EVENT
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	MERCY HIGH SCHOOL: SPIRIT OF MERCY SPONSORHIP \$10,000, 2024 GARNET GALA \$2,500, AN INVITATION TO HONOR SIS PATRICIA SMITH \$500, BE A GEM DAY OF GIVING \$2,000 & SPONSORHIP-THE CLASSIC \$500
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	MOUNT VERNON PLACE CONSERVANCY: \$10,000 SPONSORSHIP FOR THE MONUMENT LIGHTING; \$5,000 FOR 2024 FLOWER MART EVENT & \$4,500 MOUNT VERNON PLACE CONSERVANCY SPONSORSHIP

Return Reference - Identifier	Explanation
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	PARTNERS FOR CANCER CARE AND PREVENTION: DR SARDI'S CHIPPING FOR CANCER CARE GOLF OUTING SEPTEMBER 22, 2023.
SCHEDULE I, PART II, COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE: \$10,000 PRESENTING SPONSORSHIP FOR THE 2024 UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE CELEBRATING DIVERSITY EVENT

**SCHEDULE J**  
**(Form 990)**

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2023**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

**Part I Questions Regarding Compensation**

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

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

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

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

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

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

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

- a** Receive a severance payment or change-of-control payment? . . . . .
- b** Participate in or receive payment from a supplemental nonqualified retirement plan? . . . . .
- c** Participate in or receive payment from an equity-based compensation arrangement? . . . . .

If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

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

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

- a** The organization? . . . . .
- b** Any related organization? . . . . .

If "Yes" on line 5a or 5b, describe in Part III.

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

- a** The organization? . . . . .
- b** Any related organization? . . . . .

If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

	Yes	No
1a		
1b		
2		
3		
4a		✓
4b		✓
4c		✓
5a		✓
5b		✓
6a		✓
6b		✓
7	✓	
8		✓
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	(iv) Other reportable compensation				
1 DAVID N. MAINE, M.D. CHAIR, EX OFFICIO	(i) 0 (ii) 1,174,119	0 422,719	0 157,500	0 0	0 9,900	0 31,970	0 1,796,208	0 0
2 JUSTIN C. DEIBEL VICE CHAIR	(i) 0 (ii) 696,793	0 214,182	0 99,235	0 0	0 9,900	0 33,887	0 1,053,997	0 0
3 WILMA A.S. ROWE, M.D. SECRETARY	(i) 687,852 (ii) 499,018	0 140,546	0 52,479	0 0	0 14,850	0 33,801	0 929,528	0 0
4 SUSAN D. FINLAYSON DIRECTOR	(i) 432,405 (ii) 0	0 132,948	0 49,642	0 0	0 18,173	0 21,098	0 720,879	0 0
5 CHRISTOPHER THOMASKUTTY SVP CLIN PROG - CHIEF OF STAFF	(i) 406,280 (ii) 0	109,019 0	40,707 0	0 0	9,900 0	30,052 0	595,958 0	0 0
6 JUDITH WEILAND SVP STRATEGIC & CORPORATE OPERATIONS	(i) 400,444 (ii) 0	85,056 0	39,850 0	0 0	21,540 0	22,942 0	569,832 0	0 0
7 TAMMY L. JANUS SENIOR VP HR	(i) 327,875 (ii) 0	70,931 0	33,203 0	0 0	14,850 0	34,195 0	481,054 0	0 0
8 RALPH J. LEBRON DIRECTOR	(i) 391,413 (ii) 0	35,488 0	0 0	0 0	9,900 0	31,155 0	467,956 0	0 0
9 KAREN MATHURA CCO & VP OF CLAIMS	(i) 329,750 (ii) 0	42,695 0	0 0	0 0	9,897 0	32,848 0	415,190 0	0 0
10 STACEY (SEDALIA) BRULL DIRECTOR	(i) 300,291 (ii) 0	32,344 0	0 0	0 0	9,262 0	32,929 0	374,826 0	0 0
11 ELINOR PETROCELLI TREASURER	(i) 244,385 (ii) 0	34,665 0	0 0	0 0	7,463 0	19,286 0	305,809 0	0 0
12 MICHAEL C. MULLANE DIRECTOR	(i) 113,360 (ii) 0	24,923 0	11,677 0	0 0	3,954 0	28,440 0	182,354 0	0 0
13 THOMAS R. MULLEN FORMER CHAIR, EX OFFICIO	(i) 48,358 (ii) 0	0 0	0 0	0 0	0 0	29,238 0	77,596 0	0 0
14	(i) 0 (ii) 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
15	(i) 0 (ii) 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
16	(i) 0 (ii) 0	0 0	0 0	0 0	0 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 3 - ARRANGEMENT USED TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION	THE ORGANIZATION RELIED ON A RELATED ORGANIZATION AND THAT RELATED ORGANIZATION USED THE FOLLOWING METHODS TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION: 1. COMPENSATION COMMITTEE 2. INDEPENDENT COMPENSATION CONSULTANT 3. COMPENSATION SURVEY OR STUDY; AND 4. APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS	THE COMPENSATION COMMITTEE APPROVES NON-FIXED PAYMENTS FOR MANAGMENT BASED ON THE DEGREE OF MEETING CORPORATE PRIORITIES ESTABLISHED BY THE BOARD OF TRUSTEES. THE CORPORATE OBJECTIVES ARE DESIGNED TO ADVANCE THE ORGANIZATION IN THE AREAS OF QUALITY CARE, PATIENT SAFETY, PATIENT SATISFACTION, BUSINESS DEVELOPMENT AND FINANCIAL STRENGTH.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCY MEDICAL CENTER

**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
<b>A</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217XX8	08/03/2006	35,000,000	2006 REPLACEMENT GARAGE		✓		✓		✓
<b>B</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	5742176K6	04/01/2010	30,000,000	(SEE STATEMENT)		✓		✓		✓
<b>C</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574218EZ2	04/25/2012	51,737,448	(SEE STATEMENT)		✓		✓		✓
<b>D</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574218B85	03/02/2016	144,576,937	(SEE STATEMENT)		✓		✓		✓

Employer identification number  
52-0591658

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2023**

Open to Public Inspection

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1	Amount of bonds retired . . . . .		26,200,000				9,326,937	
2	Amount of bonds legally defeased . . . . .							
3	Total proceeds of issue . . . . .		30,000,000		51,704,960		144,576,937	
4	Gross proceeds in reserve funds . . . . .				1,435,719			
5	Capitalized interest from proceeds . . . . .		1,492,333					
6	Proceeds in refunding escrows . . . . .						142,845,798	
7	Issuance costs from proceeds . . . . .		372,010				1,731,139	
8	Credit enhancement from proceeds . . . . .							
9	Working capital expenditures from proceeds . . . . .							
10	Capital expenditures from proceeds . . . . .		33,135,657					
11	Other spent proceeds . . . . .		30,000,000		50,301,729			
12	Other unspent proceeds . . . . .							
13	Year of substantial completion . . . . .		2008		2010		2003	
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? . . . . .		✓		✓		✓	
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? . . . . .		✓		✓		✓	
16	Has the final allocation of proceeds been made? . . . . .		✓		✓		✓	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .		✓		✓		✓	

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule K (Form 990) 2023

Cat. No. 50193E

**Part III Private Business Use**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . .		✓		✓		✓		✓
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .	✓		✓		✓		✓	
<b>b</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? . . . . .	✓		✓		✓		✓	
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>d</b> 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? . . . . .								
<b>4</b> 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 %		0.00 %		0.00 %
<b>5</b> 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 %		0.00 %		0.00 %
<b>6</b> Total of lines 4 and 5 . . . . .		0.00 %		0.00 %		0.00 %		0.00 %
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .		✓		✓		✓		✓
<b>8a</b> 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>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .								%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								%
<b>9</b> 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
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		✓		✓		✓		✓
<b>2</b> If "No" to line 1, did the following apply?								
<b>a</b> Rebate not due yet? . . . . .		✓		✓		✓		✓
<b>b</b> Exception to rebate? . . . . .	✓		✓		✓		✓	
<b>c</b> No rebate due? . . . . .		✓		✓		✓		✓
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .		✓		✓		✓		✓

Part IV Arbitrage (continued)

Table with columns A, B, C, D and rows for questions 4a through 7 regarding arbitrage and hedge procedures.

Part V Procedures To Undertake Corrective Action

Table with columns A, B, C, D and a row for question 7 regarding corrective action procedures.

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

Multiple horizontal lines for providing supplemental information.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
**MERCY MEDICAL CENTER**

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2023**

**Open to Public  
Inspection**

Employer identification number  
52-0591658

**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
<b>A</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091		05/19/2016	65,450,000	(SEE STATEMENT)		✓		✓		✓
<b>B</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091		04/21/2021	46,680,000	(SEE STATEMENT)		✓		✓		✓
<b>C</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091		06/09/2022	45,200,000	(SEE STATEMENT)		✓		✓		✓
<b>D</b>	MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091		06/28/2022	93,150,000	(SEE STATEMENT)		✓		✓		✓

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1	Amount of bonds retired		11,805,000	3,580,445				
2	Amount of bonds legally defeased							
3	Total proceeds of issue		65,444,481	46,869,992	45,199,913		35,335,000	
4	Gross proceeds in reserve funds							
5	Capitalized interest from proceeds							
6	Proceeds in refunding escrows							
7	Issuance costs from proceeds		160,000				280,000	
8	Credit enhancement from proceeds							
9	Working capital expenditures from proceeds							
10	Capital expenditures from proceeds			14,015,000				
11	Other spent proceeds		65,290,000	32,665,000	45,200,000		35,055,000	
12	Other unspent proceeds							
13	Year of substantial completion							
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	✓		✓		✓		✓
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		✓		✓			✓
16	Has the final allocation of proceeds been made?	✓		✓		✓		✓
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓		✓

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

Cat. No. 50193E

Schedule K (Form 990) 2023

**Part III Private Business Use**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . .		✓		✓		✓		✓
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .	✓		✓		✓		✓	
<b>b</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? . . . . .	✓		✓		✓		✓	
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>d</b> 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? . . . . .		✓		✓		✓		✓
<b>4</b> 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 %		0.00 %		0.00 %
<b>5</b> 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 %		0.00 %		0.00 %
<b>6</b> Total of lines 4 and 5 . . . . .		0.00 %		0.00 %		0.00 %		0.00 %
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .		✓		✓		✓		✓
<b>8a</b> 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>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .								%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								%
<b>9</b> 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
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		✓		✓		✓		✓
<b>2</b> If "No" to line 1, did the following apply?								
<b>a</b> Rebate not due yet? . . . . .	✓			✓		✓		✓
<b>b</b> Exception to rebate? . . . . .		✓		✓		✓		✓
<b>c</b> No rebate due? . . . . .	✓			✓		✓		✓
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .	✓			✓		✓		✓

Part IV Arbitrage (continued)

Table with 4 main rows and 12 sub-columns (A, B, C, D). Questions include: 'Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?', 'Name of provider', 'Term of hedge', 'Was the hedge superintegrated?', 'Was the hedge terminated?', 'Were gross proceeds invested in a guaranteed investment contract (GIC)?', 'Term of GIC', 'Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?', 'Were any gross proceeds invested beyond an available temporary period?', 'Has the organization established written procedures to monitor the requirements of section 148?'.

Part V Procedures To Undertake Corrective Action

Table with 4 main rows and 12 sub-columns (A, B, C, D). Question: 'Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?'.

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

(SEE STATEMENT)

Multiple horizontal lines for supplemental information.



## 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 & HIGHER EDUCATIONAL FAC AUTHORITY	2010 PARTIAL CONVERSION 2007 BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	2012 BONDS REFUNDING 2001 BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	2016 A BONDS REFUNDING 2007 A
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	2016 C BONDS REFUNDING 2013 BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	2021 BONDS REFUNDING 2011 BONDS
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	REVENUE BOND MERCY MEDICAL CENTER ISSUE 2022A
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	REVENUE BOND MERCY HEALTH ISSUE 2022B AND REISSUE OF 2016C
SCHEDULE K, PART IV, LINE 2C - COLUMN B	ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2012
SCHEDULE K, PART IV, LINE 2C - COLUMN C	ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2016
SCHEDULE K, PART IV, LINE 2C - COLUMN D	ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/01/2020
- PART II, BOND C	THE TOTAL PROCEEDS OF THE ISSUE ARE LESS THAN THE GROSS PROCEEDS IN RESERVE FUNDS AND OTHER SPENT PROCEEDS FOR THE BOND ISSUANCE BECAUSE FUNDS PLEDGED TO THE SERIES 2001 BONDS, WHICH WERE REFUNDED BY THIS BOND ISSUANCE, WERE TRANSFERRED (AS PART OF THE BOND ISSUANCE) INTO THE DEBT SERVICE RESERVE FUND HELD FOR THIS BOND ISSUANCE.
- TAX EXEMPT BONDS 2, BOND B PART II, LINE 3	THE AMOUNT IN PART II, LINE 3 "TOTAL PROCEEDS" IS NOT EQUAL TO THE AMOUNT IN PART I, COLUMN E "ISSUE PRICE". THE "TOTAL PROCEEDS" FOR THE BOND ISSUANCE INCLUDES INVESTMENT EARNINGS ON THE PROCEEDS.
- TAX EXEMPT BONDS 2, BOND C PART II, LINE 3	THE AMOUNT IN PART II, LINE 3 "TOTAL PROCEEDS" IS NOT EQUAL TO THE AMOUNT IN PART I, COLUMN E "ISSUE PRICE". THE "TOTAL PROCEEDS" FOR THE BOND ISSUANCE INCLUDES INVESTMENT EARNINGS ON THE PROCEEDS.
- TAX EXEMPT BONDS I BOND C & D, AND BONDS II BOND B, PART II LINE 7	THE ISSUANCE COSTS FOR THESE BOND ISSUANCES WERE NOT PAID OUT OF THE PROCEEDS FROM THE BOND ISSUANCES. RATHER, THE ISSUANCE COSTS WERE PAID OUT OF REGULAR OPERATING FUNDS OF THE ORGANIZATION.

Return Reference - Identifier	Explanation
- TAX EXEMPT BONDS I, BOND A PART II, LINE 3	THE AMOUNT IN PART II, LINE 3 "TOTAL PROCEEDS" IS NOT EQUAL TO THE AMOUNT IN PART I, COLUMN E "ISSUE PRICE". THE "TOTAL PROCEEDS" FOR THE BOND ISSUANCE INCLUDES INVESTMENT EARNINGS ON THE PROCEEDS.
- TAX EXEMPT BONDS I, BOND C PART II, LINE 3	THE AMOUNT IN PART II, LINE 3 "TOTAL PROCEEDS" IS NOT EQUAL TO THE AMOUNT IN PART I, COLUMN E "ISSUE PRICE". THE "TOTAL PROCEEDS" FOR THE BOND ISSUANCE INCLUDES INVESTMENT EARNINGS ON THE PROCEEDS.

**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](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2023**

Open to Public Inspection

Name of the Organization  
**MERCY MEDICAL CENTER**

Employer Identification Number  
**52-0591658**

Return Reference - Identifier	Explanation
FORM 990, PART I, LINE 1 - BRIEF MISSION	COMMUNITY OF COMPASSIONATE CARE. AS AN INDEPENDENT CATHOLIC HOSPITAL, WE PLEDGE TO ENHANCE THE HEALTH OF OUR REGION AND SERVE ALL PEOPLE OF EVERY CREED, COLOR, ECONOMIC, AND SOCIAL CONDITION.
FORM 990, PART III, LINE 4A - PROGRAM SERVICE DESCRIPTION	MMC'S THIRD LARGEST MAJOR SERVICE CATEGORY IS OBSTETRICS/NEONATAL INTENSIVE CARE/PEDIATRICS, REPRESENTING 13.6% OF TOTAL HOSPITAL REVENUE. IN FISCAL YEAR 2024, MMC PROVIDED CARE FOR 2,355 NURSERY BIRTHS AND 281 NICU BIRTHS DURING THE PERIOD. MMC IS THE LARGEST BIRTHING HOSPITAL IN BALTIMORE CITY. APPROXIMATELY 57.8% OF MOTHERS DELIVERING AT MERCY ARE MEDICAID INSURED.
FORM 990, PART VI, LINE 1B -	MERCY HEALTH SERVICES, INC. ("MHS"), A 501(C)(3) CORPORATION, IS THE SOLE MEMBER OF MERCY MEDICAL CENTER, INC. ("MMC"). MHS IS GOVERNED BY A 28-PERSON BOARD OF TRUSTEES, OF WHOM 21 ARE INDEPENDENT BOARD MEMBERS. THE BOARD OF DIRECTORS OF MMC IS CURRENTLY MADE OF 9 DIRECTORS. THE PRESIDENT OF MHS SERVES AS AN EX OFFICIO MEMBER OF MMC'S BOARD AND THE BALANCE OF THE MMC BOARD MEMBERS ARE ELECTED BY, AND SUBJECT TO REMOVAL BY, THE BOARD OF TRUSTEES OF MHS. ALL OF THE BOARD MEMBERS ARE COMPENSATED AS EMPLOYEES EITHER OF MMC OR A RELATED ORGANIZATION LISTED IN SCHEDULE R, PART II.
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	MERCY HEALTH SERVICES, INC. ("MHS"), A 501(C)(3) CORPORATION, IS THE SOLE MEMBER OF MERCY MEDICAL CENTER, INC. ("MMC").
FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	THE PRESIDENT OF MHS SERVES AS AN EX OFFICIO VOTING MEMBER OF THE BOARD OF DIRECTORS OF MMC. AS THE MEMBER OF MMC, THE BOARD OF TRUSTEES OF MHS ELECTS ALL OF THE OTHER MEMBERS OF THE BOARD OF MMC. ALL OF THE MEMBERS OF THE MMC BOARD SERVE AT THE PLEASURE OF THE BOARD OF TRUSTEES OF MHS AND ARE SUBJECT TO REMOVAL BY THE MHS BOARD.
FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	THE BOARD OF TRUSTEES OF MHS EXERCISES AUTHORITY OVER MMC THROUGH ITS RIGHT TO APPOINT AND REMOVE MMC BOARD MEMBERS. IN ADDITION, MHS, AS THE MEMBER, IS RESPONSIBLE FOR THE FOLLOWING ACTIONS: A) TO APPOINT MEMBERS TO MMC'S BOARD OF DIRECTORS; B) TO REVIEW AND APPROVE OR DISAPPROVE THE STRATEGIC PLAN, ANNUAL BUDGET AND THE ANNUAL OPERATING GOALS AND OBJECTIVES OF MMC AS RECOMMENDED TO MHS BY MMC'S BOARD OF DIRECTORS; C) TO EVALUATE THE PERFORMANCE OF MMC'S BOARD OF DIRECTORS, OFFICERS, AND OPERATING MANAGEMENT; D) TO REMOVE BOARD MEMBERS OF MMC IN ITS DISCRETION AT ANY TIME; E) TO APPROVE THE MISSION AND VISION THAT GOVERN MMC'S OPERATIONS; F) TO HAVE ULTIMATE RESPONSIBILITY FOR MMC'S QUALITY ASSURANCE, PERFORMANCE IMPROVEMENT, UTILIZATION REVIEW AND RISK MANAGEMENT; AND G) TO APPOINT, REAPPOINT AND TAKE ANY CORRECTIVE ACTION RELATED TO THE MEDICAL STAFF OF MMC (THE "MEDICAL STAFF") IN ACCORDANCE WITH THE MEDICAL STAFF BYLAWS OF MMC. THE FOLLOWING ACTIONS REQUIRE THE APPROVAL OF AND AFFIRMATIVE CORPORATE ACTION BY MHS: A) ANY DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF MMC'S ASSETS, DISSOLUTION, LIQUIDATION, WINDING UP OR ABANDONMENT OF MMC; B) ANY AMENDMENT OF THE ARTICLES OF INCORPORATION OR BYLAWS OF MMC OR OF THE MEDICAL STAFF BYLAWS OF MMC; C) ANY BORROWING OR LENDING BY MMC OR THE ISSUANCE OF ANY GUARANTEE BY MMC IN AN AMOUNT IN EXCESS OF AN AMOUNT SPECIFIED BY MHS FROM TIME TO TIME; D) ANY MERGER, CONSOLIDATION OR INSTITUTIONAL AFFILIATION WITH ANY OTHER AMOUNT IN EXCESS OF AN AMOUNT SPECIFIED FROM TIME TO TIME BY MHS CORPORATION OR OTHER ENTITY; AND E) THE PURCHASE OR SALE OF ASSETS FOR AN AMOUNT IN EXCESS OF AN AMOUNT SPECIFIED FROM TIME TO TIME BY MHS. ULTIMATELY, THE CORPORATION IS CONTROLLED BY MHS'S 29-PERSON COMMUNITY BOARD, WHICH INCLUDES 21 INDEPENDENT DIRECTORS AS NOTED ABOVE.
FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY	MERCY HEALTH SERVICES, INC. ("MHS"), THE SOLE PARENT OF THE CORPORATION, HAS A POLICY WHICH REQUIRES THE CORPORATION'S 990 TO BE MADE AVAILABLE FOR REVIEW BY THE MHS BOARD AND/OR THE MHS BOARD EXECUTIVE COMMITTEE PRIOR TO ITS FILING. AT ITS BOARD MEETING, MHS BOARD EXECUTIVE COMMITTEE MEMBERS RECEIVED A COPY OF THE CORPORATION'S DRAFT FORM 990. THE MHS CFO PROVIDED A POWER POINT PRESENTATION REGARDING THE DRAFT AND THERE WAS AN OPPORTUNITY FOR QUESTIONS AND DISCUSSION. FOLLOWING FURTHER REVISION OF THE DRAFT 990 AND PRIOR TO ITS FILING, IT WAS MADE AVAILABLE IN FINAL FORM TO ALL MEMBERS OF THE MHS BOARD AND THE CORPORATION'S BOARD FOR THEIR REVIEW. ANY ADDITIONAL COMMENTS/QUESTIONS FROM BOARD MEMBERS ARE RESPONDED TO PRIOR TO FILING THE FORM 990.

Return Reference - Identifier	Explanation										
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	MHS HAS A WRITTEN CONFLICT OF INTEREST POLICY THAT COVERS MHS AND ALL OF ITS DIRECT AND INDIRECT SUBSIDIARIES. THE INDIVIDUALS COVERED UNDER THE POLICY INCLUDE ALL TRUSTEES, DIRECTORS, OFFICERS (INCLUDING ALL SENIOR AND EXECUTIVE VICE PRESIDENTS) AND MEMBERS OF ANY COMMITTEE WITH BOARD-DELEGATED POWERS. UNDER THE POLICY, EACH SUCH PERSON IS REQUIRED TO COMPLETE AN ANNUAL DISCLOSURE FORM REGARDING BUSINESS RELATIONSHIPS THAT HE OR SHE, OR ANY FAMILY MEMBER, HAS WITH ANY OTHER ORGANIZATION THAT DOES BUSINESS WITH MHS OR ITS SUBSIDIARIES AND RELATIONSHIPS BETWEEN AND AMONG OFFICERS, TRUSTEES AND DIRECTORS. THE COMPLETED DISCLOSURE FORMS ARE REVIEWED BY THE MHS BOARD CHAIR AND BY THE MHS CEO OR A DESIGNEE. IN ADDITION TO THE ANNUAL DISCLOSURE, ANY PERSON WHO IS COVERED BY THE CONFLICT OF INTEREST POLICY HAS AN ONGOING OBLIGATION TO DISCLOSE THE EXISTENCE OF ANY ACTUAL OR POTENTIAL CONFLICT TO THE BOAURD OR THE BOARD COMMITTEE IN WHICH THE MATTER ARISES. FOLLOWING THE DISCLOSURE, THE PERSON MAY MAKE A PRESENTATION, BUT MUST THEN LEAVE THE MEETING AND THE OTHER MEMBERS OF THE BOARD OR COMMITTEE SHALL DETERMINE WHETHER A CONFLICT EXISTS. UNDER THE POLICY, A CONFLICT OF INTEREST EXISTS WHEN AN INDIVIDUAL'S OWN PERSONAL INTERST WOULD, OR MAY, INTERFERE WITH HIS OR HER IMPARTIALITY REGARDING THE MATTER. IF A CONFLICT EXISTS, THE PERSON MAY NOT BY PRESENT DURING DELIBERATIONS ON THE MATTER OR VOTE ON IT. THE BOARD OR COMMITTEE, AFTER CONDUCTING SUCH ADDITIONAL DUE DILIGENCE AS IT DETERMINES IS APPROPRIATE, SHALL MAKE A DECISION ON THE MATTER BASED UPON WHETHER THE PARTICULAR PROPOSAL IS FAIR, REASONABLE AND IN THE BEST INTEREST OF THE ORGANIZATION.										
FORM 990, PART VI, LINE 15 -	THE ORGANIZATION'S BOARD HAS ADOPTED A COMPENSATION POLICY (THE "POLICY") FOR COVERED INDIVIDUALS. PURSUANT TO THE POLICY, A COMPENSATION COMMITTEE OF INDEPENDENT DIRECTORS OF THE BOARD OF THE ORGANIZATION'S PARENT CORPORATION WAS ESTABLISHED TO REVIEW THE COMPENSATION OF ALL EMPLOYEES SPECIFIED AS HAVING A SUBSTANTIAL INFLUENCE OVER THE ORGANIZATION AND WHO RECEIVE REMUNERATION FROM THE ORGANIZATION. THE COMPENSATION COMMITTEE IS ADVISED BY AN INDEPENDENT COMPENSATION CONSULTANT, WHICH OPINES TO THE COMPENSATION COMMITTEE THAT THE LEVEL OF COMPENSATION PAID AND THE PROCESS BY WHICH COMPENSATION IS ESTABLISHED MEET APPLICABLE IRS REASONABLENESS AND "SAFE HARBOR" STANDARDS. THE OUTSIDE COMPENSATION CONSULTANT PROVIDES DATA OF COMPENSATION PROVIDED AT SIMILAR ORGANIZATIONS TO ENSURE THAT THE ORGANIZATION DOES NOT COMPENSATE IN EXCESS OF MARKET NORMS. MERCY HEALTH SERVICES, INC. (THE CORPORATION'S SOLE MEMBER) HAS A WRITTEN POLICY REGARDING THE REVIEW OF PHYSICIAN COMPENSATION TITLED "AMENDED AND RESTATED PHYSICIAN COMPENSATION REVIEW." THE POLICY APPLIES TO ALL MHS SUBSIDIARIES, INCLUDING THE CORPORATION, AND IT SETS OUT THE PROCESS AND PROCEDURES FOR ENSURING THAT PHYSICIAN COMPENSATION IS APPROPRIATELY REVIEWED AND DETERMINED TO BE CONSISTENT WITH FAIR MARKET VALUE. UNDER THE POLICY THE REVIEW AND DETERMINATION MUST BE DOCUMENTED IN WRITING. THE POLICY ADDRESSES INTERNAL REVIEWS THROUGH BENCHMARKING OF PHYSICIAN COMPENSATION AGAINST NATIONALLY RECOGNIZED COMPENSATION SURVEY DATA, THE USE OF INDEPENDENT COMPENSATION CONSULTANTS AND REVIEW BY THE MHS BOARD COMPENSATION COMMITTEE. THE POLICY FURTHER REQUIRES THAT ALL COMPENSATION REVIEWS BE PERFORMED IN ACCORDANCE WITH THE MHS CONFLICT OF INTEREST POLICY.										
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	THE GOVERNING DOCUMENTS OF THE ORGANIZATION, ITS CONFLICTS OF INTEREST POLICY, AND ITS FINANCIAL STATEMENTS ARE AVAILABLE FROM THE ORGANIZATION UPON REQUEST AND AT MDMERCY.COM.										
FORM 990, PART XI, LINE 2 - PART XI, QUESTIONS 2 AND 3 - AUDITS	MERCY HEALTH SYSTEM, INC. AND ITS SUBSIDIARES INCLUDING THE ORGANIZATION FILING THIS FORM 990, UNDERGO A CONSOLIDATED AUDIT OF THEIR FINANCIAL STATEMENT THAT COMPLIES WITH SINGLE AUDIT ACT/OMB CIRCULAR A-133 REQUIREMENTS DUE TO THE EXPENDITURE OF FEDERAL AWARDS. THE ACCOUNTING FIRM OF DIXON HUGHES GOODMAN LLP HAS ISSUED AN UNQUALIFIED OPINION REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS IN CONFORMANCE WITH GENERALLY ACCEPTED AUDIT STANDARDS AND THE SINGLE AUDIT ACT/OMB CIRCULAR A-133 REQUIREMENTS FOR THE FISCAL YEAR THAT CORRESPONDS TO THE TAX REPORTING YEAR GOVERNED BY THIS FORM 990.										
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table border="1" data-bbox="480 1394 1484 1549"> <thead> <tr> <th data-bbox="480 1394 1284 1430">(a) Description</th> <th data-bbox="1289 1394 1484 1430">(b) Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 1430 1284 1457">NET ASSETS RELEASED FROM RESTRICTION</td> <td data-bbox="1289 1430 1484 1457">4,431,723</td> </tr> <tr> <td data-bbox="480 1457 1284 1484">CHANGE IN POST RETIREMENT OBLIGATION</td> <td data-bbox="1289 1457 1484 1484">35,104</td> </tr> <tr> <td data-bbox="480 1484 1284 1512">UNREALIZED GAIN ON SWAP</td> <td data-bbox="1289 1484 1484 1512">2,242,683</td> </tr> <tr> <td data-bbox="480 1512 1284 1549">NET ASSETS TRANSFER FROM AFFILIATES</td> <td data-bbox="1289 1512 1484 1549">2,609,007</td> </tr> </tbody> </table>	(a) Description	(b) Amount	NET ASSETS RELEASED FROM RESTRICTION	4,431,723	CHANGE IN POST RETIREMENT OBLIGATION	35,104	UNREALIZED GAIN ON SWAP	2,242,683	NET ASSETS TRANSFER FROM AFFILIATES	2,609,007
(a) Description	(b) Amount										
NET ASSETS RELEASED FROM RESTRICTION	4,431,723										
CHANGE IN POST RETIREMENT OBLIGATION	35,104										
UNREALIZED GAIN ON SWAP	2,242,683										
NET ASSETS TRANSFER FROM AFFILIATES	2,609,007										
FORM 990, PART XII, LINE 2C - CHANGE OF OVERSIGHT PROCESS OR SELECTION PROCESS	THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.										
SCHEDULE F, PART I, LINE 3 -	THE AMOUNT INDICATED AS FOREIGN INVESTMENTS IN PART I WAS MERCY MEDICAL CENTER'S OWNERSHIP INTEREST IN GREENLEAF INSURANCE COMPANY, LTD ("GREENLEAF"), A CAYMAN ISLAND CORPORATION. GREENLEAF IS A WHOLLY-OWNED SUBSIDIARY OF MERCY MEDICAL CENTER THAT PROVIDES DIRECT COVERAGE FOR PROFESSIONAL, MALPRACTICE, AND COMPREHENSIVE GENERAL LIABILITY FOR MERCY MEDICAL CENTER AND ITS ASSOCIATED HEALTH CARE FACILITIES. AS OF THE END OF THE 2020 TAX YEAR, THE VALUE OF MERCY MEDICAL CENTER'S OWNERSHIP IN GREENLEAF WAS \$4,791,317 PER BOOK.										

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCY MEDICAL CENTER

**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](http://www.irs.gov/Form990) for instructions and the latest information.

Employer identification number  
52-0591658

OMB No. 1545-0047  
**2023**

**Open to Public  
Inspection**

**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) MERCY HEALTH SERVICES INC (52-2173382) 301 ST PAUL PLACE, BALTIMORE, MD 21202	SUPPORT	MD	501(C)(3)	12 TYPE III-FI	N/A		✓
(2) MERCY HEALTH FOUNDATION INC (52-2173656) 301 ST PAUL PLACE, BALTIMORE, MD 21202	FOUNDATION	MD	501(C)(3)	7	N/A		✓
(3) SAINT PAUL PLACE SPECIALISTS INC (52-1495113) 301 ST PAUL PLACE, BALTIMORE, MD 21202	SPECIAL CARE	MD	501(C)(3)	3	N/A		✓
(4) MARYLAND FAMILY CARE INC (52-2046586) 301 ST PAUL PLACE, BALTIMORE, MD 21202	PRIMARY CARE	MD	501(C)(3)	3	N/A		✓
(5) STELLA MARIS INC (52-1419602) 2300 DULANEY VALLEY, TIMONIUM, MD 21093	NURSING FACILITY	MD	501(C)(3)	10	N/A		✓
(6) MERCY TRANSITIONAL CARE SERVICES INC (52-1968440) 301 ST PAUL PLACE, BALTIMORE, MD 21202	SKILLED NURSE	MD	501(C)(3)	10	MERCY MEDICAL CENTER		✓
(7) _____							

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

Cat. No. 50135Y

Schedule R (Form 990) 2023

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

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

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

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

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

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity b Gift, grant, or capital contribution to related organization(s) c Gift, grant, or capital contribution from related organization(s) d Loans or loan guarantees to or for related organization(s) e Loans or loan guarantees by related organization(s) f Dividends from related organization(s) g Sale of assets to related organization(s) h Purchase of assets from related organization(s) i Exchange of assets with related organization(s) j Lease of facilities, equipment, or other assets to related organization(s) k Lease of facilities, equipment, or other assets from related organization(s) l Performance of services or membership or fundraising solicitations for related organization(s) m Performance of services or membership or fundraising solicitations by related organization(s) n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) o Sharing of paid employees with related organization(s) p Reimbursement paid to related organization(s) for expenses q Reimbursement paid by related organization(s) for expenses r Other transfer of cash or property to related organization(s) s Other transfer of cash or property from related organization(s)		
		1a	✓
		1b	✓
		1c	✓
		1d	✓
		1e	✓
		1f	✓
		1g	✓
		1h	✓
		1i	✓
		1j	✓
		1k	✓
		1l	✓
		1m	✓
		1n	✓
		1o	✓
		1p	✓
		1q	✓
		1r	✓
		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)	MERCY TRANSITIONAL CARE SERVICES	S	6,030,314	FMV
(2)	MERCY TRANSITIONAL CARE SERVICES	O	2,952,432	FMV
(3)				
(4)				
(5)				
(6)				

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

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

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



**Part 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) GREENLEAF INSURANCE CO LTD (98-0206045) PO BOX 1363, GRAND CAYMAN, KY1-1108, US	INSURANCE	CAYMAN ISLANDS	MERCY MEDICAL	C CORPORATION	40,656,196	215,665,234	100.00	✓	
(2) VASCULAR SPECIALTY SERVICES INC (52-1995474) 341 N CALVERT ST. SITE 200, BALTIMORE, MD 21202	MEDICAL PRACTICE	MD	N/A	C CORPORATION	N/A	N/A	N/A		✓

# **Mercy Health Services, Inc. and Subsidiaries**

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

June 30, 2024 and 2023

**Mercy Health Services, Inc. and Subsidiaries**  
**Contents**  
**June 30, 2024 and 2023**

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## **Independent Auditor's Report**

Board of Trustees  
Mercy Health Services, Inc. and Subsidiaries  
Baltimore, MD

### ***Opinion***

We have audited the accompanying consolidated financial statements of Mercy Health Services, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mercy Health Services, Inc. and Subsidiaries, as of June 30, 2024 and 2023 and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in United States of America.

We did not audit the financial statements of Greenleaf Insurance Company, Ltd., a wholly-owned subsidiary, which statements reflect total assets constituting 14% & 12% of Mercy Health Services, Inc. and Subsidiaries' consolidated total assets as of June 30, 2024 and 2023, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Greenleaf Insurance Company, Ltd, is based solely on the report of the other auditors.

### ***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 Mercy Health Services, Inc. and Subsidiaries 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 Mercy Health Services, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are 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 Mercy Health Services, Inc. and Subsidiaries' 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 Mercy Health Services, Inc. and Subsidiaries' 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 Financial Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 48 to 55 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management, and was derived from, and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating 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, which insofar as it relates to Greenleaf Insurance Company, Ltd. is based on the report of other auditors, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Forvis Mazars, LLP**

**Charleston, WV  
September 11, 2024**

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2024 and 2023**  
(in thousands)

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 269,820	\$ 261,559
Short-term investments	1,815	1,778
Current portion of funds held by trustee -- <i>Note 6</i>	5,551	13,427
Resident prepayment deposits	1,085	797
Patient accounts receivable, net -- <i>Note 3</i>	96,788	80,464
Other amounts receivable, net	820	4,734
Current pledges receivable, net -- <i>Note 4</i>	2,789	2,595
Supplies inventory	13,498	14,867
Other current assets	2,590	3,535
	<hr/>	<hr/>
Total current assets	394,756	383,756
<b>Property and Equipment, Net -- <i>Note 5</i></b>	548,051	543,499
<b>Investments and Other Assets</b>		
Funds held by trustee, less current portion -- <i>Note 6</i>	1,914	1,601
Board designated and donor restricted cash and investments -- <i>Note 7</i>	351,290	318,933
Assets held for self-insurance -- <i>Note 7</i>	173,912	145,191
Long-term pledges receivable, net -- <i>Note 4</i>	20,785	21,815
Investments in and advances to affiliates -- <i>Note 8</i>	5,651	4,564
Reinsurance receivable -- <i>Note 10</i>	6,951	6,335
Right of use assets -- <i>Note 24</i>	43,713	40,302
Other assets -- <i>Note 9</i>	3,574	3,626
	<hr/>	<hr/>
Total assets	<u>\$ 1,550,597</u>	<u>\$ 1,469,622</u>

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2024 and 2023**  
**(in thousands)**

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt -- <i>Note 11</i>	\$ 12,935	\$ 12,508
Accounts payable and accrued expenses	143,314	149,268
Advances from third-party payers	21,716	22,791
Resident prepayment deposits	1,351	964
Provision for outstanding losses, current -- <i>Note 10</i>	7,377	6,889
Operating lease liability, current -- <i>Note 24</i>	3,841	4,012
	<u>190,534</u>	<u>196,432</u>
Total current liabilities	190,534	196,432
Long-term debt, less current portion -- <i>Note 11</i>	346,225	359,674
Provision for outstanding losses, long-term -- <i>Note 10</i>	148,483	132,589
Post-retirement obligation -- <i>Note 14</i>	5,534	5,779
Interest rate swap liabilities -- <i>Note 11</i>	4,286	6,529
Operating lease liabilities -- <i>Note 24</i>	42,275	38,039
Other long-term liabilities -- <i>Note 23</i>	3,256	4,283
	<u>740,593</u>	<u>743,325</u>
Total liabilities	740,593	743,325
<b>Net Assets</b>		
Without donor restrictions	752,609	673,290
With donor restrictions -- <i>Note 16</i>	57,395	53,007
	<u>810,004</u>	<u>726,297</u>
Total net assets	810,004	726,297
Total liabilities and net assets	<u>\$ 1,550,597</u>	<u>\$ 1,469,622</u>

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
**Years Ended June 30, 2024 and 2023**  
**(in thousands)**

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Patient service revenue	\$ 929,205	\$ 886,731
Other operating revenue	52,526	47,068
Net assets released from restriction used for operations	5,815	3,476
	<u>987,546</u>	<u>937,275</u>
<b>Expenses -- Note 19</b>		
Salaries and benefits	536,072	509,795
Medical and surgical supplies	81,314	76,865
Pharmacy supplies	89,146	80,469
Other expendable supplies	39,225	39,237
Professional fees	22,712	22,457
Insurance	31,263	22,094
Other purchased services	65,320	63,214
Interest expense	13,688	13,255
Repairs	23,318	19,890
Depreciation and amortization	43,633	43,235
	<u>945,691</u>	<u>890,511</u>
<b>Operating Income</b>	<u>41,855</u>	<u>46,764</u>
<b>Other Income (Losses)</b>		
Investment income -- Note 7	13,136	2,985
Net unrealized gains on investments -- Note 7	20,980	23,445
Unrealized gains on interest rate swaps -- Note 11	2,243	4,872
Equity earnings in joint ventures -- Note 8	775	1,000
Other	67	(384)
	<u>37,201</u>	<u>31,918</u>
<b>Net other income</b>	<u>37,201</u>	<u>31,918</u>
<b>Excess of Revenues Over Expenses</b>	79,056	78,682
<b>Changes to Pension and Post Retirement Plan Obligations -- Notes 14 and 15</b>	35	966
<b>Federal Grant Funding for the Purchase of Property and Equipment</b>	-	251
<b>Net Assets Released from Restrictions for the Purchase of Property and Equipment</b>	228	128
	<u>79,319</u>	<u>80,027</u>
<b>Increase in net assets without donor restrictions</b>	<u>\$ 79,319</u>	<u>\$ 80,027</u>



**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended June 30, 2024 and 2023**  
**(in thousands)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Net assets, June 30, 2022</b>	\$ 593,263	\$ 47,752	\$ 641,015
Excess of revenue over expenses	78,682	-	78,682
Net assets released from restrictions for the purchase of property and equipment	128	(128)	-
Federal grant funding for the purchase of property and equipment	251	(251)	-
Investment loss on net assets with donor restrictions	-	675	675
Restricted gifts, bequests and contributions	-	8,435	8,435
Changes to pension and post retirement plan obligations	966	-	966
Net assets released from restrictions used for operations	-	(3,476)	(3,476)
	<u>80,027</u>	<u>5,255</u>	<u>85,282</u>
Change in net assets			
<b>Net assets, June 30, 2023</b>	673,290	53,007	726,297
Excess of revenue over expenses	79,056	-	79,056
Net assets released from restrictions for the purchase of property and equipment	228	(228)	-
Investment income on net assets with donor restrictions	-	1,694	1,694
Restricted gifts, bequests and contributions	-	8,737	8,737
Changes to pension and post retirement plan obligations	35	-	35
Net assets released from restrictions used for operations	-	(5,815)	(5,815)
	<u>79,319</u>	<u>4,388</u>	<u>83,707</u>
<b>Net assets, June 30, 2024</b>	<u>\$ 752,609</u>	<u>\$ 57,395</u>	<u>\$ 810,004</u>

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**  
(in thousands)

	<u>2024</u>	<u>2023</u>
<b>Operating Activities</b>		
Change in net assets	\$ 83,707	\$ 85,282
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities		
Depreciation and amortization	43,633	43,235
Amortization of debt issuance cost, premiums and discounts	(119)	(106)
Gain on interest rate swaps	(2,243)	(4,872)
Gain on asset disposal	-	(38)
Realized and unrealized gain on investments	(27,709)	(22,231)
Restricted gifts, bequests, and contributions and restricted net income	(10,431)	(8,435)
Federal grant funding for the purchase of property and equipment	-	(251)
Increase (decrease) in		
Patient accounts receivable, net	(16,324)	(3,325)
Other amounts receivable, net	3,298	3,490
Inventory	1,369	1,638
Other assets	1,096	442
Trading portfolio	(24,193)	6,418
Increase (decrease) in		
Accounts payable and accrued expenses	(8,116)	(20,469)
Medicare advance contract liability	-	(15,209)
Provision for outstanding losses	16,382	7,711
Operating leases	654	(2,650)
Post-retirement obligation	(245)	(1,132)
Other long-term liabilities	(1,027)	531
	<u>59,732</u>	<u>70,029</u>
Net cash and cash equivalents provided by operating activities		
<b>Investing Activities</b>		
Purchases of investments	(60,283)	(68,144)
Sales of investments	34,891	39,955
Purchases of property and equipment	(48,185)	(41,338)
	<u>(73,577)</u>	<u>(69,527)</u>
Net cash and cash equivalents used in investing activities		

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**  
**(in thousands)**

	<u>2024</u>	<u>2023</u>
<b>Financing Activities</b>		
Proceeds from restricted gifts, bequests, contributions and restricted net income	\$ 11,267	\$ 7,154
Proceeds from federal grants	-	251
Repayment of long term debt	<u>(12,903)</u>	<u>(11,596)</u>
Net cash and cash equivalents used in financing activities	<u>(1,636)</u>	<u>(4,191)</u>
<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b>	(15,481)	(3,689)
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>314,957</u>	<u>318,646</u>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 299,476</u>	<u>\$ 314,957</u>
<b>Cash Paid for Interest</b>	<u>\$ 13,619</u>	<u>\$ 13,306</u>

**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
**(in thousands)**

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**Note 1. Organization and Summary of Significant Accounting Policies**

***Organization, Basis of Presentation and Principles of Consolidation***

Mercy Health Services, Inc. (MHS) was formed for the purpose of supporting, benefiting, or carrying out some or all of the purposes of Mercy Medical Center, Inc. (Medical Center or MMC), Stella Maris, Inc. (SMI), the physician practice groups comprising the Physician Enterprise (as further described below) and Mercy Health Foundation (MHF). MHS is the sole member of the Medical Center, SMI, the Physician Enterprise and MHF. MHS prepares its consolidated financial statements on the accrual basis of accounting. The accompanying consolidated financial statements include MMC, SMI, the Physician Enterprise and MHF. All material intercompany balances and transactions have been eliminated.

***Mercy Medical Center, Inc.***

The Medical Center, a subsidiary of MHS, provides inpatient, outpatient and emergency care services primarily for the citizens of the Baltimore metropolitan area. In addition, the following entities are wholly owned subsidiaries of the Medical Center:

<u>Name of Subsidiary</u>	<u>Tax Status</u>
Mercy Transitional Care Services, Inc. (MTC) <i>Provider of subacute services</i>	Tax Exempt
Greenleaf Insurance Company, Ltd. (GIC) <i>Provider of self-insured general and malpractice coverage to MHS</i>	Foreign Subsidiary

***Stella Maris, Inc.***

SMI, a subsidiary of MHS, is the sole member of the Stella Maris Operating Corporation, as well as the Cardinal Shehan Center, Incorporated (CSC). SMI provides sub-acute, hospice, long-term care, skilled homecare, personal care and adult day care to patients in the central Maryland service area within its 412-bed facility. CSC is engaged in maintaining and providing care and housing of aged and infirmed persons. CSC owns St. Elizabeth Hall, a 200-unit apartment complex for the elderly.

***Physician Enterprise***

The Physician Enterprise includes Maryland Family Care, Inc. (MFC), St. Paul Place Specialists, Inc. (SPPS) and Maryland Specialty Services, LLC (MSS). MSS is the sole member of Lutherville Hematology and Oncology, LLC and North Calvert Anesthesiology Services, LLC, and is the sole stockholder of Vascular Specialty Services, Inc. These entities provide primary care and specialty services within the Baltimore area. MFC, SPPS and MSS are wholly owned/controlled subsidiaries of MHS.

***Mercy Health Foundation, Inc.***

MHF, a subsidiary of MHS, was formed to coordinate and strengthen the fundraising function on behalf of MHS.

**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
**(in thousands)**

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***Income Taxes***

MHS, MMC, SMI, MFC, SPPS, MHF, MTC, CSC and MSS are not-for-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and are, therefore, not subject to federal income tax under current income tax regulations. MHS subsidiaries otherwise exempt from federal and state taxation are nonetheless subject to taxation at corporate tax rates at both the federal and state level on their unrelated business income.

Current accounting standards define the threshold for recognizing uncertain income tax return positions in the consolidated financial statements as “more likely than not” that the position is sustainable, based on its technical merits, and also provide guidance on the measurement, classification and disclosure of tax return positions in the consolidated financial statements. Management believes there is no impact on MHS’ accompanying consolidated financial statements related to uncertain income tax positions.

***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. 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.

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

- change in net assets with donor restrictions if the terms of the gift or the MHS’ interpretation of relevant state law require that they be added to the principal of a permanent net asset with donor restriction;
- change in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income;
- change in net assets without donor in all other cases.

***Accounting Estimates***

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

***Reclassifications***

Certain reclassifications have been made to the presentation of assets whose use is limited related to board designated and donor restricted cash and investments and assets held for self-insurance for 2023 to conform to the 2024 financial statement presentation. These reclassifications had no effect on the total assets, excess of revenues over expenses, or change in net assets.

**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
(in thousands)

**Cash and Cash Equivalents**

Cash and cash equivalents include certain investments in highly-liquid instruments purchased with a maturity of three months or less, excluding assets whose use is limited. The carrying amount of cash and cash equivalents approximates fair value.

MHS maintains cash and cash equivalent accounts that may, at times, exceed federally insured limits. MHS has not experienced any losses from maintaining these accounts in excess of federally insured limits. Management believes it is not subject to significant risks associated with these accounts.

Board designated cash and investments have been set aside by the Board of Trustees (Board) for future capital improvements or strategic initiatives over which the Board retains control and may, at its discretion, subsequently use for other purposes. Cash held in donor restricted funds will be used to satisfy donor restricted purposes. Cash held by trustee or authority will be primarily used to satisfy future debt service requirements. Cash held within assets held for self-insurance will be used to satisfy current and estimated future liabilities within GIC.

Following is a reconciliation of cash, cash equivalents and restricted cash as presented in the accompanying consolidated statements of cash flows as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 269,820	\$ 261,559
Assets limited as to use Board designated and donor restricted cash	22,191	40,545
Funds held by trustee	<u>7,465</u>	<u>15,030</u>
Total cash, cash equivalents and restricted cash shown in the accompanying consolidated statements of cash flows	<u>\$ 299,476</u>	<u>\$ 317,134</u>

**Supplies Inventory**

Supplies inventory are stated at the lower of cost, determined by the first-in, first-out method, or net realizable value.

**Net Assets**

Net assets, revenues, 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 not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received, or in the same period in which conditions are met, 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 revenues restricted by donors 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.

**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
**(in thousands)**

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***Assets Whose Use Is Limited***

Assets whose use is limited includes board designated and donor restricted cash and investments, funds held by trustee and assets held for self-insurance.

Board designated and donor restricted funds are set aside by the board for future capital improvements or strategic initiatives over which the board retains control and may, at its discretion, subsequently use for other purposes.

Assets held for self-insurance represent funds that have been set aside to cover a portion of GIC's estimated outstanding claims and liabilities. At June 30, 2024 and 2023, assets held for self-insurance of \$173,912 and \$145,192, respectively, were set aside to cover estimated outstanding claims and liabilities.

***Investments and Investment Risk***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Investments in hedge funds, private equity funds and other limited partnerships are also measured at fair value. Investment income or loss (including realized gains on investments, interest and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law. MHS' investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the accompanying consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, particularly for alternative investments and investments measured at net asset value (NAV), it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term.

***Advances from Third-Party Payers***

The Medical Center receives advances from third-party payers 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.

***Patient Accounts Receivable***

Patient accounts receivables are primarily paid by federal and state governmental authorities (under the Medicare and Medicaid programs), managed health plans, commercial insurance companies, workers' compensation programs, employers and patients. Patient accounts receivable are reported at net realizable value. For accounts receivable associated with services provided to patients who have third-party coverage, MHS 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. MHS does not believe there are any significant concentrations of revenues from any particular payor that would subject MHS to any significant credit risks in the collection of patient accounts receivable. 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. Changes in general economic conditions, patient accounting service center operations, payor mix, payor claim processing could affect collections of accounts receivable, cash flows and results of operations.

**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
**(in thousands)**

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MHS performs periodic assessments to determine if an allowance for expected credit losses is necessary. MHS considers its incurred loss experience and adjusts for known and expected events and other circumstances. In estimating its expected credit losses, MHS 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 MHS' accounts receivable is typically paid for by highly-solvent, creditworthy payors, such as Medicare, Medicaid, other governmental programs, and highly-regulated commercial insurers on behalf of the patient, MHS' credit losses are immaterial to the consolidated financial statements.

***Patient Service Revenue***

Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered. MMC charges are based on rates established by the State of Maryland Health Services Cost Review Commission (the Commission); accordingly, revenue reflects charges to patients based on rates in effect during the period in which the services are rendered (see Note 18). SMI and Physician Enterprise are paid for services based on either negotiated contracts with commercial payers, fee schedules with Medicare and Medicaid or standardized pricing for self-pay patients.

Explicit price concessions represent the difference between amounts billed as patient service revenue and amounts allowed by third-party payers and are accrued in the period in which the related services are rendered.

Based on historical experience, a significant portion of MHS' uninsured patients will be unable or unwilling to pay for services provided. Thus, MHS estimates an implicit price concession related to uninsured patients in the period the services are provided based upon management's assessment of historical and expected net collections. This estimate considers business and general economic conditions, trends in healthcare coverage and other collection indicators. The System does not believe there are any significant concentrations of revenues from any particular payor that would subject the System to any significant credit risks in the collection of patient accounts receivable. 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. MHS follows established guidelines for placing its self-pay patient accounts with an outside collection agency. After collection efforts are exhausted, the uncollected balances are returned to the appropriate MHS entities for final write-off.

Effective October 1, 2019, MTC and SMI are reimbursed under a prospective payment system called the patient driven payment model (PDPM), which bases payment on resident characteristics, rather than services provided. PDPM payment depends on the summation of case-mix adjusted components (physical therapy, occupational therapy, speech language pathology, nursing, and nontherapy ancillaries) each with its own case-mix groups and application of a variable per day adjustment schedule. Part-B rehabilitative services are billed and paid based on billable minutes using timed based (or constant attendance) codes.

***Charity Care***

The Medical Center provides medically necessary services without charge or at amounts less than its established rates to patients who qualify for charity care under its financial assistance policy. Because the Medical Center does not pursue collection of those amounts determined to qualify as charity care, they are not reported as patient service revenue and are not included in patient accounts receivable.

The criteria for qualifying for charity care applied by the Medical Center includes family income, net assets and the size of the patient's bill relative to the patient's ability to pay. Discounts are provided to patients who are unable to pay based on a sliding scale that is applied for family incomes up to approximately 400% above the U.S. Department of Health and Human Services (HHS) Poverty Guidelines. Free care is provided to patients with family incomes up to approximately 200% above the HHS Poverty Guidelines.



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Charity care is provided to patients who qualify under the Medical Center's financial assistance policy at any time. Once the Medical Center determines that the patient qualifies for charity care, the Medical Center makes no further attempt to collect on the amount qualifying for charity care.

Certain other controlled subsidiaries of MHS also provide services without charge or at amounts less than their established rates to patients who qualify for charity care under their respective financial assistance policies.

***Impairment of Long-Lived Assets***

MHS accounts for impairment or disposal of long-lived assets in accordance with applicable guidance. Such guidance requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future net cash expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management believes that no asset impairment existed at June 30, 2024 and 2023.

***Property and Equipment***

Property and equipment acquisitions costing more than \$3,000 or more and having a useful life longer than one year are capitalized and recorded at cost. Donated property and equipment are recorded at fair value at the date of the donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, buildings and the parking center at 40 years, building improvements are depreciated over 25 years, machinery and equipment ranges from three to ten years.

The cost of new implemented software is capitalized and included within machinery and equipment and is being depreciated over 10 years. Costs include payment to vendors for the purchase and assistance in its installation, payroll costs of employees directly involved in the software installation and interest costs of the software project if financed by debt. Preliminary costs to document system requirements, vendor selection and any costs before software purchases are expensed. Capitalization of costs will generally end when the project is completed, and the software is ready to be used. Where implementation of the project is in phases, only those costs incurred that further the development of the project will be capitalized. Costs incurred to maintain the applications are expensed. Depreciation expense was \$43,185 and \$42,620 for the years ending June 30, 2024 and 2023, respectively.

***Resident Prepayment Deposits***

SMI's private pay residents are required to make a non-interest-bearing prepayment of two months' room and board at the time of admission. St. Elizabeth Hall obtains an interest-bearing security deposit, which is the lesser of one month rent or the resident responsibility. At the time of discharge or acceptance by Medical Assistance or similar government assistance programs, any prepayment remaining after application to the resident's outstanding bill will be refunded. At June 30, 2024 and 2023, resident prepayment deposits approximated \$1,085 and \$797, respectively, and have been recorded as a current asset and a current liability within the consolidated balance sheets.

***Derivative Instruments***

Current accounting standards require that an entity recognize all derivative instruments as either assets or liabilities in the statement of financial position and measure those instruments at fair value. MHS has entered into interest rate swap agreements to manage its interest rate risk (see Note 11). The interest rate swaps do not qualify for hedge accounting under current accounting standards; therefore, management accounts for the derivative instruments as speculative derivative instruments with the change in the fair value reflected in the accompanying consolidated statements of operations as a component of other non-operating income. Net settlement payments are reported as a component of interest cost, with the exception of the payments associated with construction

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activities that are capitalized. Entering into interest rate swap agreements involves varying degrees and elements of credit, default, prepayment, market and documentation risk in excess of the amounts recognized on the consolidated balance sheets. Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates.

***Debt Issuance Costs***

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Such costs are reflected as a reduction of long-term debt in the accompanying consolidated balance sheets. Amortization of debt issuance costs was \$119 and \$106 for the years ending June 30, 2024 and 2023, respectively.

***Leases***

At lease inception, MHS determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (ROU) assets, current operating lease liabilities and noncurrent lease liabilities in the accompanying consolidated financial statements. ROU assets represent MHS' right to use leased assets over the term of the lease. Lease liabilities represent MHS' 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 as the present value of the lease payments over the lease term. MHS uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, MHS 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 MHS if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. MHS 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 other purchased services in the accompanying consolidated statements of operations.

***Estimated Malpractice Costs***

The provision for estimated medical malpractice costs includes estimates of the ultimate gross costs for both reported claims and claims incurred but not reported. Anticipated insurance recoveries, if any, associated with reported claims are recorded separately in the accompanying consolidated balance sheets at net realizable value.

***Excess of Revenue Over Expenses***

The consolidated statements of operations include excess of revenue over expenses. Changes in net assets without donor restrictions, which are excluded from excess of revenue over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets) and includes changes in pension and post-retirement cost. Activities that result in gains or losses unrelated to the primary operations of MHS are considered to be nonoperating.

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***Measure of Operations***

The accompanying consolidated statements of operations reflect operating income, which includes all operating revenues and expenses that are an integral part of the MHS' healthcare services and supporting activities and net assets released from donor restrictions to support operating expenditures. Activities included in excess of revenue over expenses that are excluded from operating income, consistent with industry practice include, changes in net unrealized gains and losses on derivative financial instruments, investment income (including realized and unrealized gains and losses on investments, interest, dividends and investment expenses), except for interest income earned on operating cash and cash equivalents and realized gains and losses and interest income associated with the malpractice insurance program, which are included in other operating revenue, as such proceeds are utilized in operations.

***Contributions***

Unconditional promises to give cash and other assets to MHS are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received.

***Recent Accounting Pronouncement***

Effective July 1, 2023, the MHS adopted ASU 2016-13 *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology 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 methodology is applicable to financial assets measured at amortized cost, certain qualifying insurance receivables, reinsurance recoveries and receivables. This accounting pronouncement did not have a material impact on the financial statements.

**Note 2. Patient Service Revenue**

Estimated uncollectible amounts from patients are considered implicit price concessions (as defined in Topic 606) and, therefore, included in patient service revenue. Allowances for price concessions continue to be presented as a direct reduction of patient accounts receivable.

Management has determined that MHS 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 MHS' facilities at the balance sheet date. Accordingly, MHS accrues revenues and the related accounts receivable for services performed but not yet billed at the balance sheet date for in-house patients. Thus, management has determined that MHS does not have any amounts that should be reflected separately as contract assets.

As permitted from Topic 606, MHS elected certain available practical expedients under the standard. First, MHS elected the practical expedient that allows nonrecognition of the promised amount of consideration from patients and third-party payers for the effects of a significant financing component due to MHS' expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payer pays for that service will be one year or less. However, MHS 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, MHS 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 MHS otherwise would have recognized is one year or less in duration.

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

Performance obligations are determined based on the nature of the services provided by MHS. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. MHS 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 obligations. Generally, performance obligations satisfied over time relate to patients in the Medical Center or SMI. MHS measures the performance obligation from admission to the facility to the point when the facility is no longer required to provide services to that patient, or resident which is generally the time of discharge. Revenue for performance obligations satisfied at a point in time generally relate to patients receiving outpatient services or patients and customers in a retail setting and MHS does not believe it is required to provide additional goods or services.

Because all of its performance obligations relate to contracts with a duration of less than one year, MHS has elected to apply the optional exemption provided in current applicable accounting standards and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Any unsatisfied or partially unsatisfied performance obligations 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 patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

As discussed in Note 18, MMC charges are based on rates established by the Commission, which is subsequently reduced by contractual discounts provided to third-party payers and discounts provided to uninsured patients in accordance with MHS policy. SMI and Physician Enterprise determine the transaction price based on standard charges for goods and services provided, reduced by explicit price concession in the form of contractual adjustments provided to third-party payers, discounts provided to uninsured patients in accordance with internal policy, and implicit price concessions provided to uninsured patients. MHS determines its estimate of implicit price concessions based on historical collection experience with this class of patients using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. Management believes that the financial effects of using this practical expedient are not materially different from an individual contract approach.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which in some instances have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge compliance of MHS with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon MHS. The results of such governmental review could include fines, penalties and exclusion from participation in the Medicare and Medicaid programs. In addition, the contracts MHS has with commercial payers also provide for retroactive audit and review of claims.

Generally, patients who are covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. MHS also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. MHS estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market

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conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any discounts and price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

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

Agreements with third-party payers typically provide for payments at amounts less than established charges, or fixed fee schedule. A summary of the payment arrangements with major third-party payers follows:

**Medicare:** Services rendered to Medicare beneficiaries are paid at prospectively determined rates per case. These rates vary according to a payment classification system that is based on clinical, diagnostic, inpatient status and other factors. Costs related to Medicare beneficiaries are paid based upon cost reimbursement methods, established fee screens, or a combination thereof. Physician services are paid based upon established fee schedules. Outpatient services, are paid using prospectively determined rates and are reimbursed for cost reimbursement items at tentative rates with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.

**Medicaid:** Medicaid services, excluding CAH, Rural Health Centers (RHC) and FHC, primarily are reimbursed based upon prospectively determined rates for services rendered to Medicaid program beneficiaries. Reimbursement for CAH, RHC and FHC is received at tentative rates, with final settlement determined after submission of an annual cost report and approval by the Medicaid program.

**Other:** Payment agreements with managed care payors provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates, shared savings, pay for performance, care management or medical home management per patient fees.

There are various other proposals at the federal and state levels that could, among other things, reduce reimbursement rates, or modify reimbursement methods, including Medicare and Medicaid. The ultimate outcome of these proposals and other market changes cannot presently be determined.

Patient service revenue from third-party payers and others (including uninsured patients) for the years ended June 30, 2024 and 2023, are summarized in the following tables:

	<b>2024</b>				
	<b>Medicare</b>	<b>Medicaid</b>	<b>Commercial</b>	<b>Other</b>	<b>Total</b>
Hospital   Inpatient	\$ 85,433	\$ 57,382	\$ 62,099	\$ 2,611	\$ 207,525
Hospital   Outpatient	124,100	44,720	175,182	8,039	352,041
Hospital   Emergency Room	4,869	10,217	3,823	2,405	21,314
Stella   Skilled Nursing	17,075	26,151	2,237	7,203	52,666
Stella   Home Health	13,720	81	2,687	2,087	18,575
Physician Enterprise   FFS	55,157	28,432	99,546	11,861	194,996
Physician Enterprise   Ancillary	38,193	4,630	38,960	305	82,088
	<u>\$ 338,547</u>	<u>\$ 171,613</u>	<u>\$ 384,534</u>	<u>\$ 34,511</u>	<u>\$ 929,205</u>

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	<b>2023</b>				
	<u>Medicare</u>	<u>Medicaid</u>	<u>Commercial</u>	<u>Other</u>	<u>Total</u>
Hospital   Inpatient	\$ 75,843	\$ 53,502	\$ 60,740	\$ 1,331	\$ 191,416
Hospital   Outpatient	127,252	46,007	172,045	6,702	352,006
Hospital   Emergency Room	4,267	8,478	3,774	1,371	17,890
Stella   Skilled Nursing	15,063	26,132	2,738	7,651	51,584
Stella   Home Health	8,479	157	1,990	1,591	12,217
Physician Enterprise   FFS	52,036	27,370	92,931	11,924	184,261
Physician Enterprise   Ancillary	<u>35,825</u>	<u>3,665</u>	<u>37,577</u>	<u>290</u>	<u>77,357</u>
	<u>\$ 318,765</u>	<u>\$ 165,311</u>	<u>\$ 371,795</u>	<u>\$ 30,860</u>	<u>\$ 886,731</u>

Revenue from deductibles and coinsurance are included in the categories presented above based on the primary payer.

**Note 3. Patient Accounts Receivable and Charity Care**

Approximately 45% and 47% of gross patient accounts receivable were due from Medicare and Medicaid at June 30, 2024 and 2023, respectively.

The net cost of charity care provided by MHS totaled \$22,695 and \$19,829 for the years ended June 30, 2024 and 2023, respectively. The cost of charity care was calculated by applying the cost-to-charge ratio to the total amount of charges foregone for each of the controlled subsidiaries of MHS that provide charity care. The cost of charity care was determined net of any patient-related revenue due to sliding scale payments or other patient-specific sources and includes both direct and indirect cost of rendering care. The net cost of charity care is excluded from the uncompensated care fund net receipts (see Note 18). Additionally, MHS and certain of its controlled subsidiaries provide structured repayment plans to patients without collateral.

**Note 4. Pledges Receivable, Net**

Pledges receivable resulting from unconditional promises to give are reported in the period when the pledge is made. As of June 30, 2024, pledges receivable consisted of contributions to fund capital and operating campaigns for the MHS.

MHS had unconditional promises to give representing the following at June 30, 2024:

	<u>2024</u>	<u>2023</u>
Amounts to be received within one year	\$ 2,789	\$ 2,595
Amounts to be received within two to five years	8,263	8,376
Amounts to be received after five years	<u>17,695</u>	<u>18,881</u>
Total Pledges	28,747	29,852
Less: unamortized discount	(5,173)	(5,442)
Less: current portion	<u>(2,789)</u>	<u>(2,595)</u>
Long-term portion	<u>\$ 20,785</u>	<u>\$ 21,815</u>

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MHS discounts long term pledge receivables at a rate range of 1.81 % to 4.63%, which includes a risk adjustment factor. Approximately \$22,000 and \$23,000 of the total gross pledge receivable attributable to one major donor, as of the year ended June 30, 2024 and 2023, respectively.

**Note 5. Property and Equipment**

Property and equipment, at cost, consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 719,856	\$ 701,816
Machinery and equipment	317,287	293,076
Parking center	41,971	41,971
Construction-in-progress	41,404	36,011
Land	<u>18,976</u>	<u>18,976</u>
	1,139,494	1,091,850
Accumulated depreciation	<u>(591,441)</u>	<u>(548,351)</u>
	<u>\$ 548,053</u>	<u>\$ 543,499</u>

Construction in progress consists primarily of major renovation and expansion projects.

MMC completed construction and IT projects to expand services and capacity that cost approximately \$8,221 and \$15,446 during the years ended June 30, 2024 and 2023, respectively. The spend associated with these projects have been capitalized and are included in buildings and improvements.

**Note 6. Funds Held by Trustee**

Funds held by trustee, which consist primarily of cash and government obligations (at fair value), are limited as to use as follows at June 30:

	<u>2024</u>	<u>2023</u>
Debt service fund	\$ 5,551	\$ 13,427
Reserve for replacements and residual receipts	<u>1,914</u>	<u>1,601</u>
	7,465	15,028
Less current portion	<u>(5,551)</u>	<u>(13,427)</u>
Long-term portion	<u>\$ 1,914</u>	<u>\$ 1,601</u>

**Note 7. Board Designated, Donor Restricted, and Assets Held for Self-Insurance Cash and Investments**

Board designated cash and investments are set aside by the board of trustees for costs relating to replacement or improvement of existing assets, or to cover the cost of services rendered as charity care and other programs. All board-designated investments are without donor restrictions, as the board at its discretion may undesignated the use of such funds. Investments with donor restrictions have been limited by donors to a specific purpose.

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Board designated, donor restricted, and assets held for self-insurance cash and investments consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Equity	\$ 274,720	\$ 230,814
Fixed maturity	176,118	142,942
Cash and cash equivalents	22,191	40,546
Alternatives	34,128	35,555
Mutual bond funds	<u>18,045</u>	<u>14,267</u>
	<u>\$ 525,202</u>	<u>\$ 464,124</u>

The investments above have been allocated, by source, as follows at June 30:

	<u>2024</u>	<u>2023</u>
Board designated	\$ 317,259	\$ 290,337
With donor restrictions subject to passage of time or use	31,853	26,418
With perpetual donor restrictions	2,178	2,178
Assets held for self-insurance	<u>173,912</u>	<u>145,191</u>
	<u>\$ 525,202</u>	<u>\$ 464,124</u>

Investments with perpetual donor restrictions at June 30, 2024 and 2023 of \$2,178 are reported as restricted cash and investments.

Earnings on investments without donor restrictions are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 6,407	\$ 4,199
Net realized (losses) gains	<u>6,729</u>	<u>(1,214)</u>
	13,136	2,985
Unrealized gains (losses) on investments	<u>20,980</u>	<u>23,445</u>
	<u>\$ 34,116</u>	<u>\$ 26,430</u>

MHS has certain charitable gift annuities with certain individuals and other third party entities. As of June 30, 2024 and 2023, MHS maintained reserve assets in the amount of \$94 and \$93, in a segregated account, respectively. As of June 30, 2024 and 2023, MHS maintained reserves on its outstanding annuity agreements in the amount of \$45 and \$47, respectively. Management believes the reserve assets are sufficient to meet the reserve requirements.

**Note 8. Investments In and Advances to Affiliates**

Investments in and advances to affiliates include joint venture relationships in which MHS or its subsidiaries have an ownership interest of 50% or less. Investments over which MHS has significant influence are generally carried on the equity method, while the others where MHS does not have significant influence are carried at cost.



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MHS has investments totaling \$5,651 and \$4,564 at June 30, 2024 and 2023, respectively, in the following joint ventures:

Joint Venture	Business Purpose	Percentage of Ownership		Investment	
		2024	2023	2024	2023
Premier Purchasing Partners, Inc.	Capital balance in group purchasing organization	n/a	n/a	\$ 276	\$ 276
Johns Hopkins Medicare Advantage	Medicare Advantage plan	1.11%	1.11%	5,375	4,288
				<u>\$ 5,651</u>	<u>\$ 4,564</u>

MHS recorded non-operating income of \$775 and \$1,000 related to the operations of these investments for the years ended June 30, 2024 and 2023, respectively. MHS receives rebates from Premier Purchasing Partners, Inc., which are netted with associated supplies expense in the accompanying consolidated financial statements.

In June 1997, MMC executed a joint venture agreement with the Archbishop of Baltimore to form Mercy Ridge, Inc. (MR) for the purpose of developing a continuing care retirement community located in Timonium, MD. MMC has a 50% ownership in the joint venture. Since the original contribution into the joint venture, MMC has received distributions greater than the original investment. As of June 30, 2024 and 2023, MR has operated at a net deficit. MMC has recorded the equity method in the investment at zero as of June 30, 2024 and 2023, since MMC is not obligated to make additional contributions into MR.

In September 2016, MHS invested in the Maryland Health Advantage Medicare Advantage Plan (the MA Plan) as a minority owner acquiring a six percent ownership stake. The MA Plan is comprised of various Maryland healthcare providers to deliver comprehensive provider, physician, prescription medicine, wellness and other coverage to participating Medicare beneficiaries in Maryland through a health care network. MHS and the Physician Enterprise are also contracted as participating providers in the MA Plan.

MHS recognizes its ownership in the MA Plan using the cost basis of accounting. MHS' current committed capital is \$5,375 and the mandatory capital was limited to \$3,000. Any additional capital requirements are optional but electing not to contribute will dilute MHS' ownership percentage accordingly. MHS contributed \$233 and \$183 during the years ended June 30, 2024 and 2023, respectively. All net revenue from providing services to MA Plan beneficiaries is recognized at expected reimbursable amounts in the accompanying consolidated statements of operations. Members are allocated a portion of profits or losses in accordance with their participation in the MA Plan based on the terms of the membership agreement. The amount of such allocated profits or losses cannot be estimated at the present time. Accordingly, they will be recognized in the period the amount of such allocations become known.

**Note 9. Other Assets**

Other long-term assets consist of the following at June 30:

	2024	2023
Amortizable assets, net	\$ 869	\$ 1,280
Health insurance prepayment	1,708	1,449
Other investments	997	897
	<u>\$ 3,574</u>	<u>\$ 3,626</u>

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Gross amortizable assets of \$11,696 and \$11,699 for the years ended June 30, 2024 and 2023, respectively, are amortized over the expected useful life of the asset on a straight-line basis. MHS has recorded accumulated amortization of \$10,827 and \$10,419 for the years ended June 30, 2024 and 2023, respectively. Amortization expense is included with depreciation and amortization on the consolidated statements of operations.

**Note 10. Reinsurance Receivable and Provision for Outstanding Losses**

GIC management based the provision for losses relating to medical malpractice and general liability at June 30, 2024 on a report dated July 2024 prepared by GIC's independent actuaries. As of June 30, 2024 and 2023, GIC's outstanding undiscounted losses were \$155,860 and \$139,478, respectively, and the reinsurance receivable for such losses was \$6,951 and \$6,335, respectively, after factoring in actual losses paid to June 30. The estimates provided by the actuaries are based on the historical data of the program blended together with relevant insurance industry loss development statistics. See Note 17 for further information regarding policies and coverage.

Movement in the provision for outstanding losses is summarized as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 139,478	\$ 131,767
Less: outstanding losses recoverable	<u>(6,335)</u>	<u>(6,815)</u>
	<u>\$ 133,143</u>	<u>\$ 124,952</u>
Incurred, net of reinsurance		
Current year	\$ 30,612	\$ 30,448
Prior years	<u>(8,475)</u>	<u>(16,712)</u>
	<u>\$ 22,137</u>	<u>\$ 13,736</u>
Paid, net of reinsurance, related to		
Current year	\$ 858	\$ (590)
Prior years	<u>(7,229)</u>	<u>(4,955)</u>
	<u>\$ (6,371)</u>	<u>\$ (5,545)</u>
Net balance at year end	\$ 148,909	\$ 133,143
Add: outstanding losses recoverable	<u>6,951</u>	<u>6,335</u>
Balance at end of year	\$ 155,860	\$ 139,478
Less: current portion	<u>(7,377)</u>	<u>(6,889)</u>
Provision for outstanding losses, long term	<u>\$ 148,483</u>	<u>\$ 132,589</u>

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Consistent with most companies with similar insurance operations, GIC's provision for outstanding losses is ultimately based on management's reasonable expectations of future events. In the opinion of GIC management, the provision for outstanding losses relating to losses reported and losses incurred but not reported at the consolidated balance sheet dates is adequate to cover the expected ultimate liability of GIC. It is reasonably possible that the expectations associated with these amounts could change in the near term (i.e., within one year) and that the effect of such changes could be material to the consolidated financial statements.

GIC's long-term estimated provision for outstanding losses exceeds GIC's retention limits by \$6,951 and \$6,335 for the years ended June 30, 2024 and 2023, respectively, and are recorded as reinsurance receivable in the accompanying consolidated balance sheets. GIC's current reinsurance receivable is \$760 and \$1,030 as of the years ending June 30, 2024 and 2023, respectively, and are recorded as other amounts receivable, net in the accompanying consolidated balance sheets.

In the event that GIC's reinsurers are unable to meet their obligations under the reinsurance agreements, GIC would still be liable to pay all losses under the insurance policies it issues but would only receive reimbursement to the extent the reinsurers could meet their above-mentioned obligations. GIC believes that all amounts included in reinsurance balances receivable and recoverable in the accompanying consolidated balance sheets will be collected in full from the reinsurers.

**Note 11. Long-Term Debt**

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

	<u>2024</u>	<u>2023</u>
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2006; interest rate 5.69%; due July 1, 2036	\$ 22,855	\$ 24,020
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2007 B and C (converted); interest rate 1.48%; due July 1, 2024	3,800	7,470
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2016A; interest rate ranging from 3.50% to 5.00%; due July 1, 2042	135,250	135,250
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2016C; variable interest rate (4.99% at June 30, 2024); due July 1, 2042, subject to mandatory redemption on July 1, 2032	53,645	55,795
MHHEFA Revenue Bonds, Stella Maris Issue, Series 2018; variable interest rate (3.3% at June 30, 2024); due 2050	16,410	16,745
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2021; fixed interest rate 1.65%; due July 1, 2031	43,100	44,780
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2022A; fixed interest rate 2.84%; due July 1, 2031	41,865	45,200
MHHEFA Revenue Bonds, Mercy Medical Center Issue, Series 2022B; variable interest rate (5.11% at June 30, 2024); due July 1, 2031	35,335	35,335
HUD mortgage loan; interest rate 2.64%; due 2046	3,885	4,017
Other	-	38
Total long-term debt	<u>356,145</u>	<u>368,650</u>

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Add: Net unamortized premium	5,518	5,845
Less: Net unamortized debt issuance costs	(2,503)	(2,313)
Current portion	<u>(12,935)</u>	<u>(12,508)</u>
Long -term portion	<u>\$ 346,225</u>	<u>\$ 359,674</u>

Principal payments on long-term debt are as follows for the years ending June 30:

2025	\$ 12,935
2026	13,419
2027	13,823
2028	14,232
2029	14,580
Thereafter	<u>287,156</u>
	<u>\$ 356,040</u>

Pursuant to an amended and restated Master Loan Agreement, as supplemented (the Loan Agreement), the Obligated Group members have issued debt through Maryland Health and Higher Educational Facilities Authority (MHHEFA). Currently the Medical Center, MHS and MHF comprise the Obligated Group for Mercy Medical Center issues. Each Obligated Group member is jointly and severally liable for the repayments under the obligations of the Loan Agreement. As security for the performance of the obligations of the Obligated Group members under the Loan Agreement, the Obligated Group members have granted to MHHEFA a security interest in their receipts, subject to certain permitted encumbrances. In addition, the Medical Center has mortgaged to MHHEFA certain real and personal property of the Medical Center. The Loan Agreement contains certain restrictive, financial and nonfinancial covenants. Under the terms of the Loan Agreement and other loan agreements, certain funds are required to be maintained on deposit with the trustee or MHHEFA to provide for repayment of the obligations of the Obligated Group (see Note 6).

Under the provisions of the Series 2018 Bonds agreement, SMI is the obligated party and has granted to MHHEFA a security interest in all of its real property and the assignment of its leases. In addition, payments on the Series 2018 Bonds are secured by an irrevocable letter of credit provided by a commercial bank.

SMI is required to maintain certain deposits with a trustee and satisfy certain measures of financial performance as long as the Series 2018 Bonds are outstanding. As of June 30, 2024 and 2023, management believes SMI was in compliance with the financial covenant requirements of the bond indenture.

***Mercy Medical Center Issue, Series 2006 Bonds***

In August 2006, MHHEFA authorized the issuance, sale and delivery of the \$35,000 Mercy Medical Center Series 2006 Revenue Bonds. The proceeds were loaned by MHHEFA to MMC to finance the construction of a new parking garage as well as the financing of certain routine capital expenditures.

Principal repayment of these bonds began on July 1, 2009 and is paid annually through July 1, 2036. Interest is paid semiannually on January 1 and July 1. Interest accrues at a fixed rate of 5.69%. The bonds are currently callable at par (100%).

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***Mercy Medical Center Issue, Series 2007B and C (Converted)***

In October 2007, MHHEFA authorized the issuance, sale and delivery of its \$100,000 Revenue Bonds, Mercy Medical Center Issue, Series 2007B and C, the proceeds of which were loaned by MHHEFA to MMC to finance the construction of a replacement hospital facility. On April 1, 2010, \$18,080 of the \$50,000 Series 2007B and \$11,920 of the \$50,000 Series 2007C Bonds were converted to Bank Qualified Revenue Bonds with a fixed interest rate, terminating July 1, 2024. Principal repayment of the converted bonds began July 1, 2012 and subsequent to year end were paid in full. Interest accrues at a fixed rate of 1.48%. The monthly interest payments on the Series 2007B and C Bonds are made directly to the bank.

The portion of the Series 2007B and C bonds that were not converted to Bank Qualified Bonds were refinanced with other MHHEFA Revenue bonds.

***Mercy Medical Center Issue, Series 2016A***

In March 2016, MHHEFA authorized the issuance, sale and delivery of its \$135,250 Revenue Bonds, Mercy Medical Center Issue, Series 2016A. The proceeds were loaned by MHHEFA to MMC to advance refund \$145,880 aggregate principal amount and \$11,452 aggregate interest due until July 1, 2017 of the MMC Issue, Series 2007A Bonds. As of June 30, 2016, the 2007A bonds were defeased and on July 1, 2017 the Series 2007A Bonds were fully refunded.

Principal repayment of the Series 2016A begins on July 1, 2032 and is scheduled to be paid annually through July 1, 2042. Interest accrues at a fixed rate ranging from 3.5% to 5.0%. The Series 2016A bonds were issued net of an original issue premium of \$9,327, which is being amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

***Mercy Medical Center Issue Series 2016C***

In May 2016, MHHEFA authorized the issuance, sale and delivery of its \$65,450 Revenue Bonds, Mercy Medical Center, Series 2016C. The proceeds were loaned by MHHEFA to MMC to refund the \$65,290 Series 2013 and Series 2013B bonds then outstanding. The Series 2016C bonds were issued as a non-bank qualified revenue bonds and directly purchased by a commercial bank. The direct bank purchase terminates on July 1, 2032, at which time the Series 2016C bonds will be subject to a mandatory purchase at their par value by MMC unless the bank and MMC agree to an extension. The Series 2016C bonds bear interest at a variable rate of 80% SOFR plus 0.73%. Annual principal repayment of Series 2016C bonds began on July 1, 2016 with maturity on July 1, 2042, with interest being paid monthly.

***Stella Maris Issue, Series 2018 Bonds***

In December 2018, MHHEFA authorized the issuance, sale and delivery of its \$21,000 Revenue Bonds, Stella Maris issue. The proceeds were loaned to SMI to refund Series 1997 Bonds and to partially finance the construction of a Transitional Care Center in Stella Maris. Principal repayment of these bonds began on July 1, 2019 and is scheduled to be paid annually through July 1, 2050. All Series 2018 Bonds are subject to redemption prior to maturity. Interest accrues at a variable rate based on SIFMA. Interest on the bonds is payable monthly. An annual letter of credit fee, equal to 0.73% of the letter of credit amount, is payable quarterly by SMI. The letter of credit expires December 19, 2028.

***Mercy Medical Center Issue, Series 2021 Bonds***

In April 2021, MHHEFA authorized the issuance, sale and delivery of its \$46,680 Revenue Bonds, Mercy Medical Issue, Series 2021 Bonds. The proceeds were loaned by MHHEFA to MMC to refund Series 2011 Bonds and to finance new equipment purchases for Mercy Medical Center. Principal repayment of these bonds began on July 1, 2021 and is scheduled to be paid annually through July 1, 2031. Interest accrues at a fixed rate based of 1.65%, payable monthly.

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***Mercy Medical Center Issue, Series 2022A***

In June 2022, MHHEFA authorized the issuance, sale and delivery of its \$45,200 Revenue Bonds, Mercy Medical Issue, Series 2022A Bonds. The proceeds were loaned by MHHEFA to MMC to refund Series 2012 Bonds for Mercy Medical Center. Principal repayment of these bonds begins on July 1, 2023 and is scheduled to be paid annually through July 1, 2031. Interest accrues at a fixed rate based of 2.84%, payable monthly.

***Mercy Medical Center Issue, Series 2022B***

In June 2022, MHHEFA authorized the issuance, sale and delivery of its \$35,335 Revenue Bonds, Mercy Medical Issue, Series 2022B Bonds. The proceeds were loaned by MHHEFA to MMC to refund Series 2016B Bonds for Mercy Medical Center. Principal repayment of these bonds begins on July 1, 2032 and is scheduled to be paid annually through July 1, 2037. The Series 2022B bonds interest accrues at a variable rate equal to 0.79% of the one month secured overnight financing rate plus the applicable spread of 0.92%, payable monthly.

***HUD Mortgage Loan***

The mortgage loan from the U.S. Department of Housing and Urban Development (HUD) was used by CSC to construct St. Elizabeth Hall. This original note was refinanced during the year ended June 30, 2013. The current note reflects an interest rate of 2.64% per annum with monthly installments of \$20, including interest, with the final payment due January 1, 2046 and requires mortgage insurance of 0.45% of the average annual outstanding principal balance. The note also requires a debt service savings and property replacement reserve fund. The liability of CSC under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

***Lines of Credit***

The Medical Center has a \$50,000 operating line of credit with a commercial bank. At June 30, 2024 and 2023, the operating line of credit had \$0 outstanding. As of June 30, 2024 and 2023, the interest rate on the outstanding line of credit draw was 7.08% and 6.84%, respectively, and is based on one-month SOFR plus 1.75%. This line of credit agreement is scheduled to remain in effect until all obligations, including other debt held by the bank, are paid in full or terminated by the bank.

***Interest Rate Swaps***

MHS' primary objective for holding derivative financial instruments is to manage interest rate risk. MHS does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes. The derivative financial instruments are recorded at fair value based upon information supplied by the counterparty as described in Note 12.

On December 1, 2004, the Medical Center entered into a fixed spread basis swap. The fixed spread basis swap matures on December 1, 2024 and the exchanges of cash flows with the counter party began March 1, 2005. The notional amount of the swap is \$50,000. Pursuant to the swap agreement, the Medical Center pays the counter party a variable rate equal to the USD-SIFMA Municipal Swap Index and receives interest at a variable rate equal to the sum of SIFMA plus 0.85%.

Simultaneously, with the issuance of the Series 2006 bonds, MMC entered into an interest rate swap agreement, which was amended in November 2014, with a counter party with a notional amount of \$35,000 to convert the fixed rate structure to a variable rate. Under this amended agreement, MMC will receive a fixed interest rate of 5.69% and pay to the counter party the USD-SIFMA Municipal Swap Index plus 0.80%. The interest rate swap agreement matures on April 1, 2023. Additionally, under this amended agreement, MMC will continue to receive a fixed interest rate of 5.69% and now pay to the counter party the USD-SIFMA Municipal Swap Index plus 0.836%. The interest rate swap does not qualify for hedge accounting under generally accepted accounting principles.

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The fair value of this contract is based on two components: (i) the accrued but unpaid periodic cash flows and (ii) the termination value as defined in the agreement. By definition, the termination value is equal to the bond amount multiplied by the difference between highest price in the marketplace and the bonds base price (100%) and the call price would be the highest price in the marketplace on the valuation date. This is due to the fact that MHS would be economically inclined to call the bonds at par versus paying any termination payment on the swap and the bonds are carried on MHS' books at par. With MHS prepared to call the bonds at par, the market price should immediately converge on the call price. Additionally, MHS has the right to optionally terminate the contract. The counter party does not have the right to optionally terminate the agreement. The counter party can only terminate the agreement prior to its stated maturity if an event of default or an additional termination event exists.

During October 2007, MMC entered into a fixed payer swap with a notional amount of \$65,000, which was amended in July 2014. Pursuant to the amended swap agreement, MMC pays the counter party a fixed rate of 3.459% and receives a variable rate equal to 70% of SOFR plus 0.08%.

MHS recognizes gains and losses from changes in fair values of interest rate swap agreements as non-operating revenue or expense within net other income in the accompanying consolidated statement of operations. The net cash paid or received under the swap agreements is recognized as an adjustment to interest expense. No termination payments would be required if the swap agreements are held to maturity.

Entering into interest rate swap agreements involves, to varying degrees, elements of credit, default, prepayment, market and documentation risk. Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates. The notional amounts of the swap agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable amount, if any, which may be generated as a result of the swap agreements. Management believes that losses related to credit risk are remote.

At June 30, 2024 and 2023, the fair value of the interest rate swap liability was \$(4,286) and \$(6,529), respectively. An unrealized gain on interest rate swaps totaling \$2,243 and \$4,872 is reflected in the accompanying consolidated statements of operations for the fiscal years ended June 30, 2024 and 2023, respectively.

## **Note 12. Fair Value of Financial Instruments**

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

Cash and cash equivalents, patient accounts receivable, other amounts receivable, accounts payable and accrued expenses due to third-party payers and construction retainage: The carrying amounts reported in the consolidated balance sheets approximate fair value.

Short-term investments, funds held by trustee and assets limited as to use and donor restricted investments: Fair values, which are the amounts reported in the consolidated balance sheets, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Pooled separate accounts: NAV units, as determined by the custodian, are used to estimate fair value since quoted prices in active markets for identical assets are not available. These prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

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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 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. The three levels of inputs that may be used to measure fair value are:

- Level 1** Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.
- 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 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities, corporate-debt securities, and alternative investments.
- 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. This category generally includes certain private debt and equity instruments and alternative investments.

The following discussion describes the valuation methodologies used for financial assets and liabilities 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 the business, value, or financial position of MHS based on the fair value information of financial assets and liabilities presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset or liability, 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 or liability. 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 or liability. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

MHS uses techniques consistent with the market approach for measuring fair value of its Level 2 and Level 3 assets and liabilities. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Fair values of equity securities and fixed maturity securities have been determined by MHS 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. Cash equivalents comprise short-term fixed maturity securities and carrying amounts approximate fair values, which have been determined from public quotations, when available. Money markets and certificates of deposit comprise short-term fixed maturity securities. The carrying amounts approximate fair values, which have been determined from public quotations, when available.



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MHS holds alternative investments that are not traded on national exchanges or over-the-counter markets. MHS is provided information on net asset value per share as a practical expedient for these investments calculated by the funds of funds' managers (who are investment advisors registered with the Securities and Exchange Commission) based on information provided by the managers of underlying funds.

Fair value of the interest rate swaps represents, or are derived from, mid-market values. Mid-market prices and inputs may not be observable, and instead valuations may be derived from proprietary or other pricing models based on certain assumptions regarding past, present and future market conditions. Some inputs may be theoretical, not empirical, and require subjective assumptions and judgments. Valuations may be based on assumptions as to the volatility of the underlying security, basket or index, interest rates, exchange rates, dividend yields, correlations between these or other factors, the impact of these factors upon the value of the security (including any embedded options), as well as issuer funding rates and credit spreads (actual or approximated) or additional relevant factors.

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

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The following table presents the fair value hierarchy for financial instruments reported by MHS measured at fair value on a recurring basis as of June 30, 2024.

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
<b>Board designated and donor restricted investments:</b>				
Cash equivalents	\$ 22,191	\$ -	\$ -	\$ 22,191
Equity securities				
Mutual funds				
International emerging markets	45,194	-	-	45,194
Domestic mutual fund-equity income	59,774	-	-	59,774
Common stocks				
Consumer discretionary	11,915	81	-	11,996
Consumer staples	9,267	566	-	9,833
Energy	7,343	272	-	7,615
Financials	19,188	108	-	19,296
Real estate	2,245	-	-	2,245
Health care	11,573	-	-	11,573
Industrials	13,836	-	-	13,836
Information technology	31,872	-	-	31,872
Materials	3,676	42	-	3,718
Miscellaneous	1,226	178	-	1,404
Foreign stocks/American deposit receipt	93	6,437	-	6,530
Fixed maturity				
U.S. Government and agencies				
U.S. Treasury bonds	18,569	-	-	18,569
Government agency bonds	-	10,646	-	10,646
Corporate bonds				
Asset backed securities	-	2,161	-	2,161
Financial	-	2,748	-	2,748
Industrial	-	6,055	-	6,055
Other	-	11,061	-	11,061
Mutual bond funds	18,045	-	-	18,045
Municipal bonds	-	800	-	800
Total assets in the fair value hierarchy	<u>\$ 276,007</u>	<u>\$ 41,155</u>	<u>\$ -</u>	317,162
Investments measured at NAV <sup>(a)</sup>				<u>34,128</u>
Total Assets limited as to use				<u>\$ 351,290</u>
<b>Assets held for self-insurance:</b>				
Exchange traded funds	\$ 35,540	\$ -	\$ -	\$ 35,540
High Income Fund	-	6,981	-	6,981
Equity mutual fund	-	7,313	-	7,313
U.S. treasury securities	51,612	-	-	51,612
Corporate bonds	-	21,149	-	21,149
Mortgage-backed securities	-	1,969	-	1,969
Asset backed securities	-	49,348	-	49,348
Total assets held for self-insurance	<u>\$ 87,152</u>	<u>\$ 86,760</u>	<u>\$ -</u>	<u>\$ 173,912</u>
<b>Short-term investments</b>				
Cash equivalents	\$ -	\$ 1,815	\$ -	\$ 1,815
Total short-term investments	<u>\$ -</u>	<u>\$ 1,815</u>	<u>\$ -</u>	<u>\$ 1,815</u>

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<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Fair Value</b>
<b>Funds held by trustee (current)</b>				
Money market	\$ 5,551	\$ -	\$ -	\$ 5,551
<b>Funds held by trustee (non-current)</b>				
Cash equivalents	<u>1,914</u>	<u>-</u>	<u>-</u>	<u>1,914</u>
Total assets in the fair value hierarchy	<u>\$ 370,624</u>	<u>\$ 129,730</u>	<u>\$ -</u>	500,354
Investments measured at NAV (a)				<u>34,128</u>
Total investments at fair value				<u>\$ 534,482</u>
				<b>Total Fair</b>
<b>Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Value</b>
Interest rate swaps	\$ -	\$ 4,286	\$ -	\$ 4,286
Total liabilities at fair value	\$ -	\$ 4,286	\$ -	\$ 4,286

<sup>(a)</sup> *In accordance with current accounting standards, certain investments that were measured at NAV 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 balance sheets.*

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The following table presents the fair value hierarchy for financial instruments reported by MHS measured at fair value on a recurring basis as of June 30, 2023.

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
<b>Board designated and donor restricted investments:</b>				
Cash equivalents	\$ 40,546	\$ -	\$ -	\$ 40,546
Equity securities				
Mutual funds				
International emerging markets	55,607	-	-	55,607
Domestic mutual fund-equity income	31,077	-	-	31,077
Common stocks				
Consumer discretionary	10,500	-	-	10,500
Consumer staples	9,351	-	-	9,351
Energy	4,719	-	-	4,719
Financials	14,531	-	-	14,531
Real estate	3,737	-	-	3,737
Health care	12,984	-	-	12,984
Industrials	13,926	-	-	13,926
Information technology	25,839	-	-	25,839
Materials	4,046	-	-	4,046
Miscellaneous	959	-	-	959
Foreign stocks/American deposit receipt	-	6,385	-	6,385
Fixed maturity				
U.S. Government and agencies				
U.S. Treasury bonds	10,886	-	-	10,886
Government agency bonds	-	8,728	-	8,728
Corporate bonds				
Asset backed securities	-	982	-	982
Financial	-	2,647	-	2,647
Industrial	-	4,189	-	4,189
Other	-	6,656	-	6,656
Mutual bond funds	14,267	-	-	14,267
Municipal bonds	-	815	-	815
Total assets in the fair value hierarchy	<u>\$ 252,975</u>	<u>\$ 30,402</u>	<u>\$ -</u>	283,377
Investments measured at NAV <sup>(a)</sup>				<u>35,556</u>
Total Assets limited as to use				<u>\$ 318,933</u>

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
<b>Assets held for self-insurance:</b>				
Exchange traded funds	\$ 30,914	\$ -	\$ -	\$ 30,914
Equity mutual fund	-	6,238	-	6,238
U.S. treasury securities	46,817	-	-	46,817
Corporate bonds	-	16,990	-	16,990
Mortgage-backed securities	-	1,338	-	1,338
Asset backed securities	-	42,894	-	42,894
Total assets held for self-insurance	<u>\$ 77,731</u>	<u>\$ 67,460</u>	<u>\$ -</u>	<u>\$ 145,191</u>

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<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
<b>Short-term investments</b>				
Cash equivalents	\$ -	\$ 1,778	\$ -	\$ 1,778
Total short-term investments	<u>\$ -</u>	<u>\$ 1,778</u>	<u>\$ -</u>	<u>\$ 1,778</u>
<b>Funds held by trustee (current)</b>				
Money market	\$ 13,427	\$ -	\$ -	\$ 13,427
<b>Funds held by trustee (non-current)</b>				
Cash equivalents	1,601	-	-	1,601
Total assets in the fair value hierarchy	<u>\$ 345,734</u>	<u>\$ 99,640</u>	<u>\$ -</u>	445,374
Investments measured at NAV (a)				<u>35,556</u>
Total investments at fair value				<u>\$ 480,930</u>
<u>Liabilities</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Interest rate swaps	\$ -	\$ 6,529	\$ -	\$ 6,529
Total liabilities at fair value	\$ -	\$ 6,529	\$ -	\$ 6,529

(a) *In accordance with current accounting standards, certain investments that were measured at NAV 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 balance sheets.*

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of June 30, 2024 and 2023.

	<u>Fair Value at June 30, 2024</u>	<u>Fair Value at June 30, 2023</u>	<u>Unfunded Commitments</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
Multi-Strategy Fund <sup>(1)</sup>	\$ 9,126	\$ 8,395	None	None	65 days
Stepstone Opportunities <sup>(2)</sup>	9,392	13,498	3,823	None	None
Other	15,610	13,663	5,145	-	-
	<u>\$ 34,128</u>	<u>\$ 35,556</u>			

(1) The multi-strategy fund is event-driven with a focus on opportunities to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values. The fund also invests in a long/short equities portfolio of securities that can be readily valued and trade at a discount or premium to the fair value of the underlying assets. The fund permits semiannual redemption subject to 65 days advance written notice.

(2) The fund's objective is to seek long-term capital appreciation by investing primarily by making, holding, and disposing of privately negotiated equity and equity-related investments principally in a diversified group of operating companies.

### **Note 13. Defined Contribution and Profit-Sharing Plans**

MHS had a qualified 401(k) plan covering substantially all employees of the Medical Center and SMI who have completed at least one year of service and are at least twenty-one years of age. MHS made an annual contribution on behalf of all eligible employees based on either the employee's contributions to the 401(k) plan or their annual compensation. MHS had matched, on a dollar-for-dollar basis (based on age and years of service thresholds) the amount contributed by the employee, not to exceed 6% of the employee's salary. MHS' contributions to the 401(k) plan for all participants employed prior to April 1, 1997 for Medical Center employees or July 1, 1997 for SMI employees, vested at a rate of 25% annually and completely vested on April 1, 2001 for Medical Center employees and July 1, 2001 for SMI employees. MHS' contributions for all participants employed on or after April 1, 1997 for Medical Center employees or July 1, 1997 for SMI employees vested after four years of service, with no vesting prior to four years of service. Effective January 1, 2018, Mercy made the following changes to the 401(k) plan: The age and service requirement used to calculate Mercy's match will be made at the beginning of each calendar quarter (as opposed to January 1). Additionally, the vesting schedule was changed to a 3-year cliff as described below. There is no age limit for participation in the plans which occurred retroactive to January 1, 2016.

Effective January 1, 2019, the plan was frozen and all contributions for MHS subsequent to this date are being directed to the 403(b) Plan. MHS has a qualified 403(b) plan covering substantially all employees of Mercy Medical Center and SMI. Eligibility for the employer match begins after the completion of one year of service. MHS makes a quarterly contribution on behalf of all eligible employees based on the employee's contributions into the 403(b). MHS matches up to 50% of an employee's contribution not to exceed 6% of the employee's salary. The MHS match increases based on age and years of services threshold up to 100% of the amount contributed by the employee not to exceed 6% of the employee's salary. Maryland Family Care (MFC) employees are matched up to 50% of their contribution not to exceed 6% of the employee's salary and their match does not increase with age and years of service. MHS' contributions into the 403(b) for all participants are vested after three years of service, with no vesting prior to three years of service. By December 31, 2021, generally all participants who had existing 401(k) Plan employer matching contribution accounts who were still employed by Mercy were fully vested.

Effective April 1, 2022, the 401(k) Plan was merged into the 403(b) Plan, with the 403(b) Plan being the surviving plan. Additionally, effective January 1, 2023, eligibility for the match will begin after the completion of six (6) months of service. Lastly, effective July 1, 2023, Mercy Health Services will transition from a revenue sharing administrative fee structure to a transparent administrative fee structure for all qualified and non-qualified retirement plans.

Contributions under these plans totaled \$7,742 and \$6,848 for the years ended June 30, 2024 and 2023, respectively.

### **Note 14. Post-Retirement Benefit Plan**

MMC has an unfunded contributory health and medical post-retirement benefit plan available to all eligible employees who meet certain age and length of service requirements as defined by the plan. The plan provides for health and medical benefits including primary care physician and specialist visits, hospitalization and emergency care, prescription drugs, vision care and Medicare supplemental coverage.

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The following table sets forth the components of the MHS obligation at June 30:

	<u>2024</u>	<u>2023</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 6,107	\$ 7,239
Service cost	25	35
Interest cost	291	312
Actuarial gain and assumption changes	(104)	(993)
Employer portion of benefits paid	<u>(441)</u>	<u>(486)</u>
Benefit obligation at end of year	<u>5,878</u>	<u>6,107</u>
Change in plan assets		
Employer contribution	441	486
Benefits paid	<u>(441)</u>	<u>(486)</u>
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Unfunded status	<u>(5,878)</u>	<u>(6,107)</u>
Accrued post-retirement benefit cost	(5,878)	(6,107)
Less current portion included in accounts payable and accrued expenses	<u>344</u>	<u>328</u>
Total accrued post-retirement benefit cost, long-term portion	<u>\$ (5,534)</u>	<u>\$ (5,779)</u>

Net periodic post-retirement benefit cost included the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Service cost - benefits attributed to service during the period	\$ 25	\$ 35
Interest cost on accumulated post-retirement benefit obligation	291	312
Net amortization	<u>(131)</u>	<u>-</u>
Net post-retirement benefit cost	<u>\$ 185</u>	<u>\$ 347</u>

Amounts not yet recognized as a component of net periodic pension cost include net actuarial gain of \$1,418 and \$1,445 as of June 30, 2024 and 2023, respectively. Estimated amortization of the net loss of \$186 is expected to be recognized in benefit expenses in the next fiscal year.

The weighted average discount rate used in determining the accumulated post-retirement benefit obligation (APBO) for the plan was 5.30% and 4.90% for the years ended June 30, 2024 and 2023, respectively. For measurement purposes, the health care cost trend rates used in determining the APBO for the plan were 7.5% in 2024 and 2023.

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The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	<u>Benefit Payments</u>
2025	\$ 344
2026	\$ 365
2027	\$ 382
2028	\$ 394
2029	\$ 398
20230-2034	\$ 2,033

**Note 15. Retirement Annuity Plan**

MMC had a pension plan that was terminated on April 1, 1997 and established a retirement annuity plan under which certain participants of the terminated plan were entitled to annuity payments. Participants in the plan include (a) the retirees and beneficiaries entitled to benefits from the terminated plan on April 1, 1997 and (b) other participants with benefits worth more than \$4 that elected an annuity. All benefits are vested and based on the frozen accrued benefits at April 1, 1997.

The measurement dates for fiscal years 2024 and 2023 were June 30, 2024 and June 30, 2023, respectively. The following table sets forth the funded status of the retirement annuity plan and amounts recognized in accompanying consolidated financial statements as of and for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 2,494	\$ 3,097
Interest cost	108	100
Actuarial gain	(3)	(225)
Benefits paid	<u>(435)</u>	<u>(478)</u>
Benefit obligation at end of year	2,164	2,494
Change in plan assets		
Fair value of plan assets at beginning of year	581	1,046
Actuarial return on plan assets	13	13
Employer contribution	1,000	-
Benefits paid	<u>(435)</u>	<u>(478)</u>
Fair value of plan assets at end of year	<u>1,159</u>	<u>581</u>
Unfunded status/accrued benefit cost (Note 23)	<u>\$ (1,005)</u>	<u>\$ (1,913)</u>
Net periodic pension cost		
Interest cost	\$ 108	\$ 100
Expected return on plan assets	(38)	(68)
Amortization net (gain) loss	<u>113</u>	<u>111</u>
Net periodic pension cost	<u>\$ 183</u>	<u>\$ 143</u>



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Amounts not yet recognized as a component of net periodic pension cost include net actuarial loss of \$963 and \$1,054 as of June 30, 2024 and 2023, respectively. There is no estimated amortization of the net loss expected to be recognized in net periodic pension costs in the next fiscal year. There is no minimum projected required contribution for the period ending June 30, 2025.

The discount rate to estimate the benefit obligation as of June 30, 2024 and 2023 was 5.25% and 4.75%, respectively. The expected rate of return on plan assets to estimate the benefit obligation was 6.5% for 2024 and 2023.

The weighted-average asset allocations in the plan as of June 30, 2024 and 2023, by asset category were as follows:

Asset Category	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	100%	100%
Total	<u>100%</u>	<u>100%</u>

The fair values of plan assets on a recurring basis as of June 30, 2024 by asset category are as follows:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Cash equivalents	\$ 1,159	\$ -	\$ -	\$ 1,159
Total assets fair value	<u>\$ 1,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,159</u>

The fair values of plan assets on a recurring basis as of June 30, 2023 by asset category are as follows:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Cash equivalents	\$ 581	\$ -	\$ -	\$ 581
Total assets fair value	<u>\$ 581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 581</u>

There were no significant transfers between levels for the years ended June 30, 2024 and 2023.

The following benefit payments are expected to be paid for the following years ending June 30:

	<u>Benefit Payments</u>
2025	\$ 391
2026	\$ 350
2027	\$ 311
2028	\$ 273
2029	\$ 237
Next 5 years	\$ 756

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**Note 16. Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following health care services and endowment funds at June 30:

	<u>2024</u>	<u>2023</u>
Mercy Forever campaign	\$ 29,307	\$ 25,866
Departmental expenses	10,363	9,988
Other	3,792	4,064
Pastoral care	4,516	4,516
Capital improvements	2,669	2,657
Research programs	2,570	2,193
Indigent care	1,257	806
SMI hospice endowment	1,055	1,055
Weinberg endowment	1,000	1,000
Education programs	743	739
Dr. Goodman endowment	123	123
	<u>\$ 57,395</u>	<u>\$ 53,007</u>

The Mercy Forever campaign net assets are restricted for the purpose of sustaining and advancing Mercy's innovating programs and patient centered services in perpetuity. Including but not limited to, community health programs, technology, education, barriers to health equity, and programs enhancing the care of our aging population.

**Note 17. Commitments and Contingent Liabilities**

***Litigation***

MHS has outstanding litigation involving claims brought against it in the normal course of business. 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, MHS receives inquiries, request for information regarding clinical procedures, licensing, taxes, billing or medical record documentation matters from various State and Federal agencies. MHS responds to such requests and provides any detailed information requested. Attorneys for MHS are representing MHS in all of the above matters. Management is currently unable to estimate, with reasonable certainty, the possible loss, or range of loss, if any, for such lawsuits and investigations. MHS is also subject to asserted and unasserted claims (in addition to litigation) encountered in the ordinary course of business. 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 a material adverse effect on the future financial position, results of operations and liquidity of MHS.

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**Self-Insurance Programs**

As discussed in Notes 1 and 10, GIC provides general and professional liability coverage to MHS and its subsidiaries. GIC's policies provide primary and certain excess liability coverage. GIC retains the risk related to the primary policy and reinsures the whole of the excess policies. While insurance policy limits vary by year, management believes the amounts are appropriate.

GIC's primary coverage limits for the years ended June 30 are:

	<u>2024</u>	<u>2023</u>
Healthcare Professional Liability (HPL) and Managed Care Organization Liability (MCO)	\$9,000 per related loss event \$42,000 aggregate	\$9,000 per related loss event \$42,000 aggregate
Commercial General Liability (CGL)	\$9,000 per occurrence \$42,000 aggregate	\$9,000 per occurrence \$42,000 aggregate

GIC's primary coverage for HPL is \$9,000 per loss event. GIC provides excess coverage for HPL and MCO in the aggregate amount of \$75,000 in excess of \$9,000 for related loss events and in excess of \$42,000 for fiscal years 2024 and 2023. GIC provides excess coverage for CGL in the aggregate amount of \$75,000 in excess of \$9,000 per occurrence and in excess of \$42,000 aggregate for fiscal years 2024 and 2023. All excess coverage is reinsured by commercial insurance companies.

In management's opinion, the assets of GIC are sufficient to meet its obligations as of June 30, 2024. If the financial condition of GIC were to materially deteriorate in the future, and GIC were unable to pay its claim obligations, the responsibility to pay those claims would return to MHS.

MHS and certain of its subsidiaries are self-insured against employee medical claims. Plan expenses include claims incurred and provisions for unreported claims. However, the program has an annual aggregate stop loss provision per employee.

MHS and certain of its subsidiaries are self-insured in the State of Maryland for the use and benefit of all employees of MHS for worker's compensation. The State of Maryland requires any self-insured employer to provide a workers' compensation surety bond issued by a corporate surety company that meets the State's financial rating under A.M. Best. MHS has had a surety bond in place since 1997 currently written by Fidelity and Deposit Company of Maryland in the amount of \$2,800. All past, present, existing and potential liability under this bond shall remain in effect and to the benefit of the State of Maryland.

MHS and certain of its subsidiaries are self-insured against unemployment claims and have surety bonds of \$1,725 for the Medical Center and \$382 for SMI. The amounts change each October 1 as dictated by the Maryland Department of Licensing and Regulation.

**Note 18. Maryland Health Services Cost Review Commission**

The Medical Center's charges are subject to review and approval by the State of Maryland Health Services Cost Review Commission (HSCRC). Management has made the required filings with the Commission and believes the Medical Center to be in compliance with the Commission's requirements. The Commission has jurisdiction over hospital reimbursement in Maryland by agreement with the Centers for Medicare and Medicaid Services. This agreement is based on a waiver from the Medicare Prospective Payment System reimbursement principles granted under Section 1814(b) of the Social Security Act. On January 1, 2014, Maryland's All-Payer Hospital System Modernization was approved by CMS. This was a new global budget arrangement which set a fixed revenue amount for the upcoming year, without fluctuation due to utilization or case mix. This was a five-year demonstration where Maryland successfully made significant progress toward reducing costs inside and outside of the hospital as well

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as improving patient care. Beginning January 2019, the new "Total Cost of Care Model" (the Model) was approved and builds upon the successes of the All-Payer 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 Commission established an uncompensated care fund whereby all hospitals are required to contribute 0.75% of revenues to this fund to help provide for the cost associated with uncompensated care for certain Maryland hospitals above the State average. In December 2008, the Commission modified this mechanism to finance uncompensated care statewide. The policy implemented 100% pooling and all Maryland hospitals have the same percentage of uncompensated care in rates. High uncompensated care hospitals receive funds and low uncompensated care hospitals pay into the fund. The Medical Center had net payments of \$748 for 2024 and receipts of \$1,835 for 2023, related to its participation in the uncompensated care fund mechanism.

The Commission's rate-setting methodology for service centers that provide both inpatient and outpatient services or only outpatient services consist of establishing an acceptable unit rate for these centers within the applicable facility. The actual average unit charge for each service center is compared to the approved rate on a monthly basis. The rate variances, plus penalties where applicable, are applied to decrease (in the case of overcharges) or increase (in the case of undercharges) future approved rates on an annual basis. The timing of the Commission's rate adjustments for the Medical Center could result in an increase or reduction due to the variances and penalties described above in a year subsequent to the year in which such items occur. MHS' policy is to accrue revenue based on actual charges for services to patients in the year in which the services are performed and billed.

Under the global budget arrangement established by the HSCRC, the Medical Center is required to modify revenue rates based on regulated patient volume. The Medical Center volumes and set HSCRC rates created a minor Global Budget undercharge of \$966 and \$1,400, for fiscal years 2024 and 2023, respectively.

The U.S. Federal Housing Administration (FHA) has contracted with CSC under Section 8 of Title II of the Housing and Community Development Act of 1974 to make housing assistance payments to CSC on behalf of certified tenants. For fiscal years 2024 and 2023, the maximum contract commitment was \$1,608 and \$1,440 per year, respectively. During the years ended June 30, 2024 and 2023, CSC received housing assistance payments of \$1,097 and \$1,130, respectively, which are included in patient service revenue in the accompanying consolidated statements of operations. The contract automatically renews each year on April 1 with an expiration date of March 31, 2033, subject to renewal at that time.

## **Note 19. Functional Expenses**

MHS and its subsidiaries provide general health care services to patients within what they consider their geographic service areas. Expenses related to providing these services, based on management's estimates of expense allocations, are as follows for the years ended June 30:

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	<b>2024</b>			<b>Total</b>
	<b>Healthcare Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	
Salaries and benefits	\$ 492,172	\$ 41,929	\$ 1,971	\$ 536,072
Supplies	203,506	6,041	138	209,685
Other purchased services	44,514	20,355	451	65,320
Insurance	27,749	3,514	-	31,263
Professional fees	21,890	702	120	22,712
Depreciation and amortization	32,026	11,607	-	43,633
Interest	8,797	4,891	-	13,688
Repairs	17,058	6,065	195	23,318
<b>Total</b>	<b>\$ 847,712</b>	<b>\$ 95,104</b>	<b>\$ 2,875</b>	<b>\$ 945,691</b>

	<b>2023</b>			<b>Total</b>
	<b>Healthcare Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	
Salaries and benefits	\$ 441,868	\$ 66,136	\$ 1,791	\$ 509,795
Supplies	190,303	6,191	77	196,571
Other purchased services	42,252	20,765	197	63,214
Insurance	19,587	2,507	-	22,094
Professional fees	21,003	1,446	8	22,457
Depreciation and amortization	31,564	11,671	-	43,235
Interest	8,551	4,704	-	13,255
Repairs	14,746	4,945	199	19,890
<b>Total</b>	<b>\$ 769,874</b>	<b>\$ 118,365</b>	<b>\$ 2,272</b>	<b>\$ 890,511</b>

The accompanying consolidated financial statements report certain expense categories that are attributable to more than one health care service or support function. 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 20. Liquidity and Availability**

As of June 30, 2024 and 2023 , MHS had working capital of approximately \$204,222 and \$187,324, respectively, and average days (based on normal expenditures) cash on hand of 239 and 246, respectively.

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Financial assets available for general expenditure within one year of the consolidated balance sheet date consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 269,820	\$ 261,559
Patient accounts receivable, net	96,788	80,464
Other accounts receivables, net	820	4,734
Short-term investments	1,815	1,778
Current portion of funds held by trustee	<u>5,551</u>	<u>13,427</u>
<b>Total</b>	<b><u>\$ 374,794</u></b>	<b><u>\$ 361,962</u></b>

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

**Note 21. Certain Risks and Uncertainties**

***Regulation And Reimbursement***

MHS provides health care services primarily through an acute care hospital in Baltimore City and a long-term care facility in Baltimore County, Maryland.

MHS and other healthcare providers in Maryland are subject to certain inherent risks, including the following:

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

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

The Medicare and state Medicaid reimbursement programs represent a substantial portion of MHS' revenues and MHS' 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 MHS. Changes in federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on MHS.

The federal government and many states have aggressively increased enforcement under Medicare and Medicaid anti-fraud and abuse laws and physician self-referral laws. Recent federal initiatives have prompted a national review of federally funded health care programs. In addition, the federal government and many states have implemented programs to audit and recover potential overpayments to providers from the Medicare and Medicaid programs. MHS has implemented a compliance program to monitor conformance with applicable laws and regulations, but the possibility of future governmental review and enforcement action exists. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

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As a result of federal health care reform legislation, substantial changes are underway in the U.S. health care delivery system. Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers, and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over the next decade. The known impact of all currently applicable federal health care reform legislation has been accounted for in the consolidated financial statements for the year ended June 30, 2024.

### ***Investments***

MHS and certain of its subsidiaries have funds on deposit with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation.

Certain alternative investments held in the MHS portfolio are exposed to potential risks in excess of the risks associated with the other investments in the MHS portfolio. These include, but are not limited to, the following potential risks:

- limited or no liquidity (including “side pocket” arrangements),
- derivative financial instruments that expose the investment funds to market risk (if the market value of the contract is higher or lower than the contract price at the maturity date) and credit risk (arising from the potential inability of counterparties to perform under the terms of the contracts),
- investment in non-marketable securities that are valued without the benefit of an active secondary market,
- substantially less regulation, and
- no current income production.

## **Note 22. 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 Act of 2006 (UPMIFA) and additional disclosures about an organization’s endowment funds. In 2008, the State of Maryland adopted UPMIFA.

The MHS endowments consist of three individual funds established for a variety of purposes. The endowments include both endowment funds with donor restrictions and funds designated by the board of trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of MHS 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, MHS classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment fund with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, MHS 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 organization and the donor-restricted endowment fund

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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 organization
7. The investment policies of the organization

MHS has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of funds with donor restrictions that must be held in perpetuity.

To satisfy its long-term rate-of-return objectives, MHS 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). MHS targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

At June 30, 2024, the endowment net asset composition by type of fund consisted of the following:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted funds	\$ 635	\$ 2,178	\$ 2,813

At June 30, 2023, the endowment net asset composition by type of fund consisted of the following:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted funds	\$ 449	\$ 2,178	\$ 2,627

Changes in endowment net assets for the fiscal year ended June 30, 2024, consisted of the following:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 449	\$ 2,178	\$ 2,627
Investment return			
Investment gain	186	-	186
Endowment net assets, end of year	<u>\$ 635</u>	<u>\$ 2,178</u>	<u>\$ 2,813</u>



**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
(in thousands)

Changes in endowment net assets for the fiscal year ended June 30, 2023, consisted of the following:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 268	\$ 2,178	\$ 2,446
Investment return			
Investment loss	<u>181</u>	<u>-</u>	<u>181</u>
Endowment net assets, end of year	<u>\$ 449</u>	<u>\$ 2,178</u>	<u>\$ 2,627</u>

**Note 23. Other Long-Term Liabilities**

Other long-term liabilities consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Retirement annuity plan	\$ 1,005	\$ 1,913
Other	<u>2,251</u>	<u>2,370</u>
	<u>\$ 3,256</u>	<u>\$ 4,283</u>

**Note 24. Leases**

MHS 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 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.

Rental expense associated with operating leases was \$7,437 and \$7,638 for the years ended June 30, 2024 and 2023, respectively, which is recorded in the consolidated financial statements as other purchased services. These amounts approximated the cash paid associated with finance leases for the years then ended.

Current operating lease liabilities are included in operating lease liability, current in the accompanying consolidated balance sheets. Noncurrent operating lease liabilities are included in the operating lease liabilities in the accompanying consolidated balance sheets.

**Mercy Health Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
(In thousands)

The following table presents lease-related assets and liabilities at June 30:

	<u>2024</u>	<u>2023</u>
Operating leases		
Right-of-use operating lease assets	\$ 43,713	\$ 40,302
Current operating lease liabilities	\$ 3,841	\$ 4,012
Noncurrent operating lease liabilities	<u>42,275</u>	<u>38,039</u>
Total operating lease liabilities	<u>\$ 46,116</u>	<u>\$ 42,051</u>
Other information		
Right of use assets obtained in exchange for new operating lease liabilities	\$ 5,863	\$ -
Weighted-average remaining lease term – equipment operating leases	1.37 years	2.04 years
Weighted-average remaining lease term – property operating leases	30.33 years	33.14 years
Weighted-average discount rate – operating leases	3.81%	3.81%

The following is a schedule of lease liability maturities related to operating leases with third parties for the years ending June 30:

	<u>Equipment</u>	<u>Property</u>	<u>Total</u>
2025	\$ 706	\$ 3,245	\$ 3,951
2026	208	3,299	3,507
2027	-	3,332	3,332
2028	-	3,388	3,388
2029	-	3,380	3,380
Thereafter	<u>-</u>	<u>66,578</u>	<u>66,578</u>
Total	914	83,222	84,136
Less: interest	<u>(33)</u>	<u>(37,987)</u>	<u>(38,020)</u>
Lease liability	<u>\$ 881</u>	<u>\$ 45,235</u>	<u>\$ 46,116</u>

**Note 25. Subsequent Events**

Management evaluated all events and transactions for potential recognition and disclosure that occurred after June 30, 2024 and through September 11, 2024, the date the consolidated financial statements were issued.

## ***Supplementary Financial Information***

Mercy Health Services, Inc. and Subsidiaries  
Consolidating Balance Sheet Information  
June 30, 2024  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 832	\$ 14,269	\$ 240,988	\$ 13,222	\$ 509	\$ -	\$ 269,820
Short-term investments	-	-	-	1,815	-	-	1,815
Current portion of funds held by trustee	-	-	4,949	602	-	-	5,551
Resident prepayment deposits	-	-	-	1,085	-	-	1,085
Patient accounts receivable, net	-	-	58,100	11,052	27,636	-	96,788
Other amounts receivable, net	534	-	4,543	388	2,179	(6,824)	820
Current pledges receivable, net	-	2,789	-	-	-	-	2,789
Supplies inventory	-	-	10,564	96	2,838	-	13,498
Other current assets	-	64	1,482	95	949	-	2,590
Total current assets	1,366	17,122	320,626	28,355	34,111	(6,824)	394,756
<b>Property and Equipment, Net</b>	-	-	472,672	49,810	25,569	-	548,051
<b>Investments and Other Assets</b>							
Funds held by trustee, less current portion	-	-	-	1,914	-	-	1,914
Board designated and donor restricted investments	29,699	30,414	265,206	25,971	-	-	351,290
Assets held for self-insurance	-	-	173,912	-	-	-	173,912
Long-term pledges receivable, net	-	20,785	46,782	8,759	-	(55,541)	20,785
Investments in and advances to affiliates	18,163	(11,684)	14,443	(7,383)	(4,888)	(3,000)	5,651
Reinsurance receivable	-	-	6,951	6,235	-	(6,235)	6,951
Right of use assets	-	-	29,420	-	14,293	-	43,713
Other assets	138	-	2,490	210	736	-	3,574
Total assets	\$ 49,366	\$ 56,637	\$ 1,332,602	\$ 113,871	\$ 69,821	\$ (71,600)	\$ 1,550,597

Mercy Health Services, Inc. and Subsidiaries  
Consolidating Balance Sheet Information  
June 30, 2024  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current Liabilities</b>							
Current portion of long-term debt	\$ -	\$ -	\$ 12,440	\$ 495	\$ -	\$ -	\$ 12,935
Accounts payable and accrued expenses	517	208	105,789	7,927	35,810	(6,937)	143,314
Advances from third-party payers	-	-	21,716	-	-	-	21,716
Medicare advance contract liability, current	-	-	-	-	-	-	-
Resident prepayment deposits	-	-	406	945	-	-	1,351
Provision for outstanding losses, current	-	-	7,377	295	-	(295)	7,377
Right of use lease liability, current	-	-	2,766	-	1,075	-	3,841
<b>Total current liabilities</b>	<b>517</b>	<b>208</b>	<b>150,494</b>	<b>9,662</b>	<b>36,885</b>	<b>(7,232)</b>	<b>190,534</b>
Long-Term Debt, Less Current Portion	-	-	326,927	19,298	-	-	346,225
Provision for Outstanding Losses, Long-Term	-	-	148,482	5,941	-	(5,940)	148,483
Post-Retirement Obligation	-	-	5,534	-	-	-	5,534
Interest Rate Swap Liabilities	-	-	4,286	-	-	-	4,286
Operating Lease Liabilities	-	-	28,341	-	13,934	-	42,275
Other Long-Term Liabilities	-	-	1,005	-	2,251	-	3,256
<b>Total liabilities</b>	<b>517</b>	<b>208</b>	<b>665,069</b>	<b>34,901</b>	<b>53,070</b>	<b>(13,172)</b>	<b>740,593</b>
<b>Net Assets</b>							
Without donor restrictions	48,849	885	620,556	70,211	14,995	(2,887)	752,609
With donor restrictions	-	55,544	46,877	8,759	1,756	(55,541)	57,395
<b>Total net assets</b>	<b>48,849</b>	<b>56,429</b>	<b>667,433</b>	<b>78,970</b>	<b>16,751</b>	<b>(58,428)</b>	<b>810,004</b>
<b>Total liabilities and net assets</b>	<b>\$ 49,366</b>	<b>\$ 56,637</b>	<b>\$ 1,332,502</b>	<b>\$ 113,871</b>	<b>\$ 69,821</b>	<b>\$ (71,600)</b>	<b>\$ 1,550,597</b>

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidating Balance Sheet Information**  
**June 30, 2023**  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 832	\$ 10,443	\$ 236,705	\$ 12,808	\$ 771	\$ -	\$ 261,559
Short-term investments	-	-	-	1,778	-	-	1,778
Current portion of funds held by trustee	-	-	12,883	544	-	-	13,427
Resident prepayment deposits	-	-	-	797	-	-	797
Patient accounts receivable, net	-	-	50,392	9,341	20,731	-	80,464
Other amounts receivable, net	547	-	6,320	784	3,837	(6,754)	4,734
Current pledges receivable, net	-	2,595	-	-	-	-	2,595
Supplies inventory	-	-	11,753	188	2,926	-	14,867
Other current assets	-	-	2,728	15	792	-	3,535
<b>Total current assets</b>	<b>1,379</b>	<b>13,038</b>	<b>320,781</b>	<b>26,255</b>	<b>29,057</b>	<b>(6,754)</b>	<b>383,756</b>
<b>Property and Equipment, Net</b>	<b>-</b>	<b>-</b>	<b>472,521</b>	<b>49,779</b>	<b>21,199</b>	<b>-</b>	<b>543,499</b>
<b>Investments and Other Assets</b>							
Funds held by trustee, less current portion	-	-	-	1,601	-	-	1,601
Board designated and donor restricted investments	26,979	27,442	240,919	23,593	-	-	318,933
Assets held for self-insurance	-	-	145,191	-	-	-	145,191
Long-term pledges receivable, net	-	21,815	44,231	7,152	-	(51,383)	21,815
Investments in and advances to affiliates	17,627	(9,977)	9,597	(5,164)	(4,519)	(3,000)	4,564
Reinsurance receivable	-	-	6,335	6,235	-	(6,235)	6,335
Right of use assets	-	-	31,830	-	8,472	-	40,302
Other assets	138	-	2,197	178	1,113	-	3,626
<b>Total assets</b>	<b>\$ 46,123</b>	<b>\$ 52,318</b>	<b>\$ 1,273,602</b>	<b>\$ 109,629</b>	<b>\$ 55,322</b>	<b>\$ (67,372)</b>	<b>\$ 1,469,622</b>

Mercy Health Services, Inc. and Subsidiaries  
Consolidating Balance Sheet Information  
June 30, 2023  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt	\$ 26	\$ -	\$ 12,000	\$ 482	\$ -	\$ -	\$ 12,508
Accounts payable and accrued expenses	632	50	111,283	10,103	34,067	(6,867)	149,268
Advances from third-party payers	-	-	22,791	-	-	-	22,791
Resident prepayment deposits	-	-	167	797	-	-	964
Provision for outstanding losses, current	-	-	6,889	308	-	(308)	6,889
Right-of-use lease liability, current	-	-	3,160	-	852	-	4,012
Total current liabilities	658	50	156,290	11,690	34,919	(7,175)	196,432
<b>Long-Term Debt, Less Current Portion</b>							
Provision for Outstanding Losses, Long-Term	12	-	339,903	19,759	-	-	359,674
Post-Retirement Obligation	-	-	132,588	5,928	-	(5,927)	132,589
Interest Rate Swap Liabilities	-	-	5,779	-	-	-	5,779
Operating Lease Liabilities	-	-	6,529	-	-	-	6,529
Other Long-Term Liabilities	-	-	30,001	-	8,038	-	38,039
	-	-	1,913	-	2,370	-	4,283
Total liabilities	670	50	673,003	37,377	45,327	(13,102)	743,325
<b>Net Assets</b>							
Without donor restrictions	45,453	885	556,232	65,100	8,507	(2,887)	673,290
With donor restrictions	-	51,383	44,367	7,152	1,488	(51,383)	53,007
Total net assets	45,453	52,268	600,599	72,252	9,995	(54,270)	726,297
Total liabilities and net assets	\$ 46,123	\$ 52,318	\$ 1,273,602	\$ 109,629	\$ 55,322	\$ (67,372)	\$ 1,469,622

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidating Statement of Operations Information**  
**Year Ended June 30, 2024**  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>Revenues</b>							
Patient service revenue	\$ -	\$ -	\$ 580,880	\$ 71,241	\$ 277,084	\$ -	\$ 929,205
Other operating revenue	4,023	956	43,236	9,566	15,694	(20,949)	52,526
<b>Net Assets Released from Restrictions Used for Operations</b>	-	-	4,474	330	1,011	-	5,815
<b>Total revenues</b>	4,023	956	628,590	81,137	293,789	(20,949)	987,546
<b>Expenses</b>							
Salaries and benefits	3,715	1,971	281,570	53,698	203,911	(8,793)	536,072
Medical and surgical supplies	-	-	77,953	848	2,513	-	81,314
Pharmacy supplies	-	-	24,454	1,600	63,092	-	89,146
Other expendable supplies	2	138	31,860	5,327	1,898	-	39,225
Professional fees	-	120	10,395	5,225	8,682	(1,710)	22,712
Insurance	-	-	23,355	957	6,983	(32)	31,263
Other purchased services	301	181	79,336	5,438	(7,873)	(12,063)	65,320
Interest expense	-	-	12,836	852	-	-	13,688
Repairs	-	195	19,073	1,946	2,104	-	23,318
Depreciation and amortization	-	-	37,290	2,961	3,382	-	43,633
<b>Total expenses</b>	4,018	2,605	598,122	78,852	284,692	(22,598)	945,691
<b>Operating income (loss)</b>	5	(1,649)	30,468	2,285	9,097	1,649	41,855



**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidating Statement of Operations Information**  
**Year Ended June 30, 2024**  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>Other Income (Losses)</b>							
Investment income	\$ 1,101	\$ 1,265	\$ 10,880	\$ 1,155	\$ -	\$ (1,265)	\$ 13,136
Net unrealized gain on investments	1,569	384	17,761	1,650	-	(384)	20,980
Unrealized gain on interest rate swap	-	-	2,243	-	-	-	2,243
Equity earnings in joint ventures	721	-	54	-	-	-	775
Other	-	-	15	52	-	-	67
<b>Net other income (losses) income</b>	<b>3,391</b>	<b>1,649</b>	<b>30,953</b>	<b>2,857</b>	<b>-</b>	<b>(1,649)</b>	<b>37,201</b>
<b>Excess of Revenues Over Expenses</b>	<b>3,396</b>	<b>-</b>	<b>61,421</b>	<b>5,142</b>	<b>9,097</b>	<b>-</b>	<b>79,056</b>
<b>Changes to Pension and Post Retirement Plan Obligations</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>
<b>Transfer of Net Assets</b>	<b>-</b>	<b>-</b>	<b>2,609</b>	<b>-</b>	<b>(2,609)</b>	<b>-</b>	<b>-</b>
<b>Net Assets Released from Restrictions for the Purchase of Property and Equipment</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>(31)</b>	<b>-</b>	<b>-</b>	<b>228</b>
Increase (decrease) in net assets without donor restriction	\$ 3,396	\$ -	\$ 64,324	\$ 5,111	\$ 6,488	\$ -	\$ 79,319

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidating Statement of Operations Information**  
**Year Ended June 30, 2023**  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>Revenues</b>							
Patient service revenue	\$ -	\$ -	\$ 561,312	\$ 63,801	\$ 261,618	\$ -	\$ 886,731
Other operating revenue	4,443	408	39,744	9,656	12,696	(19,879)	47,068
<b>Net Assets Released from Restrictions Used for Operations</b>	-	-	1,423	1,155	898	-	3,476
<b>Total revenues</b>	4,443	408	602,479	74,612	275,212	(19,879)	937,275
<b>Expenses</b>							
Salaries and benefits	4,173	1,791	271,741	49,763	190,956	(8,629)	509,795
Medical and surgical supplies	-	-	73,818	936	2,111	-	76,865
Pharmacy supplies	-	-	22,736	1,340	56,393	-	80,469
Other expendable supplies	-	77	31,753	5,721	1,686	-	39,237
Professional fees	-	8	10,240	4,913	8,965	(1,669)	22,457
Insurance	-	-	14,138	953	7,035	(32)	22,094
Other purchased services	236	193	75,049	5,548	(6,402)	(11,410)	63,214
Interest expense	-	-	12,477	778	-	-	13,255
Repairs	-	199	16,122	1,765	1,804	-	19,890
Depreciation and amortization	-	-	37,266	2,937	3,032	-	43,235
<b>Total expenses</b>	4,409	2,268	565,340	74,654	265,580	(21,740)	890,511
<b>Operating income (loss)</b>	34	(1,860)	37,139	(42)	9,632	1,861	46,764

**Mercy Health Services, Inc. and Subsidiaries**  
**Consolidating Statement of Operations Information**  
**Year Ended June 30, 2023**  
(in thousands)

	Mercy Health Services, Inc.	Mercy Health Foundation, Inc.	Mercy Medical Center, Inc.	Stella Maris, Inc.	Physician Enterprise	Eliminations	Consolidated
<b>Other Income (Losses)</b>							
Investment income	\$ 203	\$ 440	\$ 2,512	\$ 270	\$ -	\$ (440)	\$ 2,985
Net unrealized gain on investments	1,999	1,423	19,271	2,175	-	(1,423)	23,445
Unrealized loss on interest rate swap	-	-	4,872	-	-	-	4,872
Equity earnings in joint ventures	686	-	314	-	-	-	1,000
Other	-	-	(384)	-	-	-	(384)
Net other (losses) income	2,888	1,863	26,585	2,445	-	(1,863)	31,918
<b>(Deficiency) Excess of Revenues (Under) Over Expenses</b>	2,922	3	63,724	2,403	9,632	(2)	78,682
<b>Changes to Pension and Post Retirement Plan Obligations</b>	-	-	966	-	-	-	966
<b>Transfer of Net Assets</b>	-	-	16,020	-	(16,020)	-	-
<b>Federal Grant Funding for the Purchase of Property and Equipment</b>	-	-	251	-	-	-	251
<b>Net Assets Released from Restrictions for the Purchase of Property and Equipment</b>	-	-	(50)	178	-	-	128
(Decrease) increase in net assets without donor restriction	\$ 2,922	\$ 3	\$ 80,911	\$ 2,581	\$ (6,388)	\$ (2)	\$ 80,027